

2023 UNION PACIFIC RAILROAD BUILDING AMERICA REPORT





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Union Pacific CEO Jim Vena

OUR APPROACH TO BUILDING AMERICA RESPONSIBLY

Hello,

I am proud to share our Building America Report with you.

We know our role as the largest freight railroad in North America means caring for our people and the communities depending on us. Inside these pages, you will see how our Safety, Service and Operational Excellence strategy is positioning us to responsibly drive growth.

You will read about our strides in safety for our people and the communities where we operate, reducing year-over-year serious injuries by 15%, our year-over-year reportable derailment rate by 6% and overall track-related derailments by 28% in the last 10 years.

We know when our people develop, so does the environment where we operate and the economies we power. We share details on our culture, training, employee programs and governance.

Railroads are currently the most fuel-efficient way to move freight over land. We continue to make progress toward our climate action goals and have reduced Union Pacific's Scope 1 and 2 greenhouse gas (GHG) emissions by 19% over the past six years. In this report, you will read about how our near-term climate-related activities align with our overall strategy.

You will also read about strides using technology to drive sustainability for the long term, including testing a first-of-its kind hybrid battery-electric locomotive. We will test the first of six units this year.

Our stakeholders are recognizing these and other sustainability accomplishments. We are proud to be the first U.S. Class I railroad named to the Dow Jones Sustainability World Index based on long-term economic, environmental and social criteria.

I am proud of Union Pacific and the work you will read about in the pages ahead.

A handwritten signature in black ink that reads "V. J. Vena".

Jim Vena, CEO



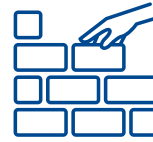
STREAMLINED SUSTAINABILITY REPORT FOSTERS GREATER TRANSPARENCY

This year, we streamlined our sustainability disclosure strategy by consolidating our separate reports (Climate Action Plan, We Are One Report and the Building America Report) into one comprehensive report – the Building America Report. This biennial report covers all relevant sustainability topics, making it easier for stakeholders to access information with even more transparency. A separate Sustainability Data Supplement will be published annually, providing up-to-date data and metrics on our sustainability progress.

At the core of our strategy is a robust corporate governance process and framework supporting our sustainability-related decision-making, accountability and transparency. Our governance structure helps us prioritize the interests of our stakeholders, earning their trust and aligning our actions with their expectations. In the [Corporate Governance](#) section, we highlight our updated sustainability governance structure, implemented in 2023.

Updating our materiality assessment is a key part of our governance; earlier this year we completed an [updated materiality assessment](#) that plays a pivotal role in shaping and guiding our sustainability strategy and reporting. This assessment uses a double materiality approach that helped us identify and prioritize the sustainability topics we have the greatest impact on, both internally and externally.

We strive to serve our customers, enhance shareholder value, invest in our communities and provide promising careers while operating in an ethical manner. We prioritize diversity, inclusivity, innovative technology, clean air and water, and setting and working toward our targets to reduce our carbon footprint. These efforts are encapsulated in our Building a Sustainable Strategy 2030 pillars, at right:



BUILDING RESPONSIBLE FOUNDATIONS

Union Pacific understands the importance of health, safety and well-being, business ethics and conduct, cybersecurity, and risk management and internal control.



INVESTING IN OUR WORKFORCE

At Union Pacific, we are committed to fostering a diverse and inclusive environment that reflects the diverse markets and communities we serve.



DRIVING SUSTAINABLE SOLUTIONS

Rail is the most fuel-efficient way to move freight over land, cutting GHG emissions by up to 75% compared to commercial trucks. Our goal is to capitalize on this advantage and offer customers a more environmentally-friendly form of freight transportation.



CHAMPIONING ENVIRONMENTAL STEWARDSHIP

Union Pacific is committed to working to address the impacts of climate change. We have an updated Science Based target to reduce absolute Scope 1, Scope 2, and Scope 3 categories 1, 2 & 3 GHG emissions 50.4% by 2030 from a 2018 base year.



STRENGTHENING OUR COMMUNITIES

Union Pacific is dedicated to serving and investing in communities, improving the quality of life where our employees live and work. We pride ourselves on being a good corporate citizen and a champion for diverse suppliers.

OUR PROGRESS

In the following sections, we provide a comprehensive update on each of our material topics. The use of “material” when referring to sustainability topics is intended to denote the most important issues from our sustainability materiality assessment, which is a different standard than the one used in our financial disclosures. Before delving into these topics, we want to highlight our progress toward our targets and goals.

		GOAL	2023 PROGRESS
BUILDING RESPONSIBLE FOUNDATIONS	EMPLOYEE SAFETY	Every employee goes home safe every day	<ul style="list-style-type: none"> In 2023, Union Pacific had zero work-related fatalities while reducing year-over-year serious injuries by 15%. Our reportable personal injury rate (employee injuries) increased 4% vs. 2022.
	DERAILMENT PREVENTION	Reduce the incidence of derailments	<ul style="list-style-type: none"> Union Pacific's reportable derailment rate declined 6% vs. 2022. Over the past 10 years, track-related derailments have declined 28%.
INVESTING IN OUR WORKFORCE	DIVERSITY & INCLUSION	11% women representation by 2030	<ul style="list-style-type: none"> 2023 progress in this area was flat year over year.
		40% minority representation by 2030	<ul style="list-style-type: none"> During 2023 increased by one percentage point vs. 2022 to 34% of total workforce population.
DRIVING SUSTAINABLE SOLUTIONS	OPERATIONAL EXCELLENCE	Service Performance Index (SPI)	<ul style="list-style-type: none"> We are implementing this new performance metric during 2024. SPI is a ratio of the service customers are currently receiving relative to the best monthly performance over the last three years. Measuring our performance relative to a historical benchmark demonstrates our focus on continuously improving service for our customers, and we believe it is a better indicator of service performance than the previously disclosed Trip Plan Compliance. SPI does not replace the service commitments we have contractually agreed to with a small number of customers. Our SPI is calculated for intermodal and manifest/automotive products.
CHAMPIONING ENVIRONMENTAL STEWARDSHIP	GREENHOUSE GAS (GHG) EMISSIONS	50.4% Scope 1 and 2 absolute reduction by 2030 based on 2018 baseline*	<ul style="list-style-type: none"> In 2023, we reduced our absolute GHG emissions for Scope 1 and 2 by 0.8% vs. 2022. Cumulatively, our emissions have experienced a 19.1% reduction vs. our 2018 baseline.
		50.4% Scope 3 absolute reduction for purchased goods and services, capital goods, and fuel- and energy-related activities by 2030 based on 2018 baseline*	<ul style="list-style-type: none"> In 2023, we reduced our absolute GHG emissions for the target Scope 3 categories by 0.8% vs. 2022. Cumulatively, our Scope 3 target categories' total GHG emissions have experienced a 12.1% absolute reduction vs. our 2018 baseline, including a 21.9% cumulative absolute reduction in Scope 3 fuel- and energy-related activities.
	RENEWABLE FUELS	10% biofuels utilization by 2025 20% biofuels utilization by 2030	<ul style="list-style-type: none"> Our full-year average utilization of biofuels in 2023 increased to 6.1%, vs. 4.5% in 2022.
STRENGTHENING OUR COMMUNITIES	COMMUNITY BUILDING	Increasing year-over-year spend with diverse suppliers to reach \$850M	<ul style="list-style-type: none"> During 2023, we increased the number of our diverse suppliers by 6%, and increased our total procurement spend with diverse suppliers to \$828 million, a 2% increase.
		100% of local community grants to DEI-aligned organizations	<ul style="list-style-type: none"> In 2023, 100% of local community grants went to local organizations that advance the interests of and/or serve an underrepresented or underserved population, or the organization is taking actions to instill DEI internally and/or within its programs.

*In January 2024, the Science-Based Targets Initiatives (SBTi) approved this updated 2030 near-term decarbonization target for Union Pacific. Union Pacific's prior target, approved in 2021, consisted of a 26% absolute reduction in Scope 1 and 2 GHG emissions and GHG emissions on a well-to-wheel basis from locomotive operations.

OUR TEAMS AND PROGRAMS WIN AWARDS FOR SUSTAINABILITY AND EQUITY

“We are proud of the awards we’ve achieved for our commitment to sustainability, diversity, equity and inclusion,” said Union Pacific President Beth Whited. “They are a testament to our focus on this critical work over several years.”



Union Pacific earned a spot on the **Noteworthy List of the 2023 Top 50 Companies for Diversity** compiled by DiversityInc. Union Pacific also landed a spot on **DiversityInc Top 50 list for talent acquisition for women of color.**



Union Pacific was selected as a member of both the **Dow Jones Sustainability Index (DJSI)** North America and World for the first time, underscoring its sustainable leadership and continued steps to achieve its ambitious environmental commitments.



Disability:IN recognized Union Pacific as a **Best Place to Work for Disability Inclusion** in 2023.



Union Pacific earned a spot on **Fortune Magazine's World's Most Admired Companies** and was the **highest ranked railroad** in the Trucking, Transportation and Logistics category.



Union Pacific earned a spot on the **America's Most Just Companies List** and was named an Industry Leader by Just Capital.



For the seventh year in a row, Union Pacific was identified as a **Trendsetter in the 2023 CPA-Zicklin Index** compiled by the Center for Political Accountability.



Union Pacific earned top marks – and a top spot – on the **Human Rights Campaign's Best Places to Work list for LGBTQ+ Equality.**



Union Pacific ranked 3rd among the **Top 50 Inspiring Workplaces in North America.**

Visit our [Awards & Accolades](#) webpage for the full list.



SUSTAINABLE GOVERNANCE PRACTICES REINFORCE RESPONSIBLE DECISION-MAKING

Strong corporate governance practices play an important role in promoting responsible and ethical business practices that prioritize the long-term well-being of the company, society and environment. They help establish transparency, accountability and strategic decision-making that aligns with sustainability considerations and, ultimately, creates value for all stakeholders.

To oversee and guide the appropriate management of sustainability, we established the following governance structure:

SUSTAINABILITY-RELATED CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Both directly and through its committees, provides oversight on sustainability-related issues, including the integration of sustainable practices into the company's strategies, policies, and decision-making processes.

<p>GOVERNANCE, NOMINATING & SUSTAINABILITY COMMITTEE</p> <p>Responsible for reviewing current developments in sustainability and recommending practices, policies, and procedures.</p>	<p>AUDIT COMMITTEE</p> <p>Primarily responsible for oversight of risks and controls, including considering and addressing sustainability and climate-related risks.</p>	<p>FINANCE COMMITTEE</p> <p>Monitors the company's financial policies and financial condition, including review of plans, programs and initiatives related to sustainability and climate change.</p>	<p>COMPENSATION & BENEFITS COMMITTEE</p> <p>Provides oversight on human capital strategies including diversity programs, recruitment, development and retention of employees, and employee effectiveness and engagement.</p>	<p>SAFETY & SERVICE QUALITY COMMITTEE</p> <p>Reviews and provides oversight of the safety programs and practices within the operations of the company.</p>
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EXECUTIVE LEADERSHIP

The President of Union Pacific, who reports to the CEO, holds direct responsibility for sustainability-related issues. Reporting to the President is the AVP of Strategy and Sustainability who is responsible for developing and implementing UP's sustainability strategy.

SUSTAINABILITY STEERING COMMITTEE

Senior leaders from Law, Finance, Marketing and Sales, Operations, Supply Chain, Environmental Management, Corporate Relations, Investor Relations, and Workforce Resources meet quarterly to drive decision-making, accountability and ownership of specific initiatives.

SUSTAINABILITY MANAGEMENT

Employees with sustainability-related functions are responsible for managing the day-to-day sustainability work and implementing initiatives across various departments, monitoring progress, and driving continuous improvement.

Sustainability Tied to Executive and Management Compensation

To advance our sustainability governance efforts, we continue to evolve sustainability-related Key Performance Indicators (KPIs) in our executive and management compensation scorecards. For 2023, a portion of executives' target annual incentive cash bonuses were based on a shared set of our company goals in key areas linked to sustainability, including safety, customer service, trip plan compliance, employee engagement and renewable fuel blend utilization. For more information, see our [2024 Proxy statement](#).

Business unit managers support and implement strategies to progress our sustainability strategies, including improving employee and public safety results, reducing our locomotive fuel consumption rate via operational excellence and technology initiatives, and increasing employee engagement and renewable fuel blend utilization. Achievements in these areas are factors in the annual performance appraisals of business unit managers and impact their incentive bonus compensation.

UNION PACIFIC UPDATES GOVERNANCE STRUCTURE

In 2023, Union Pacific announced the appointment of Jim Vena as Chief Executive Officer and board member. We also announced Beth Whited as President, and Mike McCarthy as Chairman of the Board. Prior to these announcements, the roles of CEO, President and Chairman of the Board were held by one individual.

UPDATED MATERIALITY ASSESSMENT REFLECTS STAKEHOLDER PERSPECTIVES

Materiality assessments are important tools guiding companies on their sustainability journeys. By identifying the most significant issues, companies can focus resources on areas with the greatest impact on sustainability performance, value creation and risk mitigation. This year, we enhanced our materiality approach by adopting a double materiality process that considered accepted sustainability standards and guidelines. We analyzed potential topics, considering their impact on both our financial performance and their potential effects on people, the economy and the environment.

Our process included reviewing our 2021 materiality assessment topics, examining trending industry issues and surveying key sustainability frameworks. After narrowing the list to topics relevant to our business, we engaged internal and external stakeholders through an online survey to understand their perspectives on how each topic could positively or negatively impact our business results, people, the economy and the environment. Participants included our senior executive leadership team, employees at all levels of the company, including members of our unionized workforce, and representative customers, suppliers, trade associations and community organizations.

We analyzed results to incorporate all views and reviewed for further refinement with our senior executive leadership team, who approved this updated assessment.

Materiality Matrix Update: Evolving Our Sustainability Strategy

These insights inform our evolving sustainability strategy. While all topics were rated as having some level of significance by our stakeholders, the assessment exercise highlighted the importance of Operational Excellence, Infrastructure Investment & Protection, Cybersecurity, Governmental Regulations and Resource Planning as “very significant” material topics.

Our updated assessment resulted in four new material topics: Operational Excellence, Governmental Regulations, Resource Planning and Disruptive Technology. We also combined three material topics from our 2021 assessment – Emissions, Energy Use and Climate Change – into one topic titled “Climate Change” and redefined the Waste Management & Recycling topic more broadly, titling it “Environmental Management.”

Similar to last year’s [Building America Report](#), we grouped our material topics under the five pillars of our Building a Sustainable Future 2030 Strategy.

The y-axis depicts the issues scored by stakeholders as having the greatest long-term impact on people, the economy and the environment. The x-axis depicts the issues scored as having the greatest long-term impact on our future financial success. We anticipate refreshing this assessment periodically to monitor the evolution of the topics most important to our business.



UNION PACIFIC MATERIALITY MATRIX

BUILDING RESPONSIBLE FOUNDATIONS

- Health, Safety & Well-Being
- Governmental Regulations*
- Business Ethics & Conduct
- Cybersecurity
- Risk Management & Internal Control

INVESTING IN OUR WORKPLACE

- Human & Labor Rights
- Employment Practices & EE Development
- Diversity, Equity & Inclusion

DRIVING SUSTAINABLE SOLUTIONS

- Operational Excellence*
- Infrastructure Investment & Protection
- Resource Planning*
- Disruptive Technology*
- Responsible Sourcing

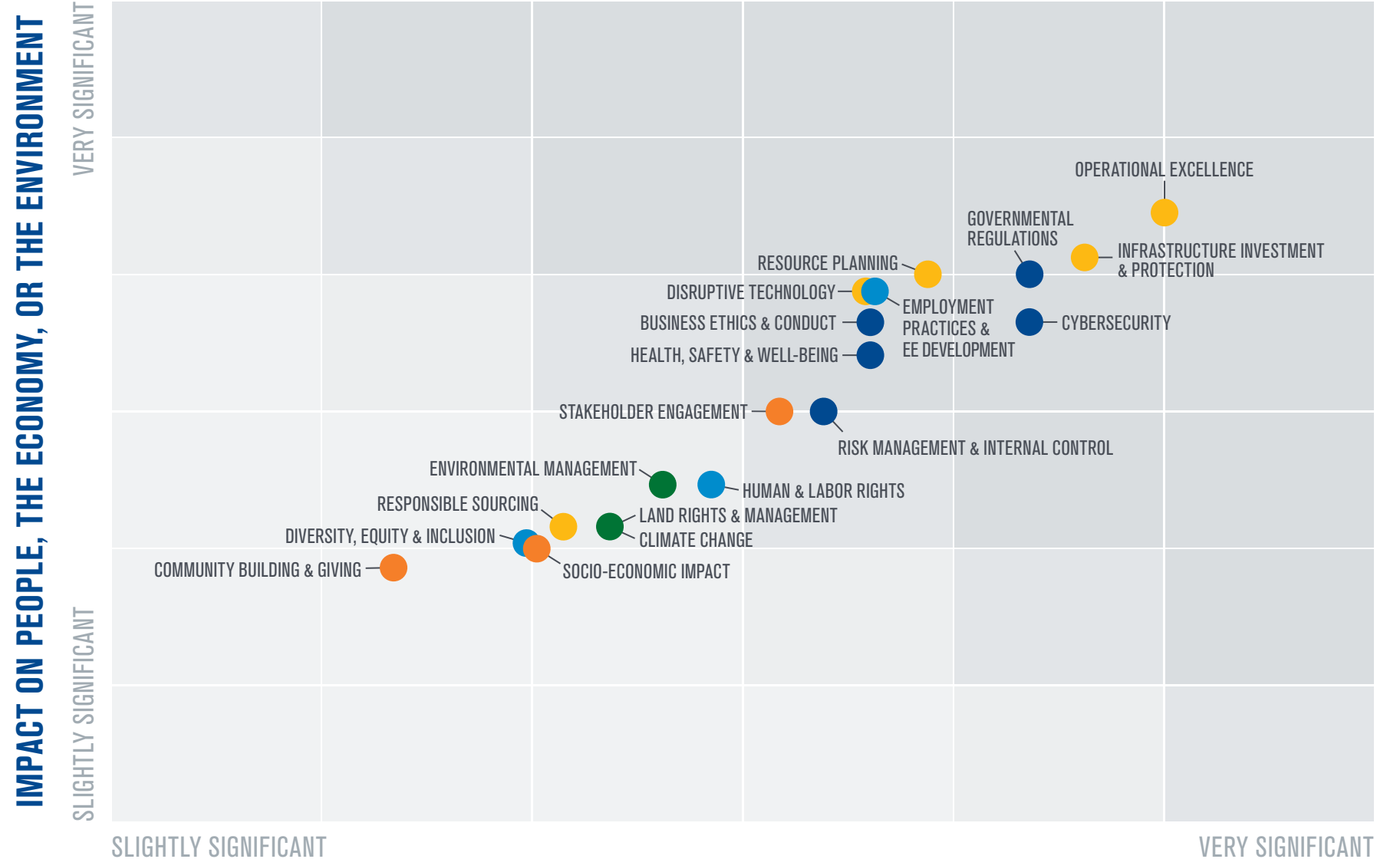
CHAMPIONING ENVIRONMENTAL STEWARDSHIP

- Environmental Management
- Climate Change
- Land Rights & Management

STRENGTHENING OUR COMMUNITIES

- Stakeholder Engagement
- Community Building & Giving
- Socio-Economic Impact

*New Topic for 2024



IMPACT ON UNION PACIFIC'S FUTURE FINANCIAL SUCCESS

BUILDING RESPONSIBLE FOUNDATIONS



HEALTH, SAFETY & WELL-BEING

Ingraining an effective safety culture across all elements of our operations to protect our workforce and our communities.

Our Journey to World-Class Safety

Every day, our employees work with large, heavy equipment to move products and materials across 23 states with gateways connecting the continent. This is why improving our safety performance has a real-world, positive impact on our employees, customers and communities. With world-class safety, employees go home every day, customers receive better service with fewer delays and communities avoid the negative impacts of accidents and derailments. Safety is the first and most important part of our strategy: Safety, Service and Operational Excellence = Growth.

