



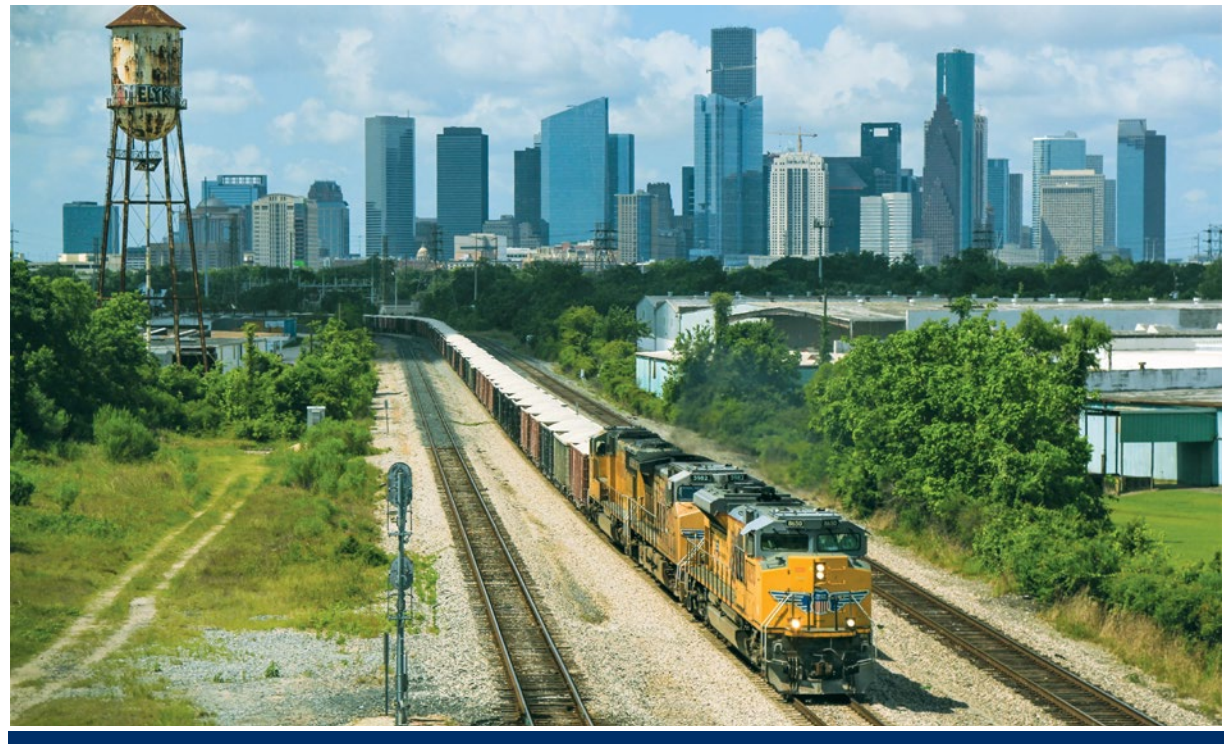
UNION PACIFIC RAILROAD

2022 Building America Report

A report to stakeholders on our social, environmental and economic sustainability progress.

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Letter to Stakeholders



At Union Pacific, our strategy is based on delivering safe, consistent and reliable service day in and day out. Safety and service are the foundation of our 'Serve, Grow, Win – Together' strategy. We Serve with customer-centered operational excellence; Grow carloads, products and services that meet the customer's needs, and Win by providing value across our enterprise. We accomplish all of this Together – one railroad, one team – as we create value for all stakeholders.

That means employees must be fulfilled in their work and feel valued; customers must experience Union Pacific helping them win in their markets; communities must see that we are supporting them in improving citizens' lives; and our shareholders must be rewarded with returns that encourage further investment.

That path toward success includes our commitment to sustainability initiatives outlined in our comprehensive strategy, Building a Sustainable Future 2030. This report – along with our 2022 Climate Action Plan, 2022 We Are One Report, 2023 Proxy Statement and other communications – keeps you apprised of our progress toward our sustainability goals and where we're headed in the future. These reports are updated annually as we discover new ways to achieve our goals and follow through on our commitment to transparent communication of our sustainability efforts.

Our Materiality Assessment in 2021 involved engaging internal and external stakeholders to identify and prioritize our company's most important sustainability focus areas. Among our top issues were health, safety and well-being, business ethics and conduct and cybersecurity.

Health and Safety: Our commitment to safety remains unrelenting and ever-present, reflected in our low employee personal injury rate, which has seen improvement year over year. We know from recent events in the industry that this is more important than ever before. In this report we outline our processes and ongoing efforts to reduce derailments and how we respond if a hazardous materials incident were to occur.