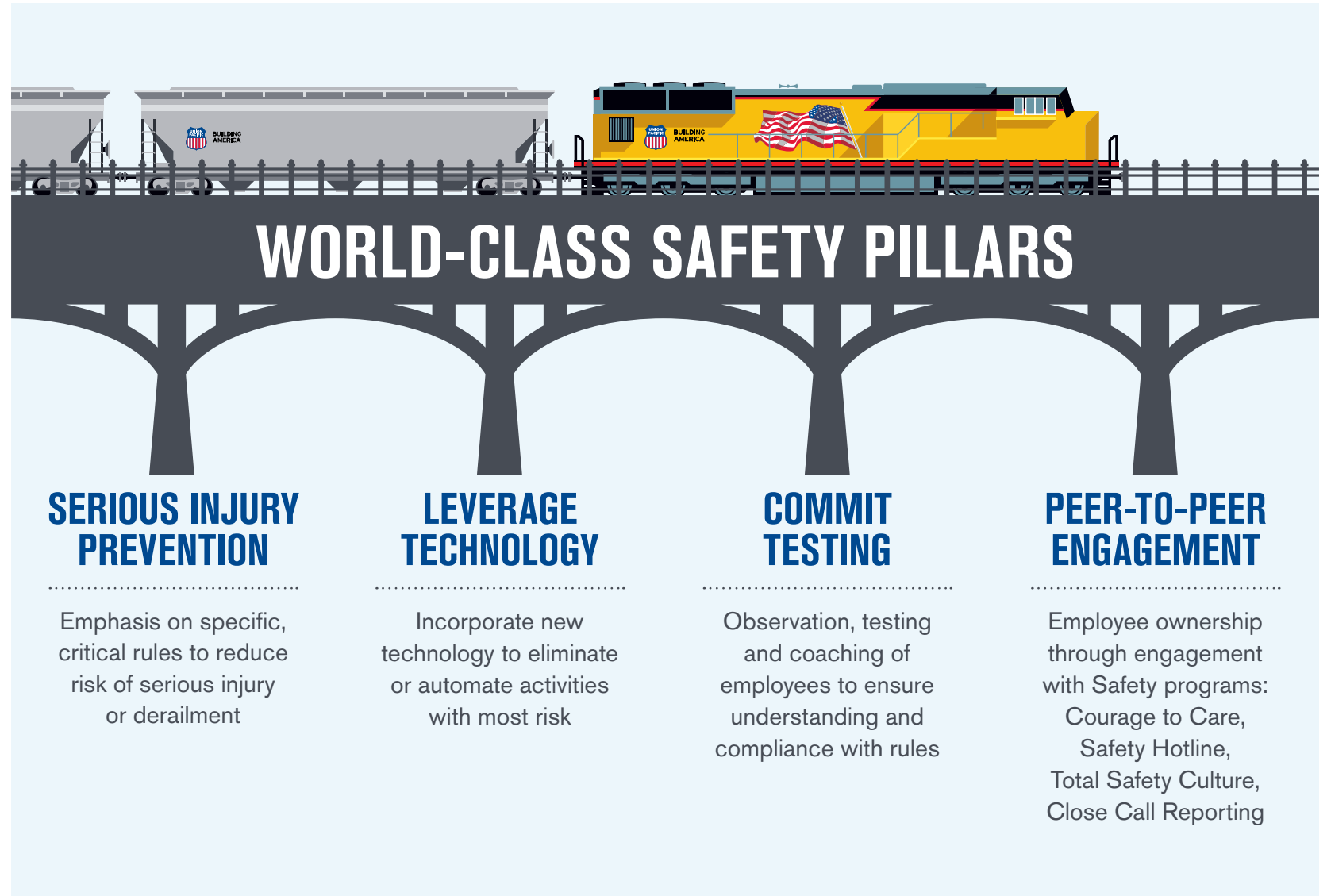
Our goal is to become the best at safety in our industry. We are investing in our people, changing our culture, continuing to improve our infrastructure and equipment, and using technology to propel these efforts.

In 2023, we continued to make significant progress toward our safety goals:

- Our ultimate goal is for every employee to return home safely – we had zero work-related fatalities in 2023.
- We reduced year-over-year serious injuries by 15%.
- Our reportable derailment rate declined 6% vs. 2022. Over the past 10 years, track-related derailments have declined 28%.

While these results are significant and show progress, we have more work to do.

We are investing in a safety culture where employees are empowered to speak up if they see something unsafe, to stop a process or activity if they have concern and to look out for one another. We work relentlessly to drive activities and encourage peer-to-peer and manager-employee interactions that reinforce safety as our No. 1 priority.

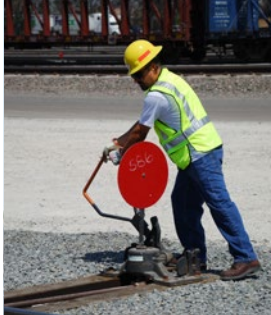


'GO HOME SAFE' COMES FIRST IN OUR SAFETY STRATEGY

Six Choices Make the Difference for Our Transportation Team



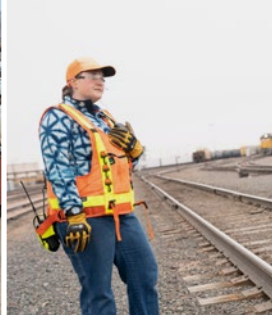
1
**RIDING
RAILROAD
EQUIPMENT**



2
**LINING THE
TRACK WITH
SWITCHES &
DERAILS**



3
**LEAVING RAIL
EQUIPMENT
IN THE CLEAR**



4
**PROTECTING
SHOVES**



5
**SECURING
EQUIPMENT**



6
**MAINTAINING
SUFFICIENT
DISTANCE**

Over the past two decades, we have made significant improvements in reducing the overall annual rate of employee personal injuries. However, over the same period, the number of serious life-altering injuries and fatalities have stayed at the same rate.

In 2023, we researched thousands of safety incidents to refresh our safety strategy. Approximately one-third of industry-reported railroad injuries and incidents are related to choices individuals make on or near railroad equipment, affecting their personal safety, the safety of their colleagues and the communities we serve. We rolled out new policies and training to help employees prevent these potentially life-threatening behaviors.

We are cultivating a safety-focused mindset within teams by emphasizing safe choices and critical Operating Rules through enhanced training and education, including The Journey to World-Class Safety training sessions launched in 2024. The program includes face-to-face coaching and engagement.

COMMAND CENTER PROVIDES 24/7 EMPLOYEE SAFETY RESOURCE

Our Operating Practices Command Center (OPCC) serves as a 24/7 employee resource for accurate and consistent information on rules and regulations, helping to comply with safety protocols and standards. The OPCC utilizes advanced technology to proactively analyze unintended train stops, conduct engineer recertifications and fulfill annual training requirements for all employees.



Next-Level Safety Through Technology, Infrastructure Investments

Along with cultural initiatives, we are also investing in technology, equipping us with information to assess risk, improving our operations and making us safer.

Our robust network of more than 7,000 wayside detection devices monitors the condition of freight cars and locomotives in real time, generating 16 million data points daily to help us proactively identify risks. When a wayside detector flags a potential issue, a dedicated centralized team uses specialized software to determine how to safely address the issue. Based on the severity of the alert, the appropriate risk-based response is taken. In cases where thresholds are reached for critical alarms, the train crew and dispatchers are immediately and directly notified by the wayside detector so the train can be stopped for inspection or repair. Strategic use of wayside detectors improves proactive risk identification and enhances repair capabilities.

Innovation is critical in determining how we build trains and the routes we traverse. We leverage a tool called Precision Train Builder, which simulates and replicates the forces trains experience based on the terrain they travel. We use that data to improve the way we build and connect trains.

Our front-line employees use mobile devices that put critical information at their fingertips. These tools include visualization capabilities enabling them to see the condition of tracks, locomotives and rail cars in real time. Some features help them prioritize important tasks and even give the ability to throw switches and protect tracks. Infusing technology into highly manual processes reduces physical risks and helps our workforce.

HARNESSING TECHNOLOGY TO MAKE SAFETY STRIDES

AUTONOMOUS GEOMETRY SYSTEMS

We utilize autonomous systems on locomotives and custom-developed boxcars to increase track inspection. The fleet includes 10 locomotives and three boxcar systems, which travel over 480,000 miles annually.

AUTOMATED TIE RATING

By using autonomous systems, we enhance inspection speed and consistency, reducing manual tie inspections. More than 6,000 miles of our network were inspected using these trucks in 2023.

RAIL REPLACEMENT ALGORITHMS

Complex algorithms analyze data from rail, geometry and human inspections to identify locations in need of maintenance or rail replacement. This proactive approach replaces rail at the correct time, reducing unforeseen degradation or failures.



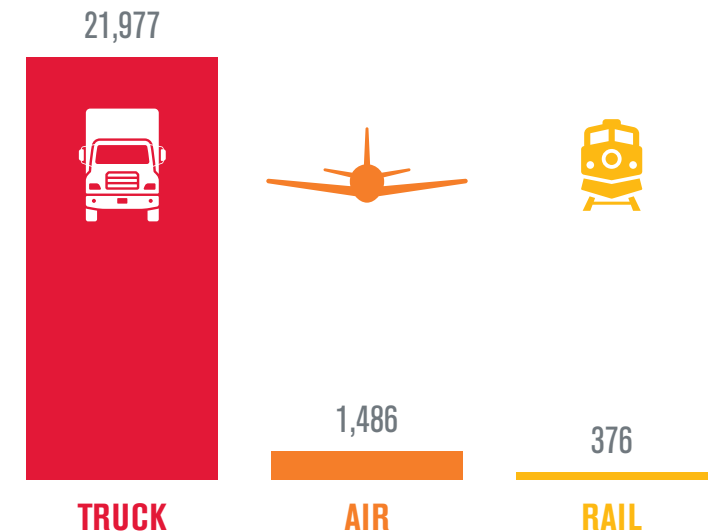
Custom-developed boxcars aid track inspection.

Safely Transporting Chemicals Starts with Prevention, Preparedness

Hazardous materials are used in the production of everyday essential items such as fuels, cleaners, plastics, medications and pesticides. They also are crucial for providing access to safe drinking water. Federal law requires common carriers to transport hazardous materials. Railroads transport about 40% of the hazardous materials used in the U.S. Between 2018 and 2023, railroads experienced significantly fewer incidents and injuries related to hazardous materials compared to other transportation modes.

INCIDENTS INVOLVING HAZARDOUS MATERIALS*

Annual Average By Mode, 2018-2022



Source: * US Bureau of Transportation Statistics, Table 2-6: Hazardous Materials Fatalities, Injuries, Accidents, and Property Damage Data; US DOT Federal Railroad Administration, "Hazardous Materials Transportation," Last updated March 6, 2024

Safely transporting hazardous materials is a priority for all employees. Our train crews are trained to handle hazardous materials safely and carry proper instructions when transporting such materials. We collaborate with contractors, customers and government regulators to inspect, report and address issues identified during inspections. If recurring issues are identified with a shipper, our hazmat team provides on-site training to assist the shipper in following best practices.



COMMITTED TO A SAFE CHEMICAL SUPPLY CHAIN

We were recertified as a member of the American Chemistry Council's (ACC) Responsible Care Management System (RCMS) in February 2023. This reaffirms our dedication to safely transporting customers' chemical commodities using industry-best safety practices. As a Responsible Care Partner, we adhere to the same standards as our ACC customers, allowing us to collaborate and develop safe and efficient supply chain solutions.

We Trained 6,400 First Responders in 2023

In every community, first responders are the first line of defense and valued partners. Preparation is critical for a quick response, and we work with emergency response personnel to implement preparedness tools and approaches, including sharing best practices and practicing drills together.

Last year, we trained more than 6,400 first responders in communities across our network in partnership with TRANSCAER, an outreach program supporting Transportation Community Awareness Emergency Response. We also participated in six large-scale drills. Our first responder training includes classroom and hands-on learning activities using real-world scenarios, such as how to contact us during an emergency, how to read shipping documentation, and safety considerations for hazardous materials.

We take our hazmat responsibilities seriously and work closely with communities affected by incidents. We maintain transparency and collaborate with relevant parties to mitigate environmental impacts.



Employees instruct firefighters during a three-day hazmat training exercise.

Fortifying Safety: Engaging with Contractors and the Public

We Expect Contractors to Work Safely

We require contractors to follow the same safety rules as our employees. These include, but are not limited to, requirements related to work gear, equipment, safety conduct, reporting, and prohibitions against weapons, drugs and alcohol, and fires.

We expect contractors to comply with safety regulations, including Union Pacific standards, as well as those set by the Occupational Safety and Health Administration (OSHA), Federal Railroad Administration (FRA) and the Federal Motor Carrier Safety Administration (FMCSA). We require any instances of personal injury or occupational illness occurring on duty or on company property to be promptly reported to the relevant manager.

We completed integration with a third-party solution provider with expertise in contractor safety data collection and benchmarking. We are working with our third-party provider to integrate eRailSafe compliance – the industry standard for contractor safety and security management – into our trend analysis and compliance tracking during the first quarter of 2024.

Promoting Rail Safety with Education, Partnerships and Community Engagement

Our Crossing Accident Reduction Education and Safety (UP CARES) program works to reduce highway-train accidents through rail safety education among drivers and pedestrians. UP CARES events are often staffed by local employee volunteers, who make safety presentations to community organizations at no charge. During 2023, over 120 employee volunteers delivered more than 160 rail safety presentations to more than 30,000 pedestrians, motorists, professional truck drivers and first responders.

UP CARES partners with state and local police to encourage safe behavior at railroad crossings. Law enforcement officers in locomotives observe motorist behavior and dispatch nearby officers when activated crossing signals are ignored. Drivers are reminded to follow rail-related traffic laws, and citations may be issued for severe infractions. Pedestrians disregarding rail safety laws are also contacted.

GOVERNMENTAL REGULATIONS

Engaging regulators and other governmental bodies to promote balance between federal, state and local governments.

Working with Regulators and Policymakers at All Levels

The decisions of federal, state and local governments affect us daily. Government policies, including proposed legislation and regulations, impact our business, which can affect our employees, customers, shareholders and the communities where we operate. We believe it is necessary to actively participate in the policy-making process.

We are subject to governmental regulation by many federal, state, and local authorities covering various health, safety, labor, environmental, tax and other matters. We take our role seriously as a good corporate citizen and fully comply with all federal, state and local requirements.

Regulatory uncertainty is among our top risks and remains a focus area. We continue to proactively monitor regulatory and legislative developments, and assess the potential impacts on our operations, competitive position and access to capital. We work with policymakers at all levels of government on proposed policies that facilitate our goals and mitigate threats to our ability to compete and maintain safe and efficient operations.



BUSINESS ETHICS & CONDUCT

Upholding the highest legal and ethical standards through strong values, transparent governance practices, and effective policies and processes.

Building America With Integrity

Our successful operations are critical to the nation's economy, but HOW we conduct our business is just as important. Our commitment to high ethical standards and fostering a culture of compliance sets the tone for our Ethics, Risk and Compliance program. There is a direct intersection between our people and our company's values, creating a foundation for success.

It all starts with The How Matters, our policy on ethics and business conduct serving as our roadmap for ethical behavior. Every employee is required to complete annual The How Matters training, including new employees trained in-person. Additional training highlights situations most relevant to their daily work. To enhance our compliance with federal or certain state and local laws, some employees take additional training on specific ethics issues, such as sexual harassment, anti-bribery and anti-corruption. In 2023, 96% of employees completed ethics training.

Training is only one touchpoint; our approach also includes transparent communications. Our Annual Values Line Report summarizes key statistics from our employee hotline and provides education on the reporting and investigation process while emphasizing zero tolerance for retaliation. Additionally, we communicate with our employees via Compliance Connections and field newsletters – materials that anonymously detail real-life scenarios of misconduct or policy violations and the resulting discipline. Information Television messaging reinforces expectations on conducting business and making decisions in accordance with ethical standards, laws, regulations and policies. Our Risk and Compliance internal website provides resources for employees seeking clarification or assistance with escalating concerns. These efforts help build a culture of trust and transparency, empowering employees to 'do the right thing' and report possible ethical concerns or policy violations.



“Every individual at Union Pacific has the responsibility to speak up with confidence and confidentiality when needed – without fear of retaliation,” said CEO Jim Vena. “It is up to each one of us to protect the UP shield, to represent everything it stands for and everyone it serves.”

Upholding Transparent Reporting Through Our Values Line

Speaking up is fundamental to nurturing a healthy company culture. Employees are encouraged to report ethics, policy or compliance violations. Employees have several avenues to raise concerns and are obligated to call our Values Line or the Equal Employment Opportunity (EEO) hotline to report policy violations.

Ethical violations can be reported in confidence and without fear of retaliation. Our Non-Retaliation Policy prohibits retaliation against any employee who in good faith reports violations of our policies, government regulations or laws.

We are committed to protecting the integrity and privacy of the reporting party and process – all calls made to the Values Line, EEO Hotline and reports submitted online are received by NAVEX, an independent third-party vendor. NAVEX representatives are available 24/7, 365 days a year to document the details related to each allegation; Union Pacific conducts the investigation.

Each report is confidential and handled with care. Employees can anonymously report allegations via the hotline or online. In 2023, 35% of allegations were anonymously reported; these reports are important and may be the first indication that an issue requires investigation.

We take every allegation seriously. After an investigation, the investigator will make a final determination based on the findings. A substantiated report may result in discipline up to and including termination depending upon the severity of the incident or violation.

The Values Line received 1,293 reports in 2023, including concerns focused on Workplace Respect (47%), Equal Employment Opportunity (21%) and Business Integrity (10%). The substantiation rate was 26% – with outcomes such as coaching, education and disciplinary action, including termination. Values Line information is reviewed with the Audit Committee and CEO quarterly.

We continuously review our ethics programs and policies, utilizing the guidelines for effective ethics and compliance programs, detailed in the Department of Justice’s U.S Sentencing Commission Guidelines Manual. The How Matters policy is reviewed and updated annually. Policy changes are then reviewed by our senior leadership team and presented to the Audit Committee and Board of Directors for approval before being communicated to all employees.



COMPLIANCE – BY THE NUMBERS	2022	2023
% of Employees Completing The How Matters Ethics Training	99%	96%
% of Required Employees Reporting Whether or not They Had a Conflict of Interest ¹	100%	100%
% of Required Employees Reporting Whether or not They Made Gifts or Payments to Public Officials Disclosure ¹	100%	100%
% of Required Employees Completing Sexual Harassment Training ²	99%	99%
% of Required Employees Completing Foreign and Corrupt Practices Act Training (FCPA) ³	84%	89%
% of Required Employees Completing Anti-Trust Training ³	98%	100%
Number of Internally Published Compliance Connections	12	14
Number of Confirmed Corruption Incidents	0	0

1 – Required for management and American Railway and Airway Supervisors Association (ARASA) employees.

2 – Required for specific locations, not entire employee population (CA, NY, IL).

3 – Required for certain management employees only.

In addition to *The How Matters*, companywide policies guide us to act in a sustainable manner:

- [Commitment to Health & Safety](#)
- [Policy on Human Rights](#)
- [Website Privacy Policy](#)
- [Website Security Policy](#)
- [Environmental Policy](#)
- [Sustainable Procurement Policy](#)
- [Supplier Code of Conduct](#)

CYBERSECURITY

Protecting and preserving company and customer information by embedding effective data privacy and information security practices and complying with relevant rules and regulations.

Diligently Protecting and Securing Information

Our customers expect us to have resilient and reliable systems and should feel safe when using our online tools. Our suppliers must know they have a partner that will protect their data, and our employees need to know their personal information is secure. On our most recent materiality assessment, respondents ranked cybersecurity as one of the top five issues of concern to stakeholders. To date, we have not experienced any material disruption of our operations due to a cyber incident.

Based on guidance from the Transportation Security Administration (TSA) starting Jan. 1, 2022, we have been obligated to report cyber incidents to the Cybersecurity and Infrastructure Security Agency (CISA). Additionally, we appointed cybersecurity coordinators, conducted a self-assessment of our cyber vulnerabilities and implemented a plan to respond to cyber incidents. We are awaiting approval of our security plan before establishing a cybersecurity assessment plan. This plan will describe how the company proactively and regularly evaluates the effectiveness of our cybersecurity measures, and identifies and addresses any weaknesses in our devices, networks and systems.

We make significant investments in cybersecurity technologies to protect our operations. We implemented processes for adequate protection and have measures in place to detect, delay and quickly respond to intrusions. We understand preventing all cyber incidents may not be possible, so we created robust incident response programs to quickly address breaches.

Data Security Team Leads Robust Strategy

Our internal information security organization, led by our Executive Vice President and Chief Information Officer as well as the Assistant Vice President and Chief Information Security Officer, is responsible for coordinating the company's electronic information security systems, including prevention, detection, mitigation, and remediation of cybersecurity incidents. This organization is also responsible for implementing, monitoring, and maintaining our enterprise-wide security strategy, standards, architecture, policies, and processes.

Like many organizations our size, we are continuously probed by cyberattacks from around the world. In 2023, our network was probed 942 billion times, none of which resulted in a material data breach.

The Railway Alert Network is the industry's intelligence and security information center. Each day, its staff reviews intelligence and related security information to produce analyses of terrorist tactics, malicious cyber activity, rail-related threats and incidents, and suspicious activity. We use these materials in our security awareness communications and to identify threats.

Extensive incident response, disaster recovery and business resumption plans are in place and tested annually, allowing the computing environment to withstand a wide range of scenarios.

Employee Training Is Vital

We require annual training on data security policies and procedures for all employees. Employees are required to work to protect our business information and computer systems against unauthorized use, including unauthorized personal use. We block hundreds of millions of unwanted emails each year, some of which attempt to gain access to company or private information. Employees are regularly tested and coached on how to identify phishing attacks and avoid being victimized. They are also required to report suspicious activity through our Response Management Communications Center.





SAFEGUARDING INFORMATION PRIVACY

We are committed to maintaining our website users' confidence and trust. In general, anyone can visit our website without telling us who they are or revealing personal information; however, customers and other users can choose to participate in additional secured applications. At times, additional information is necessary to complete business transactions, enhance our services, better meet the needs and preferences of our customers and other visitors, and enhance the security of our online and digital properties. In 2023, there were zero substantiated complaints concerning breaches of our customers' privacy.

LEVERAGING TECHNOLOGY TO PROTECT OPERATIONS

We implemented an industry-leading quantitative cybersecurity risk management process to protect our operations.

SOME HIGHLIGHTS:

We enforce strict network access control and actively manage both hardware and software to allow only access to authorized devices and prevent the installation and execution of malicious software.

We limit the number of people with administrative access privileges and have training and accountability processes to track and enable the correct use of these privileges for computers, networks and applications.

We control the installation, spread and execution of malicious code at multiple points in the enterprise while optimizing the use of automation to enable rapid updating of defense, data gathering and corrective action.

We have processes to prevent data exfiltration and protect the privacy and integrity of sensitive information.

We are engaged with third-party cloud security firms to help assess and implement secure cloud-hosting solutions to provide new opportunities for our business partners.

Security Champions within each of our Tech and Applications teams are provided opportunities to upskill in application security, which they use to drive the secure design, creation and implementation of applications within their groups.

Management employees utilize physical security keys for computer hardware access, instead of passwords. Craft professionals currently require a token to remotely access our network.

RISK MANAGEMENT & INTERNAL CONTROL

Embedding strong risk management and internal control processes to protect the company from risks.

Charting the Course: Our Integrated Approach to Managing Enterprise Risks

Our Board of Directors oversees the assessment and management of critical enterprise risks. Management identifies and prioritizes enterprise risks and reviews them with the Board at least once a year to answer questions and obtain input related to mitigation strategies and categories of risk. Our enterprise risk management process is dynamic, regularly monitored and assessed so we can promptly identify and address potential risks in the ever-changing economic, political, legal and technology threat environment.

The Board delegates to the Audit Committee primary responsibility for oversight of risks related to financial and operational controls as well as compliance, regulatory, sustainability, climate and cyber risks.

The Chief Accounting, Risk and Compliance Officer, reporting to the Chief Financial Officer, is responsible for our enterprise risk management, ethics and compliance program and regularly meets with the Audit Committee. The Audit Committee receives reports throughout the year from the Chief Accounting, Risk and Compliance Officer and other senior executives responsible for financial reporting processes, compliance, cybersecurity, and environmental and litigation matters. Additionally, the senior executives responsible for implementation of appropriate mitigation strategies for our top enterprise risks provide reports and updates directly to the Audit Committee and/or the Board throughout the year.

Our enterprise risk management program also provides for the review, monitoring and mitigation of climate change risks and how these risks may affect our ability to participate in emerging commodity or financial markets, or impact rail's environmental advantage over other transportation modes.

For more information, see our [2024 Proxy Statement](#).

Management Risk & Compliance Committee Upholds Standards

The Risk and Compliance Committee is a management standing committee operating under the Risk and Compliance Committee Charter. The committee's purpose is to oversee and support Union Pacific and its compliance, ethics and enterprise risk management programs, including oversight of their design to respond to various enterprise, compliance and regulatory risks. Membership includes the CEO, President, senior executives of departments reporting to the CEO/President, and the Senior Vice President and Chief Accounting, Risk and Compliance Officer.

Committee responsibilities include reviewing and approving enterprise and compliance risk profiles and assessments, as well as reviewing and approving the implementation of policies and procedures relating to the company's compliance and ethics programs, enterprise risk management, and information governance. The committee plays an important role in cultivating an ethical culture and managing risks and compliance standards, thereby contributing to our overall success and sustainable growth.

Proactive Crisis Management

The Crisis Management Plan provides guidance for a cross-functional response prior to or during a significant, all-hazards disruption. The primary objective is to engage the right decision-makers at the right time to respond and assist with business resumption and recovery.

We practice our response via tabletop and other simulation exercises. In 2023, our Board and certain management employees participated in a tabletop exercise, simulating a response to a cybersecurity incident, and our Internal Cybersecurity Team incorporated the findings into our processes.

MAPPING OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK TO OUR CLIMATE SCENARIO ANALYSIS

In 2022, we completed our first climate scenario analysis (CSA), a rigorous assessment of the climate-related risks and opportunities we may face under a range of potential climate scenarios. In 2023, our CSA risks were mapped against our enterprise risk management framework to help us manage climate-related risks and opportunities.

INVESTING IN OUR WORKFORCE



HUMAN & LABOR RIGHTS

Protecting human and labor rights by maintaining effective oversight and risk management measures.

Championing Human Rights: Dedicated to Respect and Dignity

What we do is important to our nation's communities and economy – but how we do it is just as important. We are committed to respecting the human rights of our workforce by fostering a safe, respectful and inclusive workplace for all employees.

Our [Human Rights Policy](#) aligns with the United Nations' Universal Declaration of Human Rights and other internationally accepted standards, and outlines our expectations for our supply chain partners. Every employee, contractor and supplier are expected to understand and comply with this policy. Through our annual The How Matters training, employees are trained on our Human Rights policy.

We understand the importance of protecting human rights, not just of our own employees, but of all people. Throughout our network, we have taken several actions to embed proper management of human rights into our business, including:

HOW WE PROTECT HUMAN RIGHTS



POLICY & STANDARDS

We have multiple policies that touch on the protection of human rights, including our [Human Rights Policy](#), [Sustainable Procurement Policy](#), [Supplier Code of Conduct](#) and [Commitment to Health & Safety](#). These policies are reviewed annually and updated to allow for broad coverage and the inclusion of appropriate standards.

SUPPLIER ASSESSMENTS & AUDITS

We conduct supplier category risk assessments, which include human rights and safety topics, and in-person supplier audits on topics such as safety. We also ask our critical and strategic Tier 1 suppliers to complete a self-assessment annually on various sustainability topics. For more information, see [Encouraging Suppliers' Sustainability Practices and Results](#).

COLLECTIVE BARGAINING AGREEMENTS



In 2023, Union Pacific reached agreements to provide paid sick leave benefits for our craft professionals.

We work with 13 major rail unions, representing approximately 85% of our workforce. Those employees are covered by collective bargaining agreements that determine certain terms of their employment. We have a long history of working alongside unions with collective bargaining agreements that promote fair and respectful work conditions and labor practices.

We are committed to enhancing our employees' well-being. In 2023, we made significant strides by reaching paid sick leave agreements with all 13 unions, providing craft professionals with access to up to at least seven paid sick days. We do not discipline employees for taking sick leave.

We reached a noteworthy agreement with the Brotherhood of Locomotive Engineers and Trainmen (BLET), enhancing the quality of life for locomotive engineers and their families by providing more predictable schedules. This not only benefits the locomotive engineers and their loved ones, but also allows us to better manage staffing levels and provide more reliable service.

Additionally, we reached an agreement with one of our SMART-TD general committees to make no changes to the current conductor position staffing each train as part of a two-person crew, which provides long-term job protection to current employees and gives the railroad greater flexibility to deploy brakepersons or switchpersons to work either in or outside the yard. These efforts demonstrate our commitment to prioritizing our workforce's well-being.

INDIGENOUS COMMUNITIES & PEOPLE



Union Pacific and CONAH, an employee resource group, celebrated Native American Heritage Month by hosting events for employees across the company.

Many of the lands we operate on are, and always have been, held in reverence by several First Nations. Working alongside Indigenous communities across our network, it is important we strengthen our ties to build strong and mutually beneficial relationships that support economic opportunities.

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and Union Pacific have

worked together on a Tribal Employment Rights partnership since 2013. To create employment opportunities for tribal members, we have held several on-reservation recruiting events.

In 2023, our Public Affairs and Engineering teams held meetings with Columbia River Treaty Tribes (CTUIR, Warm Springs, Yakama, Nez Perce) to share information regarding our Pacific Northwest franchise and our rail operating outlook in the Columbia River Gorge.

The Council of Native American Heritage (CONAH) is an employee resource group assisting with the recruitment, retention and development of employees with Native American heritage and building bridges to the Native American community. During 2023, activities included:

- Spreading awareness to employees regarding murdered and missing indigenous women.
- Celebrating Native American Heritage Month with awareness events for employees.
- Partnering with local tribes and Indigenous organizations for volunteer or educational opportunities.
- Using a land recognition statement before meetings and events and encouraging the adoption of land recognition statements across our company.

LOCAL PARTNERSHIPS

We collaborate with organizations that spread awareness regarding human rights issues. We are developing a partnership with The Set Me Free Project, a nonprofit whose mission is to stop human trafficking through prevention education for youth and families. Key initiatives include providing human trafficking awareness training for our employees who work in the nearly 7,300 communities we serve, developing and distributing human trafficking awareness materials, and more.

EMPLOYMENT PRACTICES & DEVELOPMENT

Attracting, engaging, developing and retaining an exceptional workforce through training, development opportunities, career progression, benefits and rewards.

Our 2030 Strategy: Investing in Our Workforce for a Sustainable Future

For more than 160 years, our people have moved the essential goods fueling our nation's economy. Our goal is to help these team members advance their skill sets, enabling them to grow and develop in new positions across Union Pacific and become experts in their roles.

Attracting Top Talent with Innovative Recruiting Tools

Talent attraction and selection efforts play an important role in driving network fluidity by aiding in the recruitment of skilled and competent employees who can efficiently operate and maintain the rail infrastructure, resulting in improved service quality and customer satisfaction.

Our hiring efforts demonstrate a strategic and efficient approach to talent acquisition, fostering a more focused and productive workforce.

We utilize robust virtual recruiting tools to meet candidates where they are and provide an efficient, user-friendly experience through recruitment. From virtual career fairs to pre-recorded video interviews, our efforts are geared toward casting the widest net possible to find the best talent and make it easier than ever for them to engage with us. Our new SuccessFactors-based Applicant Tracking System and revamped jobs website reduced application submission time by nearly 80%.

We continue driving inclusivity into our hiring process. In 2023, over 95% of new employees were hired using gender-neutral job postings. We provide video demonstrations and visual cues during physical abilities tests, as well as offer pre-recorded video interviews so applicants with nontraditional schedules can participate at a convenient time for them.

For management positions, we follow a three-pronged strategy of promoting our unionized workers to management positions, hiring college graduates and recruiting mid-career professionals. Our

school-agnostic university recruiting approach broadens our reach nationwide via online recruiting platforms. This provides equitable access to our positions for all students, regardless of school or location. We also target select schools that can help us fill three key pipelines: minority-serving institutions such as historically black colleges and universities (HBCUs), Hispanic-Serving Institutions (HSIs) and Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs), rail engineering and tech schools, and schools local to our headquarters in Omaha, Nebraska.



EMPLOYEE DEVELOPMENT STRATEGIES DRIVE A SUSTAINABLE FUTURE

This is accomplished through the following priorities:

RECRUITING TOP TALENT

Recruiting and hiring top talent is crucial for successful operations, as skilled and experienced employees facilitate efficient and safe transportation of goods.

TRAINING FOR PRODUCTIVITY AND CULTURE

Training employees and providing them with appropriate skills is pivotal to enhancing their performance, ultimately leading to improved productivity, customer satisfaction and overall operational success.

TALENT DEVELOPMENT

Investing in the development of employees is essential to empowering them to grow, acquire new skills and reach their full potential, resulting in increased job satisfaction and retention.

PROVIDING BENEFITS TO ENHANCE EMPLOYEE WELLNESS

Providing meaningful employee benefits is invaluable in attracting and retaining top talent, fostering employee loyalty and improving overall job satisfaction, ultimately contributing to a positive work culture.

SECOND CHANCE HIRING CREATES WIN-WIN-WIN

In partnership with communities and The Manufacturing Institute, our second chance hiring program creates a win for us, for the previously incarcerated individual given a second chance at employment and for communities where we hire. Employed individuals have lower recidivism rates: two years after release, they are twice as likely to have avoided arrest as their unemployed counterparts. Second Chance hiring momentum remained strong in 2023, and we have hired more than 100 second chance employees since the program's inception.

Union Pacific partners on second chance hiring with more than 170 community organizations across 16 locations.

Chicago, Oakland, NORTH LITTLE ROCK, San Francisco, NEW ORLEANS, HOUSTON, Denver, PORTLAND, Des Moines, LOS ANGELES, Twin Cities, DALLAS, CHEYENNE, ST. LOUIS, Omaha, San Antonio/Austin

Second chance hiring provides an opportunity to fill employment gaps while lifting up our communities.



Recruiting Tomorrow's Leaders: 275+ Real-World Internships, Community Partnerships

We employed over 275 year-round, summer and hybrid interns in 2023, providing fresh perspectives in every department. Interns gained firsthand experience, often including work experiences and field trips to see our operations. Interns are automatically enrolled as employee resource group members, exposing them to our culture, building their internal networks and emphasizing the value we place on diversity and inclusion.

Our hybrid internship program, an extension of the regular internship program, allows college students to work remotely while school is in session. The program advances students' learning experiences while enabling us to continue our relationship with prospective employees.

INTRODUCING STUDENTS TO THE WORLD OF STEM

In 2023, we partnered with the Manufacturing Institute for the Creators Wanted Tour, a campaign aimed at promoting modern manufacturing careers. As the lead sponsor, we helped organize the tour's stop at Minnesota's Saint Paul College, attracting more than 600 visitors. The campaign received over 42,000 online signups in Minnesota, contributing to its nationwide total of 1.5 million. This event was part of the overarching Careers on Track initiative, inspiring more women and youth to pursue modern industrial careers.

Training for Productivity and Engagement: More Than 2.6 Million Hours of Best-in-Class Training

Our employees are unique individuals whose needs evolve as they grow in their careers. Our training focuses on honing current skills and building leadership qualities. In 2023, we averaged nearly 71 hours of training per employee – a 40% year-over-year increase due to our robust hiring efforts.



IMPROVING SKILLS FOR OPERATIONAL EXCELLENCE

We strive to provide our craft professionals working in our field operations with the safety training and skills needed to keep the nation's supply chain moving.



TRAIN, ENGINE AND YARD NEW HIRE TRAINING

New employees spend approximately 14 weeks learning railroad safety and operating basics – including the cycle of a rail car, from customer order to final destination, as well as how to effectively manage critical resources and safely apply rules. Exams are conducted during operational and safety training to test understanding.

ONGOING TECHNICAL TRAINING FOR CRAFT PROFESSIONALS

We offer a wide variety of skill enhancement courses. In 2023, team members completed about 10,000 courses on topics such as CPR, welding, ballast tamping, track inspection and locomotive maintenance.

OPERATIONS AND FIELD MANAGEMENT TRAINING PROGRAMS (OMT AND FMT)

OMT, for external and management candidates, and FMT, for craft professional candidates, provide required training for new Operating managers. The curriculum includes professional development, strategic continuous improvement and decision-making training, and technical skills associated with applications and systems Operating managers use daily.

DEVELOPING MANAGERS INTO LEADERS

Skilled leadership can be learned, and we work to provide the formal training, culture and core competencies that make managers into leaders at every level of our management team.

FORMAL TRAINING

OPERATING EXCELLENCE

Brings together managers spanning all our Operating teams for a general session before breaking out into craft-specific training. In 2023, we hosted six Operating Excellence training sessions for 983 Operating managers.

MANAGERS ON TRACK

Supports employees in their first management role at Union Pacific, helping them understand expectations and providing resources to coach and develop teams.

EMERGING LEADERS

Inspires employees early in their career by investing in their development and positioning them for career progression. Participants develop organizational leadership skills and define their career motivations.

LEADERSHIP DEVELOPMENT PROGRAM

Provides high potential managers with resources to develop a personal leadership style that reflects our vision, purpose and values.

NEW EXECUTIVE TRANSITION PROGRAM

Creates a customized development plan and provides companywide perspective for each new executive through blended learning experiences, cohort coaching and network building.

CROSS-FUNCTIONAL EXPERIENCE (CFX)

Builds employees' networks and skill sets by enabling them to swap jobs with an employee outside their department.

STRONG LEADERS, STRONG TEAMS

Promotes continued learning and enhances the performance of our managers by focusing on advanced management skills, including how to own their messages, develop a strategic mindset, improve decision-making and promote a culture of empowerment.

CULTURE

HOW WE WIN TOGETHER TRAINING

Provides an interactive experience to build every employee's understanding of the industry and what it will take for us to compete and grow.

INCLUSIVE LEADERSHIP

Helps employees better understand unconscious bias, teaching them to lead by example and demonstrate inclusive behavior at work and in their communities.

EMPOWERING OUR DIFFERENCES

Teaches employees how to understand their advantages, have empathy for others and help build an environment where every team member can come to work feeling safe in who they are.

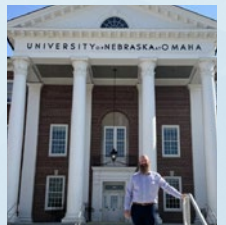
GET YOUR DEGREE AT UNION PACIFIC – FOR FREE

EDUCATIONAL ASSISTANCE PROGRAM

By partnering with the University of Nebraska at Omaha and Metropolitan Community College, we offer active employees free, unlimited tuition. This partnership removes financial and scheduling barriers that can discourage employees from pursuing higher education or developing their skills, and it is available immediately for new hires.

Tuition and registration fees are paid directly by Union Pacific, eliminating the need to seek reimbursement, and all registered employees can access dedicated academic support resources. Craft professionals who are furloughed continue to be eligible to participate as long as they are not furloughed for more than one year. In 2023, 444 employees took advantage of this benefit – 44% first-generation college students, 30% from underrepresented groups, and 46 of whom graduated with college degrees.

We make LinkedIn Learning computer-based training modules on business education and personal development topics available to management employees at no cost. In 2023, 4,312 courses were completed by 2,117 employees.



Employee Thomas Frey graduated with honors through the Educational Assistance Program

Talent Development: Preparing Today's Leaders for Tomorrow's Success

Our success is linked to having the right people in the right roles at the right time – and providing development opportunities to help them realize their potential. Our programs and processes identify employees with the potential to take on more responsibilities or advance to the next level of their career.

Core Competencies: Our talent management strategy is grounded in our four core competencies – Create Value, Lead Together, Own It and Think Boldly. These competencies reflect the most important skills and behaviors for our employees to exemplify. Our people leaders use these competencies to guide conversations during performance reviews, development discussions and one-on-one meetings.

Individual Development Plans: In 2023, 95% of management employees completed an individual development plan to self-start their career development. The plans are integrated into our performance management system, helping managers and employees prioritize development.

Annual Talent Review: We use a Talent Matrix in the Annual Talent Review to assess performance and potential. This approach evaluates workforce talent, identifies future needs and addresses any gaps. Ratings are based on results, competencies, behaviors, attitudes and potential for advancement. Managers provide feedback and conduct performance reviews. This evaluation identifies high-potential leaders and creates development opportunities for positive impact on the company and culture.

Critical Role Succession Planning: Critical roles are executive positions with a significant impact on our long-term success. Our senior leadership team meets twice a year to discuss and develop a talent pipeline for potential successors. When a successor is identified, an executive assessment may be conducted to identify their strengths and areas for development.

Our success is linked to having the right people in the right roles at the right time – and providing development opportunities to help them realize their potential.



EMPLOYEES MAKE THEIR VOICE HEARD IN ANNUAL ENGAGEMENT SURVEY

We administer an annual engagement survey, providing employees an opportunity to share candid feedback. The survey measures the employee engagement index, managerial effectiveness, performance enablement, diversity and inclusion, collaboration and general company sentiment.

Feedback remains confidential. Results are synthesized and shared with senior leadership and people managers, who are charged with creating action plans to address trending opportunities.

Our 2023 Employee Engagement Survey results showed areas of both opportunity and strength. The survey had an all-time high participation rate of 89%, including 39,000 comments.

Overall managerial effectiveness scores increased by one point year-over-year to 65%, and our companywide employee engagement index increased by four points to a 53% favorability rating.

OUR BENEFITS SUPPORT EMPLOYEES AT EVERY STAGE OF LIFE

Providing employees with meaningful benefits is crucial to job satisfaction and attracting and retaining top talent. We offer a comprehensive benefits program, including medical insurance, Railroad Retirement and a 401(k), as well as niche benefits for various life stages. Benefits vary based on the applicable collective bargaining agreement or an employee's management status.

BENEFITS FOR ALL EMPLOYEES

Union Pacific provides competitive benefits to all employees, including:

Enhanced Family Support Portal: Connects employees systemwide with essential, supportive care providers and services, such as center-based and in-home 24/7 childcare, elder care, pet care and housekeeping, as well as tutoring and homework help.

Employee Stock Purchase Plan: Allows employees to buy shares of company stock through payroll deductions – last year, 32% of our employees took advantage of this opportunity. Participants receive a 40% company match of up to 5% of their base compensation per pay period. Employees can contribute up to 15% of their monthly base compensation. The program features a one-year vesting period, providing maximum flexibility to our employees.

University of Nebraska at Omaha Educational Assistance Program: Offers online and in-person options, as described [here](#).

System Health Facility Program: Promotes healthy lifestyles for active employees across our 23-state system by providing access to local fitness centers and gyms.

Employee Recognition Program: Encourages employees to recognize one another for going beyond their daily job responsibilities. Recognition is tied to one of four core competencies, and employees are awarded points redeemable for various items.

Voluntary Benefits Marketplace: Enables all employees and interns to enroll in supplemental benefit options, including auto insurance, home/renters' insurance, critical illness insurance, hospital indemnity insurance, identity theft protection and pet insurance.

Retirement Plans: We provide employees the opportunity to have a financially secure retirement, with programs that differ depending on date of hire and whether they are management or craft professionals. These include a combined pension and 401(k) for management employees hired prior to 2018, an enhanced 401(k) for management employees hired after 2017, and a 401(k) for craft professionals. Additionally, both management and craft professionals enjoy Railroad Retirement Board benefits, which are currently better funded than Social Security benefits.

CRAFT PROFESSIONAL BENEFITS

Craft professional health benefits are governed by the Railroad Employees National Health and Welfare Plan, a multi-employer plan for the railroad industry. Health and welfare benefits are determined through collective bargaining agreements. Craft professional benefits include coverage for medical and prescriptions, vision and dental, and life and disability. A subset of craft professionals receives medical benefits through Iron Road Healthcare, rather than the national plan. Additional health benefits negotiated as part of the plan include:

- Increasing the annual limit for hearing benefits to \$2,000.
- Removing age limits for speech therapy.
- Increasing coverage for treatment of autism spectrum disorder, including speech, occupational and physical therapies; Applied Behavior Analysis; and other medically appropriate intensive behavioral therapies.



U.S. WOMEN ESTIMATED TO REACH PAY PARITY IN 2059: AT UNION PACIFIC, WE'RE ALREADY THERE

Every worker has the right to expect equal pay for equal work regardless of their gender, race, color, religion, national origin, age, disability, sexual orientation or any other status protected by law. Each year, we perform a review to identify potential pay equity concerns relative to race and gender for management employees and take steps to address concerns.

We participate in market research to compare salaries for specific roles to attract and retain talented employees. We structure our compensation levels to reflect the competitive marketplace for similar positions at comparable companies.

In 2023, a third-party compensation expert assessed our pay practices and validated equal pay for our management employees. The results showed there is no statistically significant difference in pay across gender or race. Men, women and people of color with comparable work responsibilities and years of service are currently paid within 1% of each other.

MANAGEMENT BENEFIT OFFERINGS

Our management benefit offerings are regularly reviewed to help maintain a competitive advantage. In 2023, we surveyed management to gain insights into their key priorities regarding benefits. Using these results, we revamped our benefit offerings to align with the preferences of our employees. Last year, 92% of employees participated in a Union Pacific health care plan.

Core benefits include coverage for medical and prescriptions; dental and vision; and life and disability insurance. We also offer work-from-home flexibility, reduced-hours positions, paid sick time and ancillary benefits such as a Health Savings Account.

Benefit offerings include:

Expanded Preventive Care: In 2023, to help promote good health and management of certain chronic conditions, we expanded the list of medical services and generic prescription drugs considered preventive, covering them at 100% prior to any deductible being met. This expansion includes covering insulin at 100%.

Fertility and Family Building Benefits: Employees and family members enrolled in our medical plan are offered a virtual, around-the-clock concierge platform to help in their family building and fertility journey. Coaching, support and education are provided for: trying to conceive; fertility preservation; fertility treatment; and adoption and surrogacy. Fertility benefits are not restricted by a lifetime maximum and are equally available for our LGBTQ+ population.

Retention Stock: Employees are eligible to receive shares of Union Pacific common stock to promote and closely align the interests of employees and shareholders. Retention shares are intended to attract and retain outstanding employees, increase employee stock ownership and strengthen our ability to drive performance.

Prescription Drug Savings Assistance: This savings program helps employees and their families save money when filling prescriptions by analyzing prescription drug claims that are paid and proactively notifying employees via email of clinically appropriate alternatives available at a lower cost.

Parental Leave Benefits: The parental leave benefit provides parents not qualifying for maternity leave with up to four weeks paid bonding time after the birth or placement of a child with the employee in connection with adoption/foster care.

Digital Health Services: A digital program for diabetes, hypertension and weight management that assists employees and their family members and supports good decision-making between doctor visits.

Adoption/Surrogacy Assistance Program: This program reimburses eligible employees up to \$6,000 per event for certain expenses incurred in the adoption of a child or surrogate parenting arrangement.

Hearing Aids: We provide hearing aid coverage within the self-insured medical plan options, providing one pair of hearing aids every 36 months, up to \$5,000.

Bereavement Leave: The bereavement leave policy was enhanced in 2023 to increase the number of bereavement days to five for all family relationships that qualify for leave. Additionally, leave is provided to a birth, surrogacy or adoptive parent who experiences a pregnancy loss.

Paid Time Off: We support employees with paid-leave programs, including three to five weeks of vacation, depending on years of service; 11 paid holidays; and short- and long-term disability. We provide short-term disability benefits for employees, initially paying 100% of their base salary for a period of 9 to 18 weeks, followed by 75% for a total of 18 to 26 weeks, depending on years of service.

Life Insurance: These programs differ by employee type, but each offers a base “core” Life Insurance and AD&D insurance benefit provided by Union Pacific, with the option to purchase additional employee paid coverage.

VolunteerPLUS: This new initiative offers employees eight hours of annual paid time off specifically for volunteering with qualified public charities or eligible organizations.

TimePLUS: This program honors employees’ volunteer efforts by awarding a \$250 gift to qualified public charities where our employees provided 40 or more hours of service on personal time within a calendar year.

Matching Gifts Program: We match two-to-one (2:1) gifts to qualified educational institutions and one-to-one (1:1) to a qualified non-profit 501(c)(3) public charity or governmental entity.

Wellness Incentives: Employees are eligible for up to \$600 per year for completing various wellness activities focused on recommended preventive care.

Child Development Center: Conveniently located near our Omaha, Nebraska, headquarters building, the center provides full-time and part-time care for infants through preschool children.

Caring for Our Whole Selves: Expert-Led Webinars, Peer Networks

We care for the well-being of our employees – and it doesn't stop when they are off the clock. We provide our team with resources and support to tackle life's biggest challenges, at work and home.

Employee Assistance Program: This 24/7 program offers confidential support to employees and their families dealing with mental health, substance abuse, work-life balance and workplace challenges.

Management employees receive six free visits with a licensed therapist, while craft professionals have access to mental health and substance abuse services at a low-cost copay through their Union Pacific health plan. In 2023, we opened approximately 4,000 Employee Assistance cases for employees and their dependents.

Peer Support: Through our Peer Support networks, trained employees offer confidential advice and guidance to their colleagues. This strengthens bonds and builds a sense of community, providing support from those with an inherent understanding of the rail industry.

Friend to Friend Network: Created by railroaders, for railroaders, this nonprofit provides financial aid to railroaders and their families impacted by health or home-related hardships. Every day, the network – run by our employee volunteers and retirees – helps an average of five railroad families in need, using funds donated by their peers. Last year, the Friend-to-Friend Network directed nearly \$800,000 in aid to more than 1,300 Union Pacific families.

Navigating the Next Step: We offer our employees various resources to prepare for retirement, including a retirement planning calculator, checklist, and virtual presentations with external experts detailing financial wellness and education.

50-Year Employee Spotlight: We annually honor our newest members of the 50-year club with a ceremony highlighting their incredible railroad journeys. Along with commemorative gifts, honorees receive a behind-the-scenes tour of the Harriman Dispatching Center and the Union Pacific Railroad Museum.



Celebrating our 50-year employees is a long-standing tradition.



DIVERSITY, EQUITY & INCLUSION

Promoting a culture of equal opportunity, equitable employment and fairness to all irrespective of gender, race, religion, sexuality or disability.

We Are One: A Collective Effort for Lasting Change

We believe diversity, equity and inclusion are not the jobs of only the Diversity, Equity and Inclusion (DE&I) department, nor Workforce Resources. They are the responsibility of every Union Pacific employee.



We continue our investment in our four critical DE&I pillars: People, Practices, Philanthropy and Procurement. This positively impacts our employees and the communities where they live and work. After over 160 years of railroading, our vision remains to Build America. Our DE&I work helps foster a diverse and equitable America.



Black Employee Network (BEN) leaders and members participate in a variety of year-round activities.

OUR FOCUS

VISION

We Are One

- Our Diverse Heritage – Compels us to stand for opportunity.
- Our Desired Future – Demands we stand for equity.
- Our Shared Humanity – Implores us to stand for justice.

MISSION

As America's railroad, Union Pacific has an innate responsibility to speak out against all forms of discrimination while creating an environment where all can see themselves belonging and succeeding.

STRATEGY

Permeate Union Pacific's four pillars – People, Practices, Philanthropy, Procurement – with the best Diversity and Inclusion thinking of the day. Each day, we start anew to ever-evolve what we do and ever-educate why we're doing it.

Diversity Progress: Fostering an Inclusive Culture and Overcoming Challenges

To further our mission of better reflecting the diverse communities we serve, we set aggressive diversity goals in 2020: to increase our people of color population from 29.4% to 40% and double our female population to 11% by 2030, while maintaining our standards of hiring and promoting based on merit.

We set aggressive diversity goals in 2020: to increase our people of color population from 29.4% to 40% and double our female population to 11% by 2030.

We made steady progress in 2023 by increasing our people of color by 1.0 percentage point, yet progress toward our female representation remains flat and challenging.

Our biggest opportunity to move the needle is in our craft professional workforce. To do so means recognizing key craft positions do not always align with work-life balance demands for family caregivers, which is why we are building a more inclusive work culture to help close the gap.

We will continue working toward our goals by:

- Reviewing attrition rates by department.
- Developing candidate pools reflecting broader market availability.
- Removing predispositions from the hiring process.
- Creating an environment of belonging, so we do not erode our diversity through attrition.
- Engaging department leadership, helping them understand their specific demographics and progress indicators so they can execute individualized diversity action plans.

LEADING BY EXAMPLE: DIVERSITY STARTS AT THE TOP

We are proud to continue evolving our representation as a company – and it starts at the top. We are committed to actively seeking out highly qualified women and other diverse candidates for consideration as nominees to the Board. We ultimately seek to identify and nominate candidates with diverse talents, backgrounds and perspectives who will enhance and complement each other and satisfy the Board membership criteria included in the company’s Corporate Governance Guidelines and Policies.

2024 BOARD OF DIRECTOR COMPOSITION

Number	12
Average Age	65.9
Female	4
People of Color	3
Average Tenure	4.4 years

We Achieved a Perfect Score on the Corporate Equality Index

We earned a top spot on the Human Rights Campaign’s 2023 Equality 100: Leader in LGBTQ+ Workplace Inclusion.

The Human Rights Campaign Foundation’s Corporate Equality Index is a national benchmarking tool on corporate policies, practices, and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees. To earn top ratings, employers must take concrete steps to establish and implement comprehensive policies, benefits and practices ensuring greater equity for LGBTQ+ workers and their families.

Our 100% score reflects our hard work to better align our policies and programs with our railroad’s values. We broadened our benefit offerings to be more inclusive to LGBTQ+ employees, created an environment of belonging with strategic and sustained programming and empowered our systems with gender-neutral optionality.

Resource Groups Are Driving Success from the Ground Up

We host nine Employee Resource Groups and one Business Resource Group. These networks are designed to promote a diverse environment where everyone does their best work. Our more than 5,200 members – which increased 52% this past year and includes all executives – are spread throughout our system.

Each resource group has individual bylaws; votes in its leadership team; produces programming to recruit, develop and retain

UNION PACIFIC’S RESOURCE GROUPS

Asian Employee Resource Organization (AERO)

Black Employee Network (BEN)

LGBT+ Employee Network (BRIDGES)

Council of Native American Heritage (CONAH)

Disability Awareness and Inclusion (EASE)

A Women’s Initiative: Lead, Educate, Advocate, Develop (LEAD)

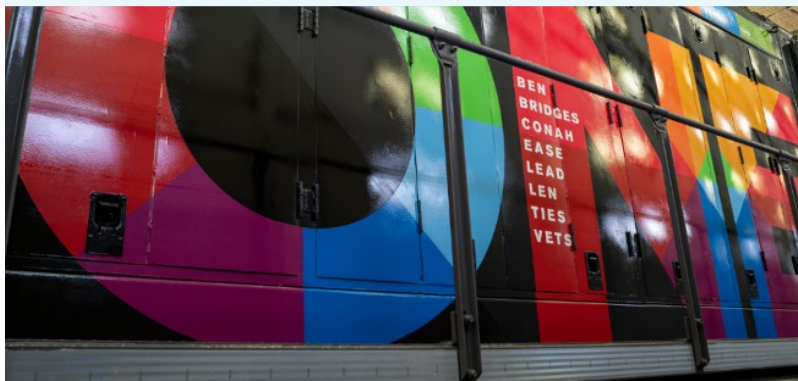
Latino Employee Network (LEN)

Emerging Professionals Network (UP Ties)

Veterans Network (UPVETS)

Improving Business Performance Through Sustainable Innovation (Planet Tracks)

employees focused on their affinity; and teaches the importance of allyship. The railroad provides funding, executive sponsors and advisory panels, and painted a multimillion-dollar locomotive honoring their efforts. Our resource groups hosted 150 networking activities, education programs and outreach efforts in 2023 as well as several large conferences.



The 'We Are One' ERG Commemorative Locomotive celebrates our employee resource groups.



Our employee resource group LEAD (Lead, Educate, Advocate, Develop,) celebrated its 20th anniversary in 2023.

Creatively Tackling Tough Topics

We completed our fourth season of We Are One videos, one of our most popular communication series. Topics included overcoming racism; supporting family members coming out as gay; navigating life in the U.S. as a Muslim; and finding stability and happiness as a caregiver. This raw, authentic approach drives empathy and understanding, allowing us to thoughtfully engage with social issues in discussions with employees.

We also host multiple themed Listening Sessions. The participant panel is led by outside experts and supported by additional Union Pacific executives sharing their personal stories. To date, about 40% of our executives have participated as panelists. Topics span across all areas of diversity, and they are voluntarily attended by several hundred employees. To extend our education and drive casual conversation, the DE&I team joins with employee resource groups to offer monthly documentaries followed by expert-led discussions over lunch.

As we continue evolving our culture, the annual Count Me In campaign encourages employees to show up as their authentic selves and be counted. While DE&I is foundational for all onboarding and personnel training, focused content is also required for different levels of leadership. Beyond that, we offered two specific programs in 2023:

- **Personal Trust Builder:** 261 employees participated in small, half-day training sessions focusing on DE&I education for employees with a deeper dive into the “why” of our inclusion efforts. Participants are shown the experiences of others and exposed to the advantages they may have versus others.
- **UpLift Sponsorship Program:** This two-year program selects high-potential employees from underrepresented groups and pairs them with executive sponsors. The goal is to create career mobility, expand networking circles and offer executive leadership insight. It’s working – 54% of the first two cohorts were promoted or made development moves.

LIVING LIBRARY CONNECTS EMPLOYEES THROUGH PERSONAL EXPERIENCES

In 2023, we launched our Living Library, where books have been replaced by employees who speak about their diverse experiences. Our employees scroll through a webpage searching for “human books” by name or theme. Topics include disability, family/parenting, immigration, LGBTQ+, mental health, race/ethnicity, traumatic experience, unique hobbies and passions, and veteran/military.

Once a human book is selected, an online appointment app allows readers to schedule a 30-minute live, virtual meeting with the employee. An approved question guide is used during their meeting. If the “human book” or employee allows for more open discussion, the reader can ask additional questions. In 2024, our Living Library was recognized as ‘highly commended’ by World 50 Group.



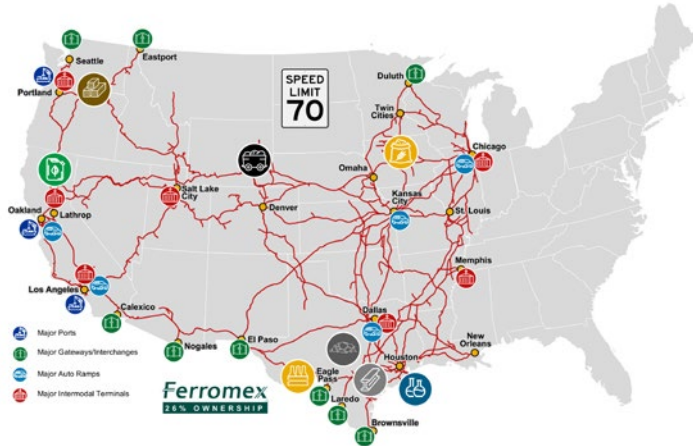
Our employees learned more about the Living Library during a kickoff event at headquarters.

DRIVING SUSTAINABLE SOLUTIONS



OPERATIONAL EXCELLENCE

Delivering consistent and reliable service and addressing customer concerns effectively and efficiently.



Operational Excellence Drives Everything We Do

We are on a journey to become the best at Safety, Service and Operational Excellence as we grow.

We define Operational Excellence as:

- delivering the service we sold our customers.
- efficiently using our assets, driving decision-making to those closest to the work.
- spending resources wisely, with a buffer to respond to the unexpected.
- engaging our teams and stakeholders.

In addition to safety improvements, the benefits of operational excellence are many and obvious, starting with providing better

service to all our stakeholders. Our customers are more successful and enjoy a better all-around experience; our employees are more productive and better engaged; and our shareholders see a better return on their investment.

But a not-so-obvious benefit is the positive impact operational excellence can have on our own and our customers' carbon footprint. Rail is the safest, most efficient form of surface freight transportation, with the ability to move one ton of freight nearly 500 miles on a single gallon of fuel. Operational excellence increases the efficiency of our railroad operations, improving fuel efficiency and driving down transportation-related greenhouse gas emissions. Operational excellence also provides a better service product, increasing the likelihood that additional freight will be shifted from the highway to the railroad.

A strong company deploys resources responsibly to achieve operational excellence, serve customers and improve outcomes for all stakeholders. During 2023 as part of our renewed focus on Safety, Service and Operational Excellence = Growth, leaders in every department examined opportunities to reduce layers, increase spans of control, and restructure teams and processes to better empower employees to make decisions. Our approach was not "one-size-fits-all." Each department reviewed how it is working today and re-prioritized the work to better focus teams and resources to deliver operational excellence for our customers.

A strong company deploys resources responsibly to achieve operational excellence, serve customers and improve outcomes for all stakeholders.

To better gauge our progress and keep ourselves accountable, we introduced a new measure in 2024: Service Performance Index (SPI). This new measure is a ratio of the service customers are currently receiving relative to the best monthly performance over the last three years. Measuring our performance relative to a historical benchmark demonstrates our focus on continuously improving service for our customers, and we believe it is a better indicator of service performance than the previously disclosed Trip Plan Compliance. SPI does not replace the service commitments we have contractually agreed to with a small number of customers. Our SPI is calculated for intermodal and manifest/automotive products.

Examples of how Safety, Service & Operational Excellence = Growth is already making a positive impact with our customers include:

- Our Commercial and Operating teams collaborated to make locomotives available during the grain harvest season, resulting in the best pick-up operation in 20 years. In the last three months of 2023, we picked up loaded grain cars from customers' facilities 55% faster than the year before and transported grain farther each day, increasing the average daily distance grain trains traveled by 38% compared to the same quarter in 2022. These successful operational improvements occurred despite an increase in wheat and corn stocks of approximately 1.5 billion bushels, according to the U.S. Department of Agriculture (USDA).
- For the third time in four years, The Home Depot recognized Union Pacific as its 2023 Rail Carrier of the Year. The Home Depot credited the railroad for being a fantastic partner on key initiatives, excellent lead time and switch execution, and being a leader in rail service metrics.

We know we have more to do in further implementing our Safety, Service & Operational Excellence = Growth strategy. As we deliver the service we sold our customers, we will demonstrate that our improvements are in place for the long term. We will continue our focus on simplifying how we work and driving decision-making to the people closest to the work. We will continue demonstrating resilience by remaining fluid and having a buffer of the appropriate level of resources. Most importantly, we must continue focusing on people and engaging our teams and stakeholders to build and maintain strong relationships.

INFRASTRUCTURE INVESTMENT & PROTECTION

Investing in and protecting our network infrastructure, improving its resiliency and working with regulatory officials to align our business with the country's infrastructure requirements and needs.

Strengthening Our Resiliency with Improved Infrastructure

Embracing climate action goals not only reduces our environmental impact but strengthens our operational resiliency. Track closures in one region of the railroad's service area can adversely affect the entire rail network, impacting our customers, revenue and costs.

Several programs aim to manage these risks, including acute weather readiness plans, emergency response plans, inspection programs and rapid-deployment teams to quickly restore operations.

Acute Weather Readiness Plans

We prepare for extreme weather in several ways, including using weather data to identify patterns and impacts of storms on our network. We also perform an in-depth review of historical storms and their impact to anticipate future needs.

Advance weather warnings allow us to mobilize equipment and personnel in advance, preparing the railroad for extreme weather. For example, the railroad's [Sierra Snow Fighters](#) utilized specialized heavy equipment in 2023 to manage one of the snowiest winters in recent memory, including 62-feet of snow at Donner Pass in the Sierra Nevada Mountains.

While staging equipment and resources is one critical component of preparedness, we also must be agile and make real-time adjustments.



Due to the Southwest's triple-digit temperatures last summer, we saw an increase in heat restrictions placed on our network as a precaution to reduce the impact of train traffic on the rail. Despite the restrictions, we didn't experience a significant operational impact.

We Invested \$10.5 Billion in Capital Over the Last Three Years for Safe Operations, Growth

We continue to invest in our network to build safety and reliability and match the evolving needs of our customers and the emerging supply chains of the future. Our capital program also creates optionality and resiliency to better respond to the unexpected.

In 2023, we invested approximately \$3.7 billion in our capital program, nearly \$10 million per day. Approximately \$1.9 billion of the annual total is allocated to maintaining the basic safety and integrity of our network road infrastructure.

- Our Engineering team replaced 3.4 million ties, 5 million feet of rail, and invested in purchasing or repairing thousands of vehicles and work equipment. We also refurbished 1,581 level crossings and did maintenance work on bridges, culverts, signals and other track infrastructure. We eliminated over 46,700 rail joints from core routes, which provided for stronger and safer track, reducing the potential for incidents.

MOVING THE NATION'S GOODS COME RAIN, SHINE OR TROPICAL STORM

The first tropical storm in 60 years hit the West Coast in August 2023, and we were preparing our emergency response long before the torrential rains damaged 14 miles of track into the Los Angeles basin.

In the days before the storm, we had already begun staging equipment, raw material and personnel in anticipation of the storm's impact, which left three feet of mud on the track. This helped us repair and return a route to service within just two days and rebuild a bridge in seven days, restoring both lines and full service in a week.

The timeliness of our response to Tropical Storm Hilary underscores the work done behind the scenes and on the front lines by railroaders to prepare, anticipate and effectively respond to all kinds of extreme weather, including record-breaking snowfalls and scorching heatwaves.

In 2023, we invested approximately \$3.7 billion in our capital program, nearly \$10 million per day.

- Our Mechanical team performed 13 million inspections and completed more than 3 million maintenance tasks, including more than 90,000 wheel-set changes.
- Our Locomotive department performed more than 1.6 million inspections and completed 6.5 million maintenance tasks.

Our Engineering teams visually inspect about 4.5 million miles of track annually. We also use employee-operated and autonomous equipment to inspect track, covering about 500,000 miles in 2023 – that’s enough to cover our entire network more than 15 times. Our use of autonomous technology, identifying potential risks often not visible to the human eye, increased by 33% since 2022.

We are engaging our Engineering team to evaluate ways to harden our infrastructure in the face of future climate change-related weather. For example, our action planning to address increased acute precipitation and flooding is location specific. We prioritize locations with repeated high-water events as identified by our historical data and forward-looking climate trend analysis.

Additional qualitative and quantitative analysis of candidate projects prioritizes hardening potential flood/washout locations that possess:

- additional factors that make infrastructure more susceptible to failure.
- a critical role in our operational fluidity, such as being a major classification yard.
- higher levels of train traffic, and adjacent external stakeholders, such as customers or communities.

Climate Scenario Analysis Informs Our Resiliency Initiatives

In 2022, we conducted an extensive climate scenario analysis to better understand the risks to and opportunities for our operations, infrastructure and supply chains from specific climate scenarios. The climate scenario analysis identified nine climate-related driving forces impacting our business, including physical risks related to chronic and acute climate change. The analysis is being used in part to evaluate and develop strategies to better mitigate acute and chronic weather impacts and risks, such as flooding, drought and wildfire.

Engaging Our Suppliers to Develop More Resilient Products

We are also engaging with our supplier community to develop infrastructure that contributes to infrastructure resiliency. For example, to improve our resiliency to increased wildfires, we are testing fire retardant foam products that can be sprayed on wooden bridges and retain their fire-resistant properties for weeks and even months during the summer.



RAIL RELIEF GIVES EMPLOYEES A DIFFERENT VIEW OF THE RAILROAD

Rail Relief is a program that engages management employees as volunteers, providing support to front-line train crews and supervisors during instances of severe weather or significant business disruptions. In 2023, 220 employees volunteered for Rail Relief.

When activated, a Rail Relief volunteer’s responsibilities may include transporting crews to locomotives, facilitating crew paperwork and assisting terminal managers with administrative tasks. Volunteers are extensively trained and equipped with appropriate gear and detailed instructions to support their safety and the program’s success. Rail Relief volunteers are assigned a designated point of contact that provides guidance and support at the specific site the volunteers are assigned to work.

Rail Relief contributes to smooth operations during times of severe weather or significant business disruptions while simultaneously improving staff volunteers’ knowledge of our railroad operations.



Our DC-56 ultrasonic rail inspection vehicle is used to identify potential rail defects with high frequency sound.

RESOURCE PLANNING

Effectively anticipating changes in customer demand to staff our operations and have the necessary critical resources to provide excellent customer service.

Meeting Customer Demands in an Evolving Economy

The U.S. and global economies are constantly evolving, and companies must adapt to rapid and unexpected changes. These economic changes not only impact the volume of goods being transported but also the types and locations. When customer demand changes occur in different geographic areas or across commodities, railroads face amplified challenges.

To successfully adapt, we collaborate with customers and suppliers to forecast changes in demand for our services, and align our key resources – employees, locomotives, freight cars, track and terminal capacity – to meet that demand while sustaining our Safety, Service and Operational Excellence = Growth performance.

The process begins with a market traffic forecast by our Marketing and Sales teams. They utilize statistical analysis, competitive intelligence, market trend insights, changing customer requirements and macroeconomic indicators to project traffic volumes across our network.

Once Marketing and Sales updates the traffic forecast, our Network Planning teams use specialized logistics planning and simulation software to analyze the forecasted traffic demand against our existing transportation plan, considering factors such as corridor capacity,

terminal throughput, and employee and locomotive resource levels. The outputs of this analysis inform our capital planning, budgeting, maintenance and staff planning processes. We constantly identify potential network bottlenecks and adjust our resource plans to promote a fluid network.

Contingency plans are developed to protect our resources and allow for flexibility. For example, during 2024 we plan to have over 100 high horsepower locomotives as a “surge fleet” capable of being quickly reactivated to help our network meet unexpected demands or recover faster from interruptions, such as severe weather events. We also increased the speed of our employment and training pipeline to more quickly react to demand swings for train crew employees.

Our collaborative resource planning processes provide a strong foundation for a service plan that meets customer needs, clarifies our procurement needs to our suppliers, increases employees’ job stability, and improves returns for our shareholders. As customer demand levels interact with daily operational realities, we work across departments in regular cycles to review and adjust our resources – all with the strategy of Safety, Service, and Operational Excellence = Growth.



EXPANDING TERMINAL CAPACITY TO MEET NEW DEMAND

Since 2022, we worked to add intermodal terminal capacity amounting to nearly 900,000 incremental units annually. This work includes upgrading and expanding our intermodal infrastructure in the growing Los Angeles Basin and our Chicago Global 2 intermodal facility, and opening a new international intermodal terminal in the heart of Phoenix in early 2024. These and other intermodal capacity expansion projects provide customers with a sustainable rail option between many of America’s West Coast ocean ports and some of the nation’s fastest-growing regions.

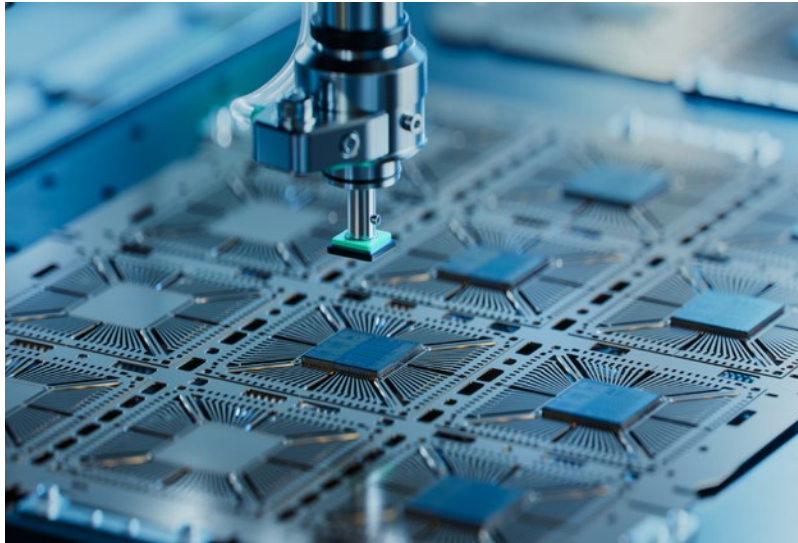
During 2023, we completed the installation of precision gating technology at 14 of our intermodal ramps. The gating system reduces the time trucks wait to get in or out of ramps — in some instances from 15 minutes to 30 seconds. In a world of constantly evolving supply chain challenges, every second counts.



Precision Gating Technology speeds driver experience.

DISRUPTIVE TECHNOLOGY

Adapting our business model to harness new, revolutionary technologies for greater safety, service and operational excellence.



Revolutionizing Rail: Harnessing Disruptive Tech for Delivery Solutions

We are implementing technological solutions that will enable us to operate our business in revolutionary ways. We are also strategizing about how future disruptive technologies can impact our business, both positively and competitively.

NetControl Positions Us as Technology Trailblazer

We made history on Jan. 6, 2024, when we became the first Class I railroad to modernize the “big three” core operating platforms: Positive Train Control (PTC), Computer-Aided Dispatch (CADx) and Transportation Management (NetControl).

The cutover was likened to a heart transplant. NetControl – a modern, secure platform that supports plug-and-play integration capabilities with thousands of APIs (Application Programming Interface) – replaced an antiquated mainframe responsible for our core logistics for more than half a century.

Every day, NetControl intakes millions of messages from customers, other railroads and our own systems. It then applies business logic that triggers downstream activities driving 75 key internal and external reporting measures.

NetControl processes everything from rail car inventory and scheduling to waybill processing and train, locomotive and terminal management. For our customers, NetControl provides shipment tracking of every rail car within our terminals and helps safely assign each car to a train as it advances to its destination.

These core NetControl activities are critically important to operating safely – very much the beating heart of our railroad. But it’s the future unlock, what NetControl can do, that is most exciting.

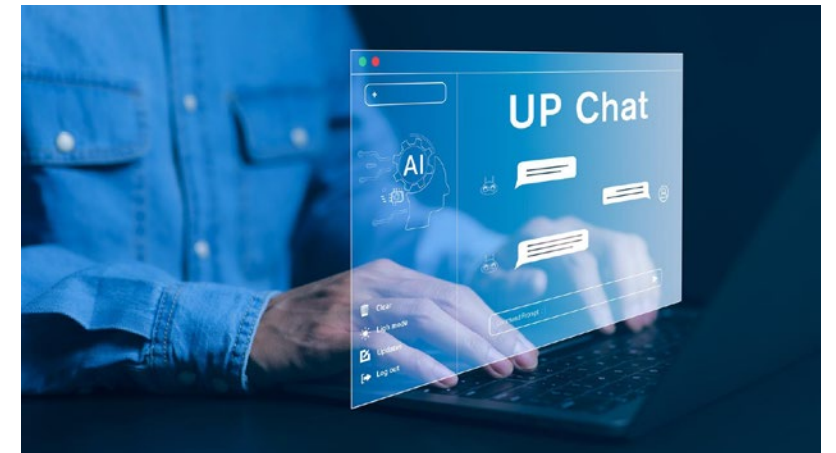
Today in our rail yards, hundreds of employees make thousands of decisions daily to determine how to best execute our transportation plan. Platforms like NetControl – which are ripe for co-pilot Artificial Intelligence (AI) technology – unlock a new era of railroading where rich, real-time data drives near real-time insights that can be leveraged to optimize performance. No more looking in the rearview mirror to make decisions.

NetControl implementation also lays groundwork for potential future investments in mathematically derived and optimized transportation plans focused on efficiently using our critical resources. These data-driven insights will help determine the best routes and train schedules; reduce the number of times we handle a car; model resource allocation; and plan for growth as we consider rail corridor expansions and infrastructure investments.

Our entire team is focused on delivering our strategy of Safety, Service and Operational Excellence = Growth, and NetControl provides the visibility needed to be fluid and agile as we respond to changing conditions.

UP Chat Gives Employees AI Tool to Save Time, Drive Efficiency

One of the most significant breakthroughs in the field of Artificial Intelligence has been the emergence of ChatGPT. Recognizing the immense potential benefits of such a tool, our Tech team developed its own version, called UP Chat, providing a secure way to leverage the technology. UP Chat harnesses the power of Large Language Models and enables employees to interact with the tool as they would the public ChatGPT, but within the confines of our secured data network. Our employees are embracing this technology to enhance their work processes and improve efficiency, optimize supply chain functions and assist with analyzing network operations.



RESPONSIBLE SOURCING

Applying our ethical standards across our value chain by collaborating with vendors to source goods and services responsibly.

Collaborating With Our Suppliers for a Sustainable Future

We support the economy by spending billions of dollars annually across our network of nearly 5,000 suppliers. These suppliers support our operations by providing fuel, construction materials, engineering services, environmental services and more.

Where and with whom we spend our capital has longstanding implications. We are committed to working with economically, socially and environmentally responsible suppliers. Our public Sustainable Procurement Statement is written in accordance with ISO 20400 Sustainable Procurement – Guidance, and with reference to the United Nations’ Sustainable Development Goals. With this statement, we aim for improving sustainability within our operations through Human Rights & Labor Practices, Environmental Stewardship and Business Ethics.

All suppliers are required to abide by our public Supplier Code of Conduct; this expectation is outlined in our supplier Terms & Conditions. This code outlines specific expectations for our supply chain, including sustainability-related requirements, and we review it annually.

During 2023, we asked our Tier 1 suppliers comprising 27% of our annual procurement spend to complete a sustainability questionnaire about each supplier’s sustainability initiatives, including six key topics: safety, ethics, cybersecurity, climate action, human rights and diversity. The suppliers were scored on their responses, and during annual one-on-one, in-person supplier reviews with our procurement executives, we discussed each supplier’s sustainability progress and worked with them on improvement opportunities.

For 2024, we have updated our questionnaire to include results-based sustainability metrics and commitments and expanded its reach to include our Tier 1 suppliers representing 46% of our total procurement spend. We are incorporating this questionnaire into our suppliers’ overall KPI scorecard to reinforce sustainability as a key performance metric for our supply chain.

We perform category risk assessments to identify risks attributed to specific categories of suppliers across our supply chain. In 2023, we revised the risk assessment process to include additional sustainability issues, including human rights and environmental risks. We perform on-site audits with select suppliers to verify the quality of the products we purchase and better understand their safety processes.

SUPPLIER DUE DILIGENCE	2023
Supplier Audits	29
Strategic Supplier Inspections	28
Strategic Supplier Reviews	18
% of Targeted Suppliers who Participated in Supplier Questionnaire	100%
Supply Chain Managers Trained on Sustainability ¹	95% ²

1 – Sustainability training offered to supply chain managers every other year
 2 – Reflects the % of employees who took the training the most recent time it was offered

INAUGURAL SUSTAINABLE PARTNER AWARDS HONOR EXCELLENCE

In 2023, we launched our first Sustainable Partner Awards, open to both suppliers and customers to apply. The application questioned companies on their sustainability-related policies and practices, and solicited descriptions of how applicants are creating sustainable value based on innovative practices, value chain engagement, stakeholder collaboration and taking leadership positions. Six customers and six suppliers were announced as winners at a sustainability-focused event in Omaha, Nebraska. Winners and Union Pacific departmental representatives worked together to create ideas for how to manage our operations more sustainably.



The Sustainability Partner Award honors suppliers and customers demonstrating commitment toward achieving sustainability goals.



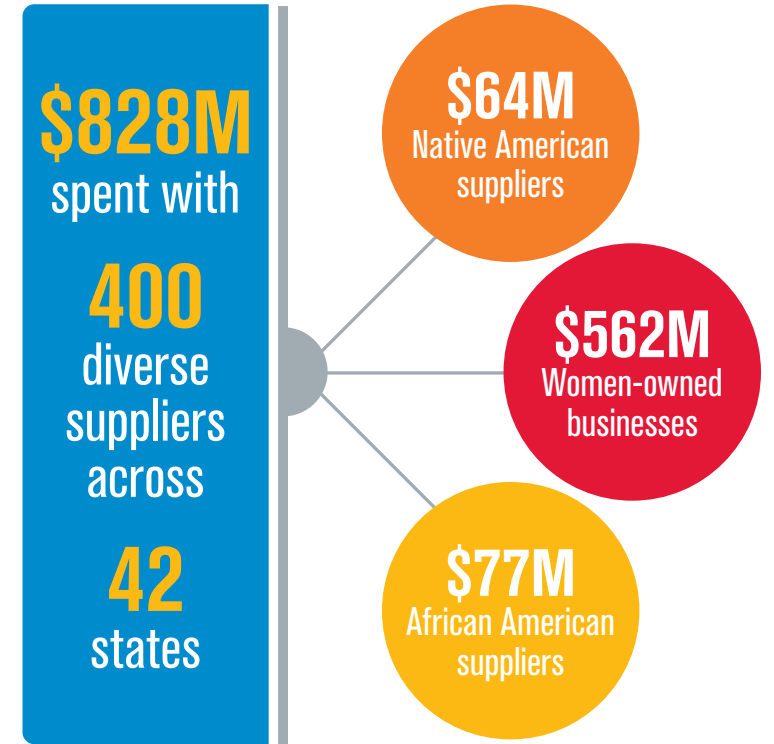
Supplier Diversity Drives Innovation, Competition and Economic Investment

We became the first U.S. railroad to establish a formal supplier diversity program in 1982. Since then, we have continued to take steps to increase our spending and engagement with diverse suppliers while maintaining the expectations set forth in our Supplier Code of Conduct and Quality program.

Supplier diversity programs bring numerous meaningful benefits for corporations. They introduce new products, services and solutions to companies that may have otherwise been overlooked. Having a diverse vendor base promotes innovation while also driving price and service competition among suppliers. It also brings our economic investment to the communities in which we operate, promoting job creation at a local level.

In 2023, 73% of our bids included a diverse supplier, and we purchased approximately \$828 million in goods and services from 400 diverse suppliers in 42 states. Our spending with diverse suppliers grew 2% from 2022 to 2023 and has more than tripled since 2017, from \$239 million. Of the \$828 million spent in 2023, nearly \$562 million (68%) was with women-owned businesses and \$77 million (9.3%) with African American suppliers. Spend with Native American suppliers increased to \$64 million.

In 2023, we joined the National Gay & Lesbian Chamber of Commerce to identify new LGBTQ+ suppliers. Procurement professionals also attended two national conferences – the National Minority Supplier Development Council and the Women’s Business Enterprise National Conference – to learn best practices and meet new suppliers.



CHAMPIONING ENVIRONMENTAL STEWARDSHIP



ENVIRONMENTAL MANAGEMENT

Preserving the environment by reducing waste, making efficient use of energy and water, complying with environmental regulations and remediating environmental impacts when present.

Embedding Environmental Stewardship into Our Culture and Operations

We continuously evaluate and improve our Environmental Management System (EMS) and operating efficiencies while investing in and developing technology to reduce our environmental footprint. Our Environmental Policy, management programs and training courses help focus our efforts to foster environmental stewardship, firmly embed it into our culture and comply with applicable legal requirements so we can continue to provide safe, reliable, fuel-efficient and environmentally responsible freight transportation.

Our EMS conforms to the ISO 14001-2015 standard; however, because our boundaries are nontraditional, with the environmental management system applying to the entirety of the organization including operations in 23 states, our objectives are outlined and implemented in accordance with local and regional programmatic implementation plans that adhere to the applicable federal, state and local laws, regulations, and policies.

Proactive Environmental Remediation

We focus on preventative maintenance, spill prevention and emergency preparedness to limit the potential impacts of incidents. We also take steps to prepare our employees, emergency response partners, as well as local and Indigenous communities, in the event of an incident. Following our Hazardous Material Emergency Response Plan (HMERP), which outlines what is needed to attend to spills and/or releases promptly, we engage stakeholders and rightsholders in emergency drills to practice response skills. When an incident occurs, we complete a comprehensive environmental cleanup and remediation. In close coordination with government safety organizations, we investigate the cause of the incident to avoid future occurrences.



PUTTING 'REPAIR AND REUSE' IN ACTION

For more than 20 years, we have identified repairable parts from our locomotive, freight car and maintenance of way equipment, and worked with suppliers to repair the parts and return them to service via our repair shops. Many parts can be repaired multiple times prior to being replaced. In 2023, we repaired 141,487 individual parts on 768 unique components, avoiding over \$639 million in purchasing costs for new parts and helping our suppliers avoid the use of 27,205 tons of new steel.



We are speeding up our used rail tie pickup process with specially designed work equipment to enhance safety and efficiency. We annually divert 90% of our used railroad ties away from landfills to energy recovery facilities.

Responsible Waste Management

Responsible waste management and material stewardship is an important component of our environmental responsibilities. We follow three principles in managing waste: 1) minimize resource requirements; 2) divert waste from landfills; and 3) comply with waste management regulations.

We are working to implement waste stream recovery methods using sustainable circular measures to reduce landfill impact and lower our carbon footprint. Examples include:

- Working with a third party to conduct a waste audit on our headquarters building to identify improvement opportunities in our waste practices.
- Diverting 90% of the over 350,000 tons of railroad ties that are replaced annually away from landfills to energy recovery facilities.
- Reducing paper consumption, watering practices and the consumption of other resources.

In 2023, we conducted three waste audits at key locations to assess the effectiveness of our sustainable waste practices. These audits serve as a baseline for evaluating the performance of our waste diversion procedures and identifying best practices we can then implement across our entire system. We are continuing to conduct waste audits and are identifying ways to continue to implement sustainable management practices.

During the past year, we developed and integrated KPIs into our waste management process, improving our effectiveness in monitoring and evaluating performance of our overall waste management process and improving visibility and waste management ownership throughout our organization.

Water Protection

We use relatively little water in our operations, primarily for locomotive coolant, washing equipment, vegetation protection to minimize fire risk, and drinking water. We conserve water by analyzing accounts, researching irregularities, and making changes and repairs to eliminate unnecessary use. We use data to identify and address consumption changes, which might suggest a leak or other issue.

We are committed to complying with national water quality standards and regulations. We have built infrastructure and processes to discharge effluent wastewater safely and meet federal, state and local compliance obligations, minimizing our impact on the environment. To protect waters of the United States from stormwater runoff, we have implemented and maintain Stormwater Pollution Prevention Plans at about 250 facilities and about 140 Spill Prevention, Control, and Countermeasure plans. The plans cover all facilities where maintenance of locomotives and rail cars occurs and identify inspections, maintenance and best management practices to prevent contact with contaminated stormwater.

10to90 PLASTIC COLLECTION PILOT ADVANCES SUSTAINABILITY COMMITMENT

We are kickstarting a 10to90 plastics circularity pilot, removing the intermediary to sustainably send post-consumer plastic back to the source.

Cyclx – a post-use plastic innovator developing solutions to unlock plastic’s recycling potential – is on a mission to increase the recyclability of plastic waste from 10% to 90%, collaborating with municipalities, consumers and industry partners like Union Pacific to source and collect plastic waste destined for landfills.

While the initial pilot focuses on beverage bottles, commonly made from polyethylene terephthalate (PET), the program will expand to all-plastic collection, providing a convenient channel to effectively recycle plastic film, drums and even locomotive parts. Post-consumer plastic can be recycled into many things, including new soft drink and water bottles, carpet or nylon fabrics — goods Union Pacific hauls for customers.

Familiarizing employees with the 10to90 program and processes at our Englewood and Settegast facilities in Houston, Cyclx is building awareness and providing the necessary infrastructure to expand plastic waste collection beyond PET across our system.



The first of many plastic collection bins is now stationed at Union Pacific's Englewood Yard in Houston.

CLIMATE CHANGE

Reducing Union Pacific's direct environmental footprint through carbon reduction initiatives and the use of energy-efficient technologies and engaging our value chain to reduce Scope 3 emissions.

Leading the Way in Low-Carbon Freight Transportation

In 2023, Earth experienced its warmest year on record, as confirmed by the National Oceanic and Atmospheric Administration.¹ Global warming and accompanying acute weather events can disrupt our operations and the entire supply chain. We are committed to pursuing efforts to limit global warming to 1.5°C by reducing our greenhouse gas (GHG) emissions.

This section outlines our progress implementing climate-related strategies that position us as a responsible and low-carbon freight transportation provider.

- In the near-term, we are focused on operational excellence, fuel efficiency, biofuels utilization and technology investments to reduce our GHG footprint.
- We are also making investments to assess strategies and technologies that can further reduce GHG emissions from our locomotive operations over the long term.
- While GHG emissions from locomotives are the largest component of our GHG footprint, we are also taking action to reduce our GHG emissions beyond locomotives to meet our revised near-term, science-based target.
- We are actively working with customers on sustainable supply chain solutions, including investing for modal conversion from trucks to rail, expanding our presence in renewable fuel shipments, and creating circular economy logistics solutions.
- We know it is critical to involve our entire value chain partners in climate action, so we are advocating for improved sustainability practices from our suppliers, engaging our employees in sustainability solutions, and working with industry groups and policymakers.

Railroads: One of the Most Fuel-Efficient Means of Transportation

While we work to further reduce our environmental footprint, it is important to note that railroads are already one of the most fuel-efficient means of transportation. Freight rail leads other forms of surface transportation when it comes to minimizing GHG emissions, and we expect rail will continue to play a critical role in mitigating and abating the impacts of climate change. According to the Association of American Railroads (AAR), moving freight by rail instead of truck reduces GHG emissions by up to 75%.² Therefore, converting freight transportation from truck to rail typically results in an immediate reduction in our customers' Scope 3 GHG emissions.

According to the U.S. National Blueprint for Transportation Decarbonization, GHG emissions from rail transportation represented only 2% of U.S. transportation-related GHG emissions. The federal government recognized in its blueprint that modal shift – encouraging greater use of passenger and freight rail transportation – will reduce net emissions across the transportation sector, which benefits our climate.³

We are actively working with many customers and supply chain partners to provide transportation solutions that reduce their emissions. We are also devoting resources to grow our presence in emerging green markets such as renewable fuels, solar and wind energy, and plastics recycling.

2023 CLIMATE PERFORMANCE HIGHLIGHTS

- Reduced our absolute GHG emissions for Scope 1 and 2 by 0.8% vs. 2022. Cumulatively, our emissions have experienced a 19.1% reduction vs. our 2018 baseline.
- Reduced our absolute GHG emissions for the target Scope 3 categories by 0.8% vs. 2022. Cumulatively, our Scope 3 target categories' total GHG emissions have experienced a 12.1% absolute reduction vs. our 2018 baseline, including a 21.9% cumulative absolute reduction in Scope 3 fuel- and energy-related activities.
- Increased our full-year average utilization of biofuels to 6.1% vs 4.5% in 2022.
- Continued our partnership with locomotive manufacturers and fuel suppliers to test higher levels of renewable biofuels in our locomotives, leading to permission from those manufacturers to utilize blends of up to 50% renewable diesel and 11% biofuel in locomotives going forward.
- Engaged suppliers representing 27% of our annual procurement spend on their sustainability-related practices and policies. For 2024, we have incorporated sustainability-related KPIs into our supplier scorecards for suppliers representing approximately 46% of our procurement spend.
- Recognized 12 customers and suppliers as Union Pacific Sustainability Partners for their sustainability practices and created collaboration sessions with them to brainstorm methods for working together more sustainably.
- Progressed three projects supporting biodiversity restoration in partnership with The Nature Conservancy. Project goals include grassland and wetland restoration, groundwater recharge, threatened species habitat conservation and community education.
- Extended our commitment to decarbonizing our operations by adopting the more stringent SBTi target standard of a 1.5°C (versus 2.0° C) climate scenario.

1 – See "Annual 2023 Global Climate Report", National Centers for Environmental Information, National Oceanic and Atmospheric Administration, available at <https://www.ncei.noaa.gov/access/monitoring/monthly-report/global/202313>

2 – "Freight Rail & Climate Change", Association of American Railroads, available at <https://www.aar.org/issue/freight-rail-climate-change/>

3 – "The U.S. National Blueprint for Transportation Decarbonization", U.S. Dept of Energy, available at <https://www.energy.gov/sites/default/files/2023-01/the-us-national-blueprint-for-transportation-decarbonization.pdf>

CLIMATE ACTION PLAN

Our climate activities align with our overall corporate strategy of Safety, Service and Operational Excellence = Growth. By prioritizing safe operations, we protect both people and the environment. Additionally, our efficiency focus helps to decrease greenhouse gas emissions and provides excellent service levels that encourage customers to switch from truck to rail transportation.

Execute Near-Term Locomotive Strategies

- Improve operating efficiencies
- Install locomotive energy management systems
- Modernize / overhaul existing locomotives
- Increase renewable fuels utilization
- Utilize Green Bond for internal projects with environmental benefits

Drive Long-Term Reductions Via New Technologies

- Pilot hybrid locomotives as transition strategy
- Evaluate zero-emission locomotive technology feasibility
- Collaborate technically with industry and strategic suppliers

Decarbonize Beyond Locomotives: Scope 2 & 3

- Decarbonize operations beyond locomotives
- Reduce and green our electricity use
- Engage suppliers on Scope 3 emissions
- Meet our commitment to our revised 2030 science-based target

Offer Our Customers Sustainable Solutions

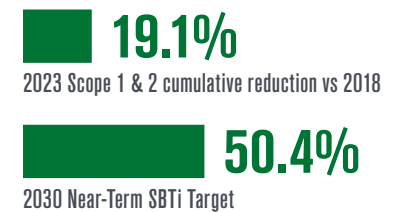
- Demonstrate rail's climate value via emissions estimator and greenhouse gas (GHG) avoidance statements
- Grow our renewable fuels and feedstocks shipping business
- Support development of circular economy
- Expand intermodal capacity for modal shift to rail

Collaborate with Our Value Chain

- Advance strategic decarbonization partnerships with suppliers
- Encourage sustainable practices and results in our supply chain
- Engage our workforce in sustainable thinking and initiatives
- Intra-industry collaboration
- Trade association advocacy

Our 2030 SBTi Target Reduces GHGs by 50.4%

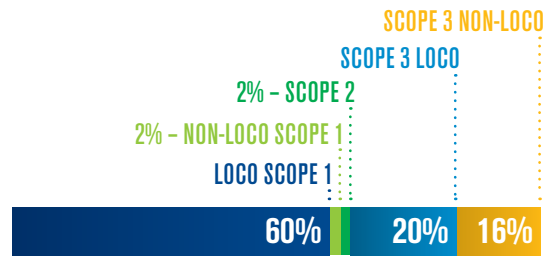
- Reduce absolute Scope 1 and 2 GHG emissions by 50.4% by 2030 from a 2018 base year
- Reduce Scope 3 absolute emissions from our purchased goods and services, capital goods and fuel- and energy-related activities 50.4% by 2030 from a 2018 base year



Reduce Locomotive Emissions by Executing Near-Term Strategies

Locomotive operations are the main driver of our total GHG footprint. Addressing this, we implemented near-term strategies focused on reducing the absolute quantity of diesel we use. Reducing fuel use lowers both greenhouse gas and criteria pollutant emissions (PM, NOx, etc.). These strategies include improving operating efficiencies; increasing locomotive fuel efficiency; investing in locomotive overhauls and modernizations for reliability and efficiency; growing train length; and increasing our utilization of renewable fuels such as biofuel and renewable diesel.

GHG FOOTPRINT IT'S ALL ABOUT THE LOCOMOTIVES



80%
of UP's GHG footprint is directly related to locomotive fuel combustion, transportation & distribution

Per 2023 GHG inventory: total excludes 1) the CO2e portion of Scope 1 emissions derived from the combustion of biogenic fuels, including biodiesel and renewable diesel fuels, and 2) the GHG contribution of MHX, a transload subsidiary acquired by Union Pacific in February 2023.

Operating Efficiencies Reduce Fuel Consumption

Since 2018, we made changes to our transportation plan to enhance efficiency, and in 2023 we refocused our efforts on operational excellence in our network operations. By eliminating unnecessary work, increasing average train length and improving locomotive productivity, we can achieve faster and more efficient movement of freight cars across our network.

Longer train lengths improve locomotive productivity, measured in gross ton miles per horsepower day, resulting in a decreased need for locomotives to handle our freight. This allows us to retire or store our least-efficient units, leading to improved average fuel efficiency.

These operational improvements reduce fuel consumption and lead to decreased greenhouse gas and criteria pollutant emissions.

OPERATING IMPROVEMENTS CORRESPOND WITH DECREASED GREENHOUSE GAS EMISSIONS

	2018 Baseline	2019	2020	2021	2022	2023	2023 vs 2018
Fuel Consumption for Operations (gallons per GTM)	1.150	1.126	1.100	1.086	1.078	1.088	(5.4%)
Average Max Train Length	7,036	7,747	8,798	9,334	9,329	9,356	+33.0%
Locomotive Productivity (Gross Ton-Miles / Horsepower-Day)	106	120	137	133	125	129	+21.7%
Freight Car Velocity (daily miles per car)	198	209	221	203	191	204	+3.0%
Gross Ton-Miles (billions)	928.6	846.6	771.8	817.9	843.4	837.5	(9.8%)
Scope 1 GHG Emissions (mtons CO2e, thousands)	11,314	10,083	8,897	9,237	9,266	9,157	(19.1%)
Scope 1 GHG Emissions (mtons CO2e per million GTM)	12.2	11.9	11.5	11.3	11.0	10.9	(10.7%)

New Tech Is Optimizing Fuel Efficiency



A locomotive equipped with an Energy Management System (EMS).

Additional technology is helping us enhance fuel efficiency and maximize our fuel economy. We have equipped our locomotive fleet with Energy Management Systems (EMS), which adjusts the locomotive's throttle and dynamic braking to optimize fuel usage and reduce greenhouse gas emissions.

In 2023, we installed EMS on over 225 additional locomotives. By the end of 2023, approximately 83% of active locomotives in our road fleet were equipped with EMS. We are on track to achieve full implementation of EMS by 2026.

We have also installed automatic shutdown technology on over 99% of our locomotives to prevent unnecessary engine idling, and we actively track and enforce locomotive idling shutdown protocols daily to keep idling to a minimum.

Investing in Locomotive Overhauls, Modernizations Drives Fuel Efficiency and Emission Reduction

We are actively upgrading our existing locomotive fleet with new technology to enhance fuel efficiency, reliability and reduce emissions. In 2023, we successfully overhauled 200 older locomotives, resulting in improved reliability and up to 5% better fuel efficiency, along with approximately 53% fewer GHG emissions.



A main cab for a Union Pacific modernized locomotive.

We are continuing our ongoing partnership with Wabtec Corporation to modernize 600 locomotives. This extensive project, valued at over \$1 billion, includes engine refurbishment with next-generation controls and replacement of the electrical control system in our high horsepower fleet, allowing for software updates and functionality required to reduce road failures and variability. In addition, modernizations include a complete rebuild of engines and redesign of the fuel distribution system, resulting in more efficient fuel consumption and reduced emissions.

The enhanced reliability and capacity of these updated locomotives will allow us to reduce the number of locomotives needed to transport our freight efficiently. Further, these modernizations align with the principles of the circular economy, as more than half of each locomotive's weight will consist of reused components. We are committed to minimizing waste and maximizing sustainability throughout this initiative.

This investment will allow us to achieve approximately 210,000 tons in annual emission reductions – equivalent to removing emissions from nearly 45,000 passenger cars each year. As of the end of 2023, 200 C44ACE and Dash-9 locomotives were modernized. We plan to complete all 600 modernizations by the end of 2026.



Renewable Fuel Initiative Helps Achieve Emission Reduction Goals

Meeting our near-term emissions reduction target cannot depend on operational excellence and technology-enabled fuel efficiency alone. With 80% of our GHG emissions (Scope 1 and Scope 3, category 3) generated from the use of fuel in our rail operations, a key enabler of meeting our near-term GHG reduction target is increasing our utilization of renewable, low-carbon fuels in our locomotives. We have committed to the goal of increasing the percentage of renewable fuels consumed to 10% of our total diesel consumption by 2025 and 20% by 2030. Use of renewable fuels reduces both greenhouse gas and criteria pollutant emissions.

GREEN BOND SUPPORTS ENVIRONMENTALLY FRIENDLY PROJECTS

Union Pacific has endeavored to be part of the climate solution by proactively seizing opportunities to meet our sustainability goals. Under our Green Financing Framework, Union Pacific Corporation issued a \$600 million green bond in September 2022 to support projects with environmental benefits. We disbursed 100% of the net proceeds of \$590.8 million to eligible projects. See our [Green Bond Allocation and Impact Report](#) for more details.



UNION PACIFIC
2023 Green Bond Allocation and Impact Report

Since committing to increasing our use of biofuels, we have made consistent progress. In 2023, our consumption of low-carbon fuels reached 6.1% of total diesel used, up from 4.5% in 2022.

We work with fuel supply-chain partners to secure supplies of low-carbon fuels to meet our current and projected future needs. This includes creating logistics solutions to enable the refueling of locomotives with biofuel blends at new locations on our network; establishing commercial contracts for biodiesel with our suppliers; exploring market-based ways to reduce the cost premium for biofuels over fossil fuel-based diesel; and making cooperative efforts to encourage efficient, circular shipping of biofuels and biofuel feedstocks by rail.

Since committing to increasing our use of biofuels, we have made consistent progress. In 2023, our consumption of low-carbon fuels reached 6.1% of total diesel used, up from 4.5% in 2022.

We are actively collaborating with other Class I railroads and domestic locomotive manufacturers to test and approve the use of biofuels. For example, four Union Pacific locomotives providing service to a San Bernardino, California, sand and gravel mine are running on 100% biomass-based fuel. Data gathered during tests is demonstrating the performance and reliability of their engines are comparable whether operated with biofuel or traditional diesel fuel. Our testing of 100% biomass-based fuel is continuing to progress with no serious issues. Data and experience

obtained during the ongoing pilot study, expected to last until the end of 2025 if positive, will help us meet our goals.

In 2023, these and other testing collaborations led to both major locomotive manufacturers certifying the utilization of blends of up to 50% renewable diesel and 11% biofuel in locomotives. We are working with these manufacturers and Class I freight railroads through the American Association of Railroads' Decarbonization Working Group to test and approve even higher blends of biofuel and renewable diesel.

Notably, in many cases alternative diesel fuels require facility and infrastructure upgrades for compatibility with storage tanks, piping, meters, dispensers, etc. In 2023, we evaluated our fueling infrastructure against our 2025 and 2030 biofuels targets, and believe we have line of sight to meet our utilization commitments.

Although we are pleased with our progress, we acknowledge the production and distribution of biodiesel and renewable diesel can present challenges in terms of cost and supply, hindering their broader adoption in our operations. Therefore, we are collaborating with our industry and fuel suppliers to advocate for mode-neutral programs that promote fair market access to biofuels, including renewables, and their feedstocks across different transportation modes and consumers.

We believe governmental and regulatory action is necessary to encourage the supply of biodiesel and renewable diesel in the 23 states where we operate.

Federal and state government policies should harness market principles to encourage the development and deployment of renewable fuels. For example, to fully support and incentivize the increased production, distribution, and use of renewable diesel and biodiesel, incentives and subsidies should be equal between those fuels and sustainable aviation fuel.

BIOFUELS AS % OF FUEL USED

2018	1.2%
2019	1.4%
2020	2.2%
2021	3.0%
2022	4.5%
2023	6.1%
2025 Target	10.0%
2030 Target	20.0%





The first of six cutting-edge hybrid battery-electric locomotives designed and built by Union Pacific and ZTR will undergo extensive testing in May 2024.

“This is an incredibly exciting pilot project with great potential to improve the fuel efficiency of our locomotive fleet,” said **Beth Whited**, president, Union Pacific. “It underscores our strong commitment to exploring and developing alternative energy sources while reducing our carbon footprint and advancing our sustainability goals.”

Drive Long-Term Decarbonization with Advancements in Locomotive Propulsion Technology

Current advances in low- or zero-emission passenger rail vehicles are encouraging, but we believe additional research and development is required before our industry can adopt zero emissions locomotives at scale. The rate of adoption of new low- or zero-emission technologies by Class I railroads will depend on several factors. These include technological readiness determined through locomotive reliability testing; safety considerations; the rate of growth of alternative fuel sources or electricity; readiness of the national infrastructure to deliver alternative fuels or electricity; interoperability within the rail network; workforce education on new locomotive technologies; and the production capabilities of locomotive manufacturers.

Addressing these factors will require time and ongoing collaboration across our industry and supply chain. We are committed to thoroughly testing new locomotive technologies to evaluate whether they meet

our operational and safety standards, maintain efficiency comparable to our current fleet, and deliver value to both the railroad and our customers. We take this responsibility seriously and are dedicated to making progress.

Hybrid Battery-Electric Locomotives Production Underway, Consuming up to 80% Less Fuel

We continue to advance our partnership with ZTR, a green technology company and leader in locomotive control systems, to build six hybrid battery-electric locomotives for operational testing and ultimately revenue service. The locomotives are being constructed at our locomotive shop in North Little Rock, Arkansas, and the first unit will undergo extensive testing beginning in May 2024 in a Union Pacific facility and rail yard. The next of the remaining five hybrid locomotives is expected to be ready for testing in 2025.

These first of its kind locomotives within North America's freight rail industry will function similarly to plugin hybrid cars, with the ability to operate in various modes. They will have multiple charging options for their batteries, including wayside charging and onboard self-charging capabilities. The engineless slug design increases the number of traction motors available, enhancing the locomotive's pulling and braking power for yard switching work. Depending on the mode of operation, these hybrid switchers are expected to consume as much as 80% less fuel – reducing associated greenhouse gas and criteria pollutants. Additional benefits include reduced noise and lower maintenance expenses compared to diesel units.

The insights gained will help us determine the potential for hybrid units as a transition strategy in our operations.

Pushing Forward on Battery-Electric Locomotives



A modernized locomotive gets finishing touches.

In January 2022, we announced plans to purchase battery-electric locomotives for testing in yard operations. Testing battery-electric locomotives in yard switching, as opposed to line-haul operations, offers a more realistic path for locomotive conversion to 100% batteries, as switch locomotives have limited range and lower power requirements than line-haul locomotives. They also have planned downtime that can be utilized for battery recharging at a fixed location, rather than a line-haul locomotive recharging along a main line route without high voltage electrical infrastructure support.

Procuring the 2.4 MWh batteries needed for our battery-electric locomotives has proven to be more challenging than expected, not only for Union Pacific but also for other Class I freight railroads that have ordered similar locomotives for demonstration testing. Because of these procurement difficulties, we adjusted our locomotive order to four units, which are now expected to be delivered in 2026 and will be based in Southern California for operational testing. We remain committed to testing battery-electric locomotive technology in our operations.

These delays serve as a reminder of the complexities and supply chain challenges that arise during the transition to alternative propulsion technologies in the rail industry. However, we remain dedicated to driving progress in the industry. By sharing our findings with our partner locomotive original equipment manufacturers (OEMs) and other member railroads of the AAR's Decarbonization Working Group, we can accelerate our collective learning and advancement along the technological curve.

Committed to Technological Collaboration on New Locomotive Technologies

We are working with the other Class I railroads and external partners to continue technical evaluation of various new locomotive propulsion technologies. We continue to collaborate with third parties both within and outside the industry, facilitate and learn from wider industry initiatives, and advocate for policies that promote and encourage additional cooperation to advance progress on low- and zero-emissions locomotives.

Market Principles Instead of Mandates

We must base decisions on future propulsion technology commercialization on market principles rather than government mandates. Government mandates may lead to the introduction of unproven and unreliable technology and the premature adoption of such technology by rail carriers. This could have negative effects on operational reliability, customer service and supply chain continuity. It may also result in a shift from rail toward more polluting forms of freight transportation, hindering national climate goals and creating transportation and supply chain challenges.

Decarbonize Beyond Locomotives to Realize our 2030 Near-Term Climate Target

Beyond Locomotives: Hydrogen-Powered Fuel Cells, Electric Vehicles

We are continuing to act to decarbonize our operations beyond locomotive operations.

During 2023, we installed hydrogen fuel cell-powered backup generators at 67 signalized road crossings along a portion of our Gulf Coast operations. With the potential to reduce GHG emissions by about 150 metric tons per year, this technology also provides an operational win for Union Pacific, as the fuel cells have a much longer run time between fueling events, which increases our operational efficiency and reliability during a hurricane.

We continue to evaluate 31 light- and medium-duty electric vehicles (EVs) in our operations, with 36 charging stations now installed at various points on our network.



A hydrogen supplier installs a new hydrogen-powered fuel cell at a Union Pacific crossing in Louisiana.



Hybrid cranes are used in some of our Chicago intermodal yards.

HYBRID CRANES GIVE DECARBONIZATION A LIFT

In 2023, we finalized contracts to purchase and test four hybrid cranes for our intermodal yards. The first crane became operational at the end of 2023, and all four cranes are expected to be commissioned by the end of 2024. Three cranes will be used at our Global I and Global II intermodal terminals in the Chicago area, while the fourth will be used at our Los Angeles terminal.

The cranes will function primarily on battery power, with the diesel generator kicking in only when needed to reduce low batteries. We expect these cranes will consume at least 65% less diesel than standard cranes, resulting in reductions in both greenhouse gas and criteria pollutants.

“It’s incredible this technology exists, and we get to explore another avenue to reduce our carbon footprint,” said Nicholas Smith, director-Maintenance and Repair, Premium Operations. “We will evaluate these cranes closely and explore their potential for future use in other yards across our network.”

Reducing and Greening Our Electricity Use

We classify Scope 2 emissions as indirect emissions from the generation of purchased energy, primarily purchased electricity. We utilize purchased electricity in our office locations to operate and light our yards and other car-handling facilities for 24/7 operations and operate our trackside signal and safety systems.

Since 2018, we decreased our GHG emissions from Scope 2 sources by over 22%, driven in part by an ongoing portfolio of projects that increase the efficiency of our electricity consumption. These projects include replacing outdoor facility lighting with LED systems, upgrading HVAC systems to improve efficiency and continuing electrical efficiency projects at our headquarters.

In 2023, our Scope 2 emissions accounted for approximately 2.2% of our total calculated Scope 1 and 2 emissions. While this percentage may seem small in relation to our overall emissions footprint, we anticipate an increase in electricity usage over the long term as we transition our locomotive and passenger vehicle fleets from fossil fuel-based energy to electric power. As our electricity demand grows, it is crucial we prioritize sustainability, energy efficiency, cost-effectiveness and reliability in our future Scope 2 energy sources.

To address this, we are conducting an analysis of our current and future electricity needs and exploring strategic options to reduce Scope 2 emissions. However, there is some uncertainty in this process as we consider the potential higher demand and cost for electricity during our decarbonization efforts. Additionally, we are investigating decarbonization options for our electricity supply, such as onsite solar power generation and virtual power purchase agreements.

Begin Engaging Suppliers on Scope 3 Emissions

During 2023, we conducted an extensive analysis to reassess and expand our Scope 3 emissions inventory, including our 2018 baseline. Those revised emissions footprints are in our updated GHG emissions footprint data. As a result of this exercise, we are now focusing our Scope 3 decarbonization efforts on the three largest categories: purchased goods and services (Scope 3, category 1), capital goods (Scope 3, category 2) and fuel- and energy-related emissions (Scope 3, category 3). We are engaging with our upstream suppliers to better understand their emissions reduction activities so we can better measure reductions in our Scope 3 emissions.

Meeting Our Commitment to Revise Our 2030 Science-Based Target

In our 2021 Climate Action Plan, we committed to our approved science-based target to reduce our Scope 1 and 2 emissions on an absolute basis by 26% from our 2018 baseline by 2030, and to reduce our Scope 3 to locomotive well-to-wheel emissions by 26% vs a 2018 baseline over the same period. In our 2022 Climate Action Plan, we committed to go even further: revalidating this science-based GHG reduction target to the Science Based Target Initiative’s (SBTi) revised minimum ambition guidance of a below 1.5°C global warming scenario.

In 2023, we completed our revalidation and in early 2024 the SBTi approved our new 2030 target, committing us to reduce absolute Scope 1 and 2 GHG emissions by 50.4% by 2030 from a 2018 base year. We also committed to reducing Scope 3 absolute emissions from our purchased goods and services, capital goods and fuel- and energy-related activities 50.4% by 2030 from a 2018 base year.

We are exploring the actions and innovations required to reach this goal while continuing to execute our core business strategies of Safety, Service and Operational Excellence = Growth.

Since 2018, we decreased our GHG emissions from Scope 2 sources by over 22%, driven in part by an ongoing portfolio of projects that increase the efficiency of our electricity consumption.

Offering a Sustainable Supply Chain Solution to Our Customers

As more customers aim to reduce their environmental footprints, we can offer lower carbon transportation solutions to help them achieve their goals. Converting traffic from trucks to rail provides an immediate reduction in their Scope 3 GHG emissions. We are actively working with our customers to understand their sustainability goals and collaborate on ways to assist them in reaching their targets.

Showing Customers Rail's Value in Reducing Emissions

Our online Carbon Emission Estimator allows customers to determine the amount of carbon emissions they could avoid by shipping goods

on our railroad instead of trucks. We also provide customers with estimates of their annual emissions savings. In 2023, 1,178 customers were sent an annual emissions avoidance estimate letter. Last year, we estimated our customers reduced approximately 22.5 million metric tons of greenhouse gas (GHG) emissions by choosing rail transportation over trucks. This is equivalent to removing around 5 million cars from the highways, operating over 5,900 wind turbines for a year, or preserving over 144,000 acres of U.S. forests from conversion to cropland in one year.

Moving the Circular Economy Forward

We are working directly with companies to provide rail transportation supporting the circular economy. Circular economy initiatives can reduce resource intensity by recapturing waste for re-use and recycling, or using less resource-intensive modes of transportation like rail. For example, we worked with Natura PCR, the largest film/post-consumer resin (PCR) producer in the Americas, to invest in rail infrastructure at its Texas plant so it could receive inbound plastic waste by rail and ship outbound PCR product by rail to its customers.

“Most of our customers receive in rail, and you have to be able to ship in large volumes because your customers are large scale. Rail is perfectly set up for those needs,” said Natura PCR founder Rick

Perez. “When you ship by truck, two things are happening: First, inefficiency within the logistics – managing that is very difficult. Second, you’re using more resources, which means that your carbon footprint is more significant. That’s what we’re trying to eliminate here, so rail is a key factor for us to do the right thing by the environment.”

But Natura PCR didn’t wait to take advantage of the benefits rail brings to their supply chain. Leveraging our team of experts who focus on supporting plastics circularity, the team developed a solution tailored to Natura PCR’s capabilities and needs. Natura PCR is currently shipping plastic bags by rail through transloading, where trucks transport large bales of used plastic bags to a transload facility. There, they are transferred into rail cars for the long haul. They are then transloaded once more to trucks and make the short trip to their final destination.

Expanding Intermodal Capacity to Move More Trucks to Rail

During 2022-2023, we invested in increasing our intermodal ramp capacity in large markets such as Chicago, Southern California and the Twin Cities. Ramp capacity is critical to meeting demand and converting truck traffic to rail transportation, thus reducing our customers’ emissions and helping to reduce the huge economic costs of highway congestion.

GROWING OUR BUSINESS: RENEWABLE FUELS AND FEEDSTOCKS

We have an opportunity to grow carload volumes of renewable energy, including biofuels. We provide value to renewable fuels producers by transporting low-carbon fuels to the West Coast, where demand is the highest and producers can benefit from state and federal incentives. Our trains are ideal for shipping large volumes of freight, including renewable fuels and feedstocks. Compared to shipping by truck, we can reduce our customers’ logistics carbon footprint and simultaneously provide cost savings on their shipments by delivering feedstocks to biofuels refineries and then transporting renewable fuels to consumption markets.

States with high demand for biofuels, such as California and Texas, are on our network. In 2023, our revenue from renewable diesel fuel shipments has grown 250% since 2020, and renewable fuels use is expected to grow sharply over the short term as some traditional fuel producers make large investments in petroleum refineries to switch to renewable diesel. It is estimated U.S. renewable diesel production capacity will total 4.8 billion gallons per year by the end of 2024, compared to nearly 2.6 billion gallons of production capacity in 2022.





COLLABORATE WITH OUR VALUE CHAIN ON CLIMATE ACTION INITIATIVES

While individual action is important, it is not enough to tackle climate change. Addressing the impacts of climate change requires collective action. Therefore, we recognize the need to work together with stakeholders across our value chain to help achieve our targets.

ADVANCING STRATEGIC PARTNERSHIPS WITH SUPPLIERS

As described previously, we actively collaborate with locomotive manufacturers to test renewable fuels in our current locomotive fleet and develop and test innovative locomotive propulsion technologies like hybrid and battery-electric locomotives.

ENCOURAGING SUPPLIERS' SUSTAINABILITY PRACTICES AND RESULTS

We engage our strategic and critical Tier 1 suppliers on GHG emissions reduction, emissions data sharing opportunities, and how we can collaborate to accelerate decarbonization initiatives. During 2024 these suppliers' decarbonization journey progress will be included as an element of the sustainability KPI on suppliers' performance scorecard. For more information, see [Collaborating With Our Suppliers for a Sustainable Future](#).

INTRA-INDUSTRY COLLABORATION

We also collaborate within the rail industry to impact climate change. We participate in The Association of American Railroads (AAR) Decarbonization Working Group and Locomotive Committee to identify emerging technologies and advance policy to support the decarbonization of the rail industry.

Strategic/critical suppliers' decarbonization journey progress will be an element of their performance scorecard.

EMPOWERING OUR EMPLOYEE SUSTAINABILITY BUSINESS RESOURCE GROUP

We are the first railroad to organize an employee-led Business Resource Group (BRG) focused on environmental sustainability. With over 1,000 members across our company, the Planet Tracks BRG's objectives include identifying and educating our workforce on environmental issues, championing environmental stewardship across Union Pacific and fostering employee engagement through training, networking and targeted activities. In 2023, Planet Tracks members led an initiative to minimize optional paper printing throughout our operations. The "Pause Before You Print" campaign featured communications offering guidance on reducing the use of printed materials for presentations and encouraged the utilization of digital meeting tools.

TRADE ASSOCIATION ADVOCACY

We are a member of many national industry and business organizations, including the U.S. Chamber of Commerce, the National Association of Manufacturers and the California Council for Environmental and Economic Balance. We actively participate in the policy-making process with these organizations and advocate for rail- and climate-friendly policies. For example, in 2021 we actively lobbied for the Infrastructure Investment and Jobs Act (IIJA), which included funding for electric-grid and renewable energy programs; alternative, lower and zero emission technology and fuels; and locomotive overhauls and remanufacturing resulting in emissions reductions.

We advocate for policies that enhance the competitiveness of the freight rail industry and enable us to better compete for freight transportation. This reduces transportation-related greenhouse gas emissions by diverting traffic away from more carbon-intensive modes of transportation and taking trucks off the road. We are focused on reasonable market-based solutions supporting the development of appropriate low- and zero-carbon technologies and fuels. Such policies should be mode neutral, technology- and fuel-agnostic and federal in scope to avoid a patchwork of local or state laws. We support reasonable legislation and regulation compatible with these principles.

LAND RIGHTS & MANAGEMENT

Working with relevant stakeholders to protect environmental biodiversity and mitigate land disturbances throughout Union Pacific’s network.



Our Pledge to Preserve Biodiversity

Our operations traverse 23 states, over 7,000 communities and countless wildlife habitats and waterways. We know the importance of protecting and managing biodiversity and lands near our rail network. We implement biodiversity management plans to protect ecosystems and endangered species in various locations. Our [Biodiversity Statement](#) outlines our commitment to preserve the land our operations touch.

When our operations are near critical biodiversity, we apply the following mitigation hierarchy:

- 1) avoid impacting
- 2) minimize impact
- 3) rehabilitate/restore impact
- 4) offset the impact elsewhere

Placing a Biodiversity Lens on Construction Projects

Before starting construction projects, our teams engage early to identify and assess potential environmental impacts. We also coordinate externally with regulators, experts, local municipalities and Indigenous communities to inventory and identify critical habitat, endangered species, sensitive areas as well as archaeological and heritage features to minimize impacts.

Where impacts are unavoidable, we fund the replacement of wetland, aquatic resources, and/or endangered species lost due to our impacts or purchase credits in approved mitigation banks. After project construction activities conclude, we monitor our mitigation measures and make necessary adjustments. This allows us to verify that our biodiversity initiatives are functional and effective, which helps improve the design and delivery of future projects.

We consider the specific environmental and regulatory context when completing maintenance, growth, remediation, and/or emergency response projects across our network.

For example:

- We recently completed three bridge replacement projects on our Coast Subdivision, taking measures to mitigate the impact on waterway resources. One of the mitigation efforts involved providing funding for a Cape Ivy eradication program. Cape Ivy is an invasive species that can harm native vegetation and disrupt ecosystems. By supporting the eradication program, we positively contributed to preserving the environment and promoting the health of native plants and wildlife.
- After a train derailment on our Cima Subdivision, we established an Incident Command that included communication with the California Department of Fish and Wildlife and the National Park Service, forming a Wildlife Management Plan to protect the desert tortoise, which is federally listed as a threatened species.

Stewardship in Action: Protecting Waterways and Wildlife Across Our Operations

We review and manage sensitive resources (endangered species, migratory birds, etc.) as required by federal and state law. Our reviews follow the federal level Clean Water Act Section 404 (CWA) and all resources included in the CWA’s guidance. This includes jurisdictional waterways and wetlands, threatened and endangered species, and cultural/historical/tribal resources.

We define our operational sites to include bridge replacement and facility construction sites, commercial facilities construction projects, and new railroad capacity (main line, siding, and yard) construction projects where our experience and evaluation protocols determine that a likelihood of potential impacts to waterways/wetlands/species exists.

We conducted environmental and biodiversity impact evaluations on 1,318 bridge, capacity and commercial facilities construction sites from 2019-2023. Of these locations, approximately 1,250 involved the eventual utilization of biodiversity management plans in consideration of waterways, wetlands, and threatened and endangered species and migratory birds. For these locations, we followed the regulatory bodies’ prescribed guidance for how to manage issues and impacts associated with these resources. We do not track area estimates for these projects.

ENVIRONMENTAL AND BIODIVERSITY IMPACT EVALUATIONS CONDUCTED, 2019-2023

	2019	2020	2021	2022	2023	TOTAL
Bridge	238	184	249	227	187	1,085
Capacity	44	47	49	12	38	190
Commercial Facility	7	7	8	13	8	43
TOTAL	289	238	306	252	233	1,318

Approximately 1,250 locations (95%) over the 2019-2023 time period involved the eventual utilization of biodiversity management plans in consideration of waterways, wetlands, and threatened & endangered species and migratory birds.

Nature-Based Solutions Partnership

Through our collaboration with The Nature Conservancy (TNC), a global environmental nonprofit, we are investing in three nature-based solutions to improve the quality of water, land and air in our communities. We are sharing these innovative practices among community stakeholders, employees and students to create the next generation of sustainability champions and stewards.

These partnership projects support TNC’s 2030 goals to halt climate change and biodiversity loss across the globe.

In North Texas, TNC is working to reconnect critical landscapes in the Upper Trinity River watershed. Land fragmentation and habitat loss reduced the once expansive Blackland Prairie to a few small, scattered parcels. TNC has been working to protect, manage and restore grasslands within this ecoregion for nearly 40 years. In partnership with Union Pacific, restoration of nearly 2,000 acres will increase water quality, expand and improve species habitat while providing increased equitable access to nature for Texas’ rapidly growing population.

In California’s Central Valley, our project to “rewild” former agricultural ground back to native grass and trees is serving as a demonstration site for other landowners. Agricultural production is threatened due to a long-term shortage of water, with a need to help remediate decades of exposure to farm chemicals affecting downstream drinking water. This project is also helping our employees and community members assist with water monitoring efforts; we hope to stimulate sustainable thinking as well as hands-on experience in science.

The project in the Upper Elkhorn Watershed in Nebraska promotes grassland conservation; it is reducing the number of acres converted from grasslands to row crops and replacing row crops with prairie in this flood-prone region that ultimately is not suited for food production. Bringing back the ability for nature to help protect against flood events, which also has the benefit of absorbing agricultural chemicals and cleaning up the water downstream, will provide critical habitats for many plant and animal species.

In 2023, these projects involved more than 1,400 people, created conservation management plans for over 80,000 acres and set the stage for further actions in 2024.



Our collaboration with The Nature Conservancy aims to improve the quality of water, land and air in our communities. At a site visit in California are, from left, Susan Long, executive director of the Tule Basin Land & Water Conservation Trust; TNC's Vicky Espinoza; Anna Gurevitz, executive director of SEEN, an environmental education nonprofit; TNC's Abby Hart; Union Pacific's Liisa Stark and Peggy Ygbuhay, and Scott Butterfield, TNC.



STRENGTHENING OUR COMMUNITIES

STAKEHOLDER ENGAGEMENT

Engaging with employees, customers, investors, suppliers, and government and community leaders to collaborate and create value in areas of mutual interest.

Our Layered Approach Tailored to Each Stakeholder Group

We engage with our stakeholders, including employees, customers, investors, suppliers, representatives and community leaders, to build strong relationships and provide excellent customer service to meet and exceed their needs.

HOW WE BUILD RELATIONSHIPS WITH OUR STAKEHOLDERS

EMPLOYEES

Our approximately 33,000 employees work 24/7 across our 23-state service area. We support and engage employees through the following channels:

- CEO communication, such as online and in-person town halls with question-and-answer sessions
- Videos covering key issues, including safety and employee engagement
- Employee clubs and resource groups
- Employee Engagement Survey and focus groups to gather direct employee feedback that informs policy decision-making
- Annual ethics training and regular ethics communications or materials
- A Values Line, allowing employees to anonymously report concerns 24/7
- Field employee newsletters
- Portal communications
- Social media
- DE&I Listening Sessions
- Operating Excellence, Safety & Service meetings
- Senior management town halls with question-and-answer sessions
- Information Television Network
- Microsoft Outlook emails and Teams communities
- Home mailings, including quarterly newsletters
- Annual Leadership Conference and cascade events

CUSTOMERS

We have strong relationships with our customers. At the heart of these relationships are multifaceted communication efforts, enabling us to develop solutions that meet their changing needs and support growth. We engage customers through the following channels:

- Face-to-face, teleconference and virtual meetings
- Email and calls to actively keep customers updated and notified
- Webinars
- Customer website and secure customer portal, including a Virtual Assistant (chat feature) and Online Self-Help Library to assist customers
- Shipment Notifications, with more than 40 types available to subscribe to and the ability to customize the information customers want to see on their shipments
- Smartphone apps and mobile-friendly services
- API integration
- Track Record, our online magazine designed to help transportation and logistics professional secure accessible, cost-effective and reliable solutions, and Track Record eNewsletter
- Social media
- Rail operation announcements and monthly commercial updates from the executive vice president-Marketing and Sales
- Customer surveys and forums for evaluations and suggestions
- Our 24/7 Customer Care and Support team
- A Values Line, allowing customers to anonymously report concerns 24/7
- Customer & Supplier Sustainability Awards



YOU CAN CALL OUR EMERGENCY HOTLINES

In addition to our local employees and Public Affairs team members, we encourage community members to engage with us directly. Our national 24/7 emergency hotline and online reporting tool allows community members to report emergencies, safety concerns, vehicles stopped on railroad tracks, hazardous material releases, criminal activity in progress, fires and other incidents requiring immediate response. Data is then logged and distributed within our company for resolution. Our Public Affairs team reviews these reports to identify opportunities to further engage with communities, bringing our internal departments together with external stakeholders to collaborate on solutions that benefit the communities where we operate.

COMMUNITIES

Our business positively impacts communities through proactive engagement with community leaders, creating economic growth and development opportunities for local businesses, investing in workforce development, providing career opportunities and reducing roadway congestion to improve air quality. We support communities through the following channels:

- A local Public Affairs team who regularly engages with elected officials, economic development alliances, civic groups and other community leaders to address community concerns and identify opportunities to collaborate on issues of mutual interest
- Community event sponsorships and employee volunteer opportunities
- The Community Ties Giving Program, which builds safe, prosperous, vibrant and inclusive communities focused on safety, workforce development, enhanced community spaces and environmental sustainability projects
- The UP CARES program, which promotes rail safety education and law enforcement partnerships
- Free railroad safety presentations for community members, drivers, students and other users of public and private crossings
- Active participation in community forums and advisory groups to provide input on public-private infrastructure projects, including grade separations of roads and railroad tracks, highway rail crossing evaluations, and rails-to-trails conversions
- Free hazardous materials safety and response training for first responders
- Inside Track, our website dedicated to sharing news, photos and video about Union Pacific, our employees and the communities where we live and work
- A Values Line, allowing the public to anonymously report concerns 24/7
- Social media platforms, including Facebook, LinkedIn, Twitter, Instagram and YouTube to share company news of interest

SHAREHOLDERS

Clear communication with shareholders is important to Union Pacific. We engage them through the following channels:

- Proxy statements and other SEC filings
- Annual shareholders meeting
- Our Investor Relations site, featuring upcoming events, public filings, weekly industry reports, shareholder resources and answers to frequently asked questions
- Building America Report
- Materiality assessment
- Fact Book
- Participating in voluntary sustainability disclosure, such as CDP, and engaging with sustainability ratings firms such as the Dow Jones Sustainability Index, EcoVadis, MSCI, and Sustainalytics
- Face-to-face, teleconference and virtual shareholder meetings with management and investor conferences
- Quarterly earnings reports and conference calls



ADDITIONAL KEY AUDIENCES

Policymakers: We work closely with federal and state lawmakers as well as regulatory officials to align our business investments with the country's infrastructure requirements, shaping a responsible and sustainable operating environment through the following channels:

- Transparent compliance reports, voluntary agreements and in-person meetings
- Ongoing dialogue via staff in Washington, D.C., and across our network
- Participation in the Association of American Railroads (AAR) and U.S. Environmental Protection Agency's (EPA) SmartWay Transport Partnership
- Employee and corporate regulatory and legislative advocacy
- Union Pacific Environmental Management team regulatory engagement
- Collaboration with the Federal Railroad Administration, Surface Transportation Board, U.S. Customs and Border Protection (CBP) and other government agencies

Suppliers: Suppliers are an important part of our business, helping us serve our customers and provide quality materials. We manage suppliers through our Supplier Code of Conduct and Quality program, engaging them through the following channels:

- Electronic commerce capabilities
- Supplier performance tracking system
- Supplier diversity program
- Face-to-face and virtual meetings
- Annual performance review with strategic suppliers
- Site visits for quality and performance
- A Values Line, allowing suppliers to anonymously report concerns 24/7
- Customer and supplier sustainability awards

COMMUNITY BUILDING & GIVING

Going beyond direct business activities to support communities through charitable giving, volunteering and charitable initiatives.



Empowering Our Communities

Our charitable giving programs have helped thousands of nonprofits achieve their missions since 1959. Funding allocated by the Community Ties Giving Program ranges from local grants and sponsorships to regional and national partnerships.

The ethical treatment of others is important to us. Our Anti-Discrimination Policy reflects our dedication to work only with nonprofit organizations that do not discriminate based on a person's race, color, sex, ethnicity, national origin, age, disability, religion, past or present military service, sexual orientation, gender identity and or/expression, genetic information, pregnancy, political affiliation, marital or familial status, or any other status protected by law. Organizations must be willing, if asked, to attest they prohibit discrimination on these grounds.

We understand each community has unique challenges and opportunities. The programs we support align the top concerns of our communities with one or more of our giving priorities related to safety, workforce development, community spaces and environment sustainability. Our work in these areas builds safe, prosperous and vibrant communities – places people want to be.

\$22.9M COMMUNITY INVESTMENT

COMMUNITY SPACES



\$2.8M

154

Community buildings built or enhanced

142

Parks/greenspaces created or enhanced

1,043

Public space "clean-ups"

WORKFORCE DEVELOPMENT



\$5.0M

953,156

Career-related class/program hours delivered

69,721

Individuals trained in job skills

30,090

Job placements made

SAFETY



\$2.4M

22,740

Emergency response equipment procured

720,919

Individuals trained in safety procedures

9,426

Safety-related class/program hours delivered

ENVIRONMENTAL SUSTAINABILITY



\$2.1M

503,243,052

Millions of gallons of water positively impacted (e.g., purified, conserved, etc.)

1,115

Species protected/enhanced

10,026

Tons of waste avoided, recycled, or beneficially reused

MATCHING GIFTS



\$3.0M

LOCAL COMMUNITY SUPPORT

\$7.6M

35M

Individuals served

13M

From underserved populations

ENVIRONMENTAL SUSTAINABILITY

The future of our business, communities and planet depends on bold action to reduce the impacts of climate change while building a more sustainable economy for the next generation. We are committed to supporting leading environmental nonprofits and community-based organizations to advance the health of our environment. We prioritize funding for programs that support the following objectives:

- Reserve and restore nature, including programs focused on natural habitats, ecosystems, and biodiversity.
- Protect and enhance water or air quality through innovative and proactive solutions that seek to improve clean air and water, including water conservation and emission reduction programs.
- Reduce waste through initiatives focused on promoting recycling and circularity throughout the community, including recycling and composting programs and other efforts that reduce waste.
- Develop environmental stewards through youth programs focused on fostering environmental appreciation, responsibility, and leadership.
- Advance a green economy by helping communities accelerate their transition to green jobs and renewable energy, as well as helping nonprofits and small businesses build their own capacity to operate more sustainably.

WORKFORCE DEVELOPMENT

For more than 160 years, Union Pacific has helped stimulate economic growth in cities and towns across the nation by training and providing employment to thousands of workers. We believe a skilled workforce and access to jobs paying good wages are essential elements for a prosperous community. We prioritize funding for programs that support the following objectives:

- Putting youth on the right track by creating awareness of family-supporting jobs, such as those offered by Union Pacific, and building foundational skills, specifically in the Science, Technology, Engineering and Mathematics-related fields, as well as necessary technical and life skills to begin a trajectory toward these careers.
- Raising awareness of educating and preparing young adults for middle-skills jobs through community colleges, vocational and career training programs, workforce readiness initiatives and programs assisting with job placement and/or on-the-job experience.
- “Upskilling” the existing workforce by providing training and resources enabling workers to reach the next level in their careers.
- Providing training and mentorship for nonprofit professionals, helping them grow and advance their organizations.

SAFETY

Communities thrive when residents feel safe. Union Pacific is committed to helping communities prevent and prepare for accidents and emergencies, helping everyone go home safely at the end of each day. This reflects our commitment to employee safety and the communities we serve.

We prioritize funding for programs that achieve the following objectives:

- Encourage safe behaviors and prevent accidents through education and awareness, particularly projects focused on rail, driver, bike and pedestrian safety.
- Eliminate risks and improve safe access to community spaces through infrastructure improvements. Examples include signage, proper lighting and public trail upgrades.
- Prepare and equip residents and emergency responders to effectively respond to incidents and emergencies, if or when they occur.
- Prevent crime and violent incidents through efforts addressing the root causes and seeking to mitigate their occurrence.
- Provide unhoused and at-risk populations access to safe shelter and services that ameliorate and prevent homelessness.

COMMUNITY SPACES

Vibrant communities attract businesses, tourists and skilled workers. We seek to provide residents within our communities access to special places celebrating cultural diversity, artistic expression, our natural environment and the social interactions enriching their lives. We believe such community spaces contribute to the distinct identity of cities and towns. We prioritize funding for programs and projects that meet the following objectives:

- Creating, sustaining or expanding upon artistic and cultural experiences offered to a broad and diverse audience. For example, museums, theaters, libraries, concerts and lectures.
- Preserving and sharing a local community's unique history, including projects related to trains and/or Union Pacific's history.
- Providing clean, safe and positive outdoor recreational and/or educational opportunities fostering an appreciation for our natural environment.
- Beautifying neighborhoods and main street areas to improve livability, promote commerce and attract more residents, businesses and visitors.
- Planning for, creating or enhancing unique spaces reflecting a community's character, and diverse needs and desires.

Committed to Advancing Diversity, Equity and Inclusion

In 2023, 100% of our local grantees were aligned with our DE&I goals, and we are continuing our commitment to supporting programs or organizations that demonstrate a commitment to advancing diversity, equity and inclusion. DE&I-aligned grants are defined as meeting one or more of the following:

- The grant will advance the interests of an underrepresented or underserved population as they relate to our priority cause area.
- The grant will primarily serve an underrepresented population.
- The organization is taking actions to instill DE&I internally and/or within its programs.

Fostering Unique, Long-Standing Community Partnerships

Our philanthropic outreach aligns with our long-standing commitment to Building America. Key regional and national partnerships provide large-scale, targeted grants intended to achieve significant, measurable and sustainable impact in our communities while supporting our key areas of giving in safety, workforce development, community spaces and environmental sustainability.

National Partners

We are proud to have partnered with these world-class nonprofit organizations in 2023, empowering communities to create safer places for children and families, bring economic prosperity and well-being to our neighborhoods, preserve and restore nature, and explore boundless opportunities through one of our country's greatest treasures – national parks.

Safe Kids Worldwide: We partnered with Safe Kids Worldwide to reach a full continuum – from preschoolers and K-12 youth to parents – with research-based education and messaging designed to reduce risky behaviors that lead to rail-related incidents. In 2023, Safe Kids Worldwide and Union Pacific distributed over 37,000 “Clifford the Big Red Dog”-themed rail safety education books in English and Spanish across 30 states.

The Manufacturing Institute (MI): In 2023, we partnered with The Manufacturing Institute, the workforce development and education partner of the National Association of Manufacturers, to help shrink the gender gap in the workforce by inspiring more women and young people to pursue modern industry careers. In 2023, MI and Union Pacific engaged 100 schools with a career education module focused on manufacturing, transportation and logistics.

National Park Foundation (NPF): As an early supporter of the National Park System, we are proud to join the National Park Foundation as the premier partner of NPF's Youth Engagement and Education mission. The partnership supports the Open OutDoors for Kids program, providing national park experiences for thousands of students across UP's 23-state network. National Park field trips encourage students to develop a sense of adventure while educating youth about science, history, conservation and their role in protecting national and local treasures.

The Nature Conservancy (TNC): We have partnered with The Nature Conservancy to support three separate nature-based projects in Nebraska, California and Texas. Project goals include grassland and wetland restoration, groundwater recharge, threatened species habitat conservation and community education.

Regional Partners

Regional partnerships are granted by invitation only, and like our national partnerships, are often multiyear commitments, providing long-term community impact. Regional partnerships include:

- Associated Industries of Arkansas
- Boys & Girls Club of Placer County
- Chicago Cook Workforce Partnership
- City Net (Los Angeles)
- City of Villa Grove
- Creighton University
- Denver Zoo
- Destined for Empowerment Community Development Corporation – Houston
- Doña Ana Community College – Santa Teresa
- Golden Spike Foundation
- Hemisfair – San Antonio
- Jefferson City Parks & Recreation
- Junior Achievement of Utah
- Laramie County Community College
- Local Initiatives Support Corporation (LISC) Chicago
- Mosaic Templars Cultural Center – Little Rock
- Museum of Nebraska Art
- Oregon Museum of Science & Industry
- Portland Community College
- Pottawattamie Arts, Culture, and Entertainment Center
- Salt & Light Works – Visalia
- San Antonio Zoological Society
- Southwest Texas Junior College – Eagle Pass
- Street Soccer USA – Sacramento
- Texas A&M Transportation Technology Institute
- Trees for Houston
- Utah Clean Air Partnership

ELECTRIFYING UTAH'S PURSUIT OF CLEANER AIR

Thanks to a partnership with the Utah Clean Air Partnership (UCAIR), Utah residents are encouraged to switch from gas-powered leaf blowers to electric to combat air pollution. Using a gas leaf blower for an hour releases emissions equivalent to driving a car 727 miles. Many small lawn equipment engines lack proper emission controls, contributing to the problem. We committed \$375,000 over the next three years to fund programs like this. At an initial event, around 500 participants exchanged gas-powered leaf blowers for electric, with another 400 waitlisted for an electric blower.

“Every switch to an electric leaf blower is a step forward for Utah’s air quality,” said Kim Frost, UCAIR executive director. “With Union Pacific’s generous support, we’re making strides in securing a healthier, cleaner future for our communities.”

CULTIVATING COMMUNITY RELATIONSHIPS WITH TREES FOR HOUSTON

We joined forces with Trees for Houston to enhance environmental sustainability and improve Houston’s air quality. The collaboration kicked off by planting trees at the Julia C. Hester House in Houston’s Fifth Ward, providing residents with shade and cleaner air for years to come. This two-year partnership aims to increase Houston’s urban canopy cover, leading to cooler temperatures and beautified neighborhoods. The collaboration is part of our Community Ties Giving Program, which awarded over \$700,000 to Houston nonprofit organizations in 2023.

SOCIO-ECONOMIC IMPACT

Creating long-term value for customers, shareholders and society through sustainable growth, job creation and economic contribution.

Productive Employment Bolsters Local Economies and Communities

Our railroad transports millions of goods annually, from consumer goods and automobiles to forest products and grain. Creating long-term value for customers, shareholders and society is a core part of our strategy.

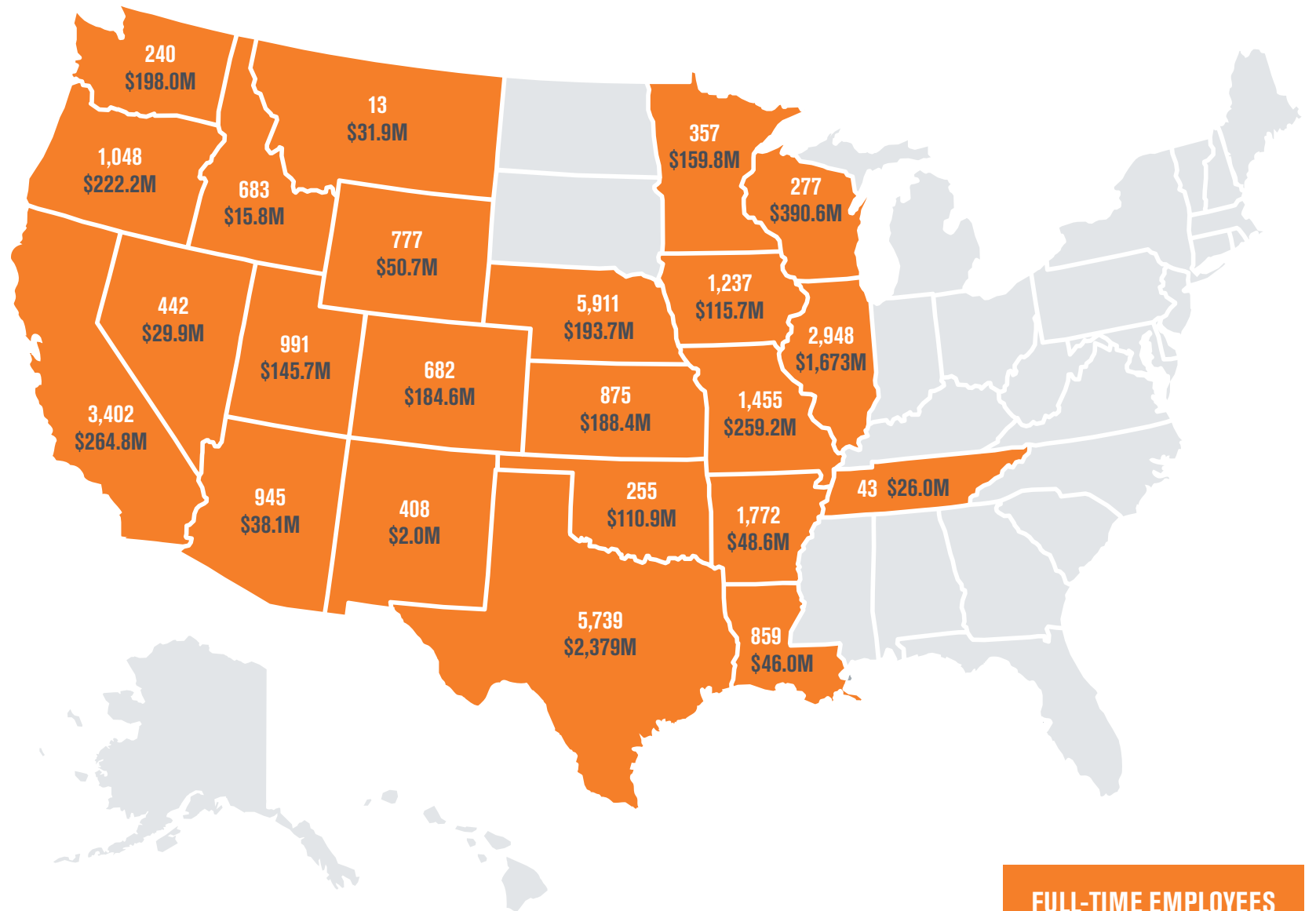


We promote sustainable growth through full and productive employment and economic contribution. We create economic opportunities for local communities through direct employment with us and

through spending by local employees. Each American freight rail job supports multiple jobs elsewhere in the U.S. economy.

Our capital investments create economic opportunity through supply chain activity and represent investments in building a rail network that supports sustainable economic growth for generations to come. In 2023 across our 23-state network, our in-state purchasing totaled nearly \$8.9 billion.

We are hiring new workers to support our business operations and the growing U.S. economy. We will continue evolving our recruiting practices, including expanding our industry-leading Second Chance Hiring Program, award-winning internship programs and more to achieve our hiring and 2030 diversity goals of reaching 11% female and 40% people of color representation.



We define in-state purchasing as purchases for services and goods that are assigned to the vendor's address in our systems, rather than where the purchased item was delivered or consumed. The totals provided above exclude purchases made from vendors located outside of our operating footprint. The headcount totals may not account for individuals based outside of the same operating areas.

**FULL-TIME EMPLOYEES
IN-STATE PURCHASING**




APPENDIX






WE ARE COMMITTED TO TRANSPARENCY

Union Pacific Is Aligned with the United Nations' Sustainable Development Goals

We value best-in-class external framework guidance to make our disclosures comprehensive, transparent and comparable to others in our industry. In preparing this report, we referenced the Global Reporting Initiative's (GRI) reporting standards, and the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD) frameworks. Below, we outline our alignment with nine of the 17 [United Nations' Sustainable Development Goals \(SDGs\)](#) that we contribute to most significantly:

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

SDG	OUR AMBITION	PROGRESS
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Union Pacific is committed to a safety-focused culture that engages and empowers employees to recognize potential safety risks, speak up and mitigate them.	HEALTH, SAFETY & WELL-BEING
 <p>4 QUALITY EDUCATION</p>	By partnering with the University of Nebraska at Omaha (UNO), Union Pacific offers all employees free, unlimited tuition to this nationally ranked university.	EMPLOYEE DEVELOPMENT
 <p>5 GENDER EQUALITY</p>	Union Pacific formulates strategies to attract, retain, and offer leadership opportunities for women in the rail transportation industry, while also maintaining equal pay for equal work.	DEI
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Union Pacific provides jobs for thousands of individuals across the United States and prioritizes education and skills development to provide an inclusive and safe work environment for all employees.	SOCIO-ECONOMIC IMPACT

SDG	OUR AMBITION	PROGRESS
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Union Pacific takes proactive measures to maintain rail infrastructure to ensure operations are safe, efficient and resilient.	INFRASTRUCTURE INVESTMENT
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Union Pacific partners with various stakeholders through engagement and philanthropy to promote the development of cities that are resilient, safe, inclusive and sustainable.	COMMUNITY BUILDING & GIVING
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	We collaborate throughout our value chain to promote sustainable production and consumption. We continuously seek opportunities to enhance materials and equipment, aiming to reduce waste.	RESPONSIBLE SOURCING
 <p>13 CLIMATE ACTION</p>	We collaborate with value chain partners to identify and pursue decarbonization efforts and allocate resources toward the development of efficient, low-carbon, and climate-resilient rail transportation infrastructure and technology.	CLIMATE CHANGE
 <p>15 LIFE ON LAND</p>	With our operations spanning across 23 states, over 7,000 communities, and countless wildlife habitats and waterways, we understand the utmost importance of preserving and managing biodiversity and lands adjacent to our rail network.	BIODIVERSITY

MATERIAL TOPIC DEFINITIONS

Business Ethics & Conduct	Upholding the highest legal and ethical standards through strong values, transparent governance practices, and effective policies and processes.
Climate Change	Reducing Union Pacific's direct environmental footprint through carbon reduction initiatives and the use of energy-efficient technologies and engaging our value chain to reduce Scope 3 emissions.
Community Building & Giving	Going beyond direct business activities to support communities through charitable giving, volunteering, and charitable initiatives.
Cybersecurity	Protecting and preserving company and customer information by embedding effective data privacy and information security practices and complying with relevant rules and regulations.
Disruptive Technology	Adapting our business model to harness new, revolutionary technologies for greater safety, efficiency or service.
Diversity, Equity & Inclusion	Promoting a culture of equal opportunity, equitable employment and fairness to all irrespective of gender, race, religion, sexuality or disability.
Employment Practices & Development	Attracting, engaging, developing and retaining an exceptional workforce through training, development opportunities, career progression, benefits and rewards.
Environmental Management	Preserving the environment by reducing waste, making efficient use of energy and water, complying with environmental regulations, and remediating environmental impacts when present.
Governmental Regulations	Engaging regulators and other governmental bodies to promote balance between federal, state, and local governments.

Health, Safety & Well-Being	Ingraining an effective safety culture across all elements of our operations to protect our workforce and our communities.
Human & Labor Rights	Protecting human and labor rights by maintaining effective oversight and risk management measures.
Infrastructure Investment & Protection	Investing in and protecting our network infrastructure, improving its resiliency, and working with regulatory officials to align our business with the country's infrastructure requirements and needs.
Land Rights & Management	Working with relevant stakeholders to protect environmental biodiversity and mitigate land disturbances throughout Union Pacific's network.
Operational Excellence	Delivering consistent and reliable service and addressing customer concerns effectively and efficiently.
Resource Planning	Effectively anticipating changes in customer demand in order to staff our operations and have the necessary critical resources to provide excellent customer service.
Responsible Sourcing	Applying our ethical standards across our value chain by collaborating with vendors to source goods and services responsibly.
Risk Management & Internal Control	Embedding strong risk management and internal control processes to protect the company from risks.
Socio-Economic Impact	Creating long-term value for customers, shareholders and society through sustainable growth, job creation and economic contribution.
Stakeholder Engagement	Engaging with employees, customers, investors, suppliers, and government and community leaders to collaborate and create value in areas of mutual interest.

Cautionary Information

Our 2023 Building America Report provides additional explanatory information regarding Union Pacific that may not be available, included or directly derived from information in the company’s Annual Report. Information included in this document, and any issues identified as important for the purposes of this document, may not be considered material for SEC reporting purposes. Materiality and/or the term “material” in the context of this document is distinct from and should not be confused with, such terms as defined for SEC reporting purposes. This report includes statements and information regarding future expectations, outcomes or results of the company that are not historical facts. These statements and information are forward looking as defined by federal securities laws. Forward looking statements and information can be identified by use of forward-looking terminology (and derivations thereof), such as “believes,” “expects,” “may,” “should,” “will,” “would,” “intends,” “plans,” “estimates,” “anticipates,” “strives,” “seeks,” “aspires,” “endeavors,” “target,” “projects” and other words or phrases of similar intent.

Forward-looking statements and information generally include the following: the company’s expectations, goals, forecasts, targets, and aspirations with respect to sustainability and corporate responsibility matters, including related risks and opportunities; demand for the company’s rail service; enhancing profitability; volume and revenue growth; efficiency improvements and increasing returns; the

effectiveness or growth of new and newer services; management of network volumes; increasing shareholder value; total amount of capital investments; returns on capital investments; improvements regarding the sustainability, emissions, and safety of our operations and equipment; preserving the environment and communities where the company operates; and effectiveness of plans, programs and initiatives related to our workforce.

Forward-looking statements and information should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times that, or by which, such performance, targets, goals, or results will be achieved. Forward-looking statements and information are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Forward-looking statements and information reflect the good faith consideration by management of currently available information and may be based on underlying assumptions believed to be reasonable under the circumstances. However, such information and assumptions (and, therefore, such forward-looking statements and information) are or may be subject to variables or unknown or unforeseeable events or circumstances over which management has little or no influence or control and may be derived from internal controls and processes

that continue to evolve and standards are measuring progress that are still developing. Factors that could cause results or outcomes to differ, including the risk factors in Item 1A of the company’s Annual Form 10-K, filed Feb. 9, 2024, also could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements and information. This report should be read in consideration of these risk factors. To the extent circumstances require or the company deems it otherwise necessary, the company will update or amend these risk factors in subsequent Annual Reports, periodic reports on Form 10-Q or current reports on Form 8-K.

Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, regardless of any past practice of doing so. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements. Website references and/or hyperlinks have been provided for convenience only, and the contents therein are not incorporated into, nor do they constitute a part of, this document.