Business Ethics: Union Pacific's reputation and success are determined by the decisions we make as employees, as a company and by the people with whom we choose to do business. Providing the training and tools needed to help employees make the right decisions is a priority. Last year, 99% of employees completed The How Matters training, which outlines our policy on ethics and business conduct.

Cybersecurity: Union Pacific has implemented an industry-leading qualitative cybersecurity risk management process to protect its operations from cyber events. We have several processes and redundancies in place so that we operate as safely as possible and work to prevent any potential cyberattack. We also perform regular vulnerability scanning and system penetration testing to validate our security controls and assess our infrastructure and software applications. We block hundreds of millions of unwanted emails each year, and regularly monitor such attacks and coach our employees on how to respond.

The world is more dynamic and expects more from us. Placing our stakeholders at the center of our decision making helps us find the best solutions. Helping our customers get their jobs done, supporting and connecting our communities and building on our growth track record – while every employee goes home safely – are what define Union Pacific and why I know our future is bright.

Lance Fritz

Chairman, President and CEO

Building a Sustainable Future 2030

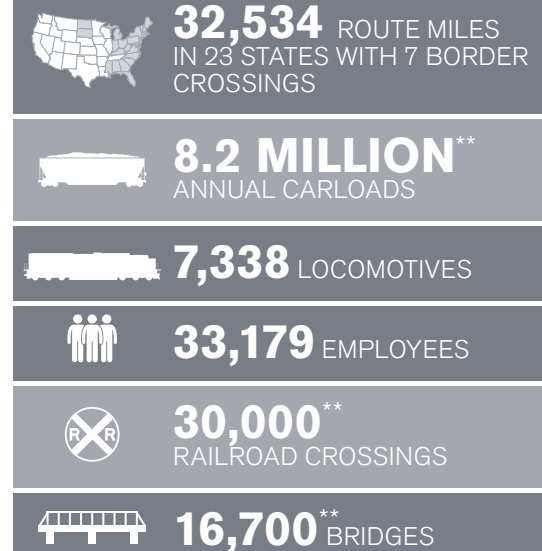
Union Pacific operates across 23 states in the western two-thirds of the nation, touching everything from bustling metropolitan cities to rural farming communities, to remote wilderness. Our wide reach means it's important we act as stewards of the communities and terrain we operate through. It is our responsibility to emphasize the importance of diversity and inclusivity within our workforce, pursue innovative technologies, protect clean air and water, and set targets to reduce our carbon footprint so we can achieve net-zero emissions by 2050.

Last year tested the mettle of Team UP through supply chain challenges, economic uncertainty and labor negotiations. Through the highs and lows, employees overcame countless barriers with grit, ingenuity and hard work, guided by our five-pillar Building a Sustainable 2030 Strategy:



This approach addresses the evolving interests of our stakeholder groups and is more inclusive of our overall impact. Most importantly, it builds on our foundation of safety – our highest priority. It also addresses our most material sustainability risks, while aligning our commitment with the United Nation's Sustainable Development Goals (SDGs). Each pillar is described on the next page.

Fast Facts



*As of December 31, 2022. **Figures are rounded.

Building Responsible Foundations

This pillar encompasses the importance of: Health, Safety and Well-being, Business Ethics and Conduct, Cybersecurity and Risk Management & Internal Control. These areas are described in detail later in this report and in our [2023 Proxy Statement](#). The health and safety of employees is at the foundation of everything we do. We are committed to engaging with employees to discuss and understand the risks they may encounter in their daily work so that we can address them. We continuously monitor our dynamic risk management process to identify and address potential concerns, including those arising in the ever-changing economic, political, legal and technological environments in which Union Pacific operates.

Investing in Our Workforce

At Union Pacific, our goal is to help employees develop skill sets, which enable them to grow, develop in new positions across the company and become experts in their roles. To do that, we must be committed to fostering a diverse and inclusive environment that reflects the varied markets and communities we serve. Recognizing we still have work to do, we continue to focus on building an inclusive culture, and a talented workforce, with a goal to reach 40% people of color and 11% female representation by 2030. Read more about our workforce initiatives in our [2022 We Are One Report](#).

Driving Sustainable Solutions

We strive to become the transportation solutions provider of choice for an increasing number of customers via a safe, reliable and customer-centric service product. Capitalizing on the many advantages rail transportation and our network franchise offer, we can grow our volumes over less-efficient forms of transportation. As the most fuel-efficient way to move freight over land, rail is a key decarbonization enabler for our economy. Our value proposition creates economic strength and supports profitable and responsible growth, allowing us to invest more in our future. We are positioned to support a transition to a low-carbon economy through the shipment of sustainable recyclable goods as those markets grow.

Championing Environmental Stewardship

Railroads are the most fuel-efficient means of transporting freight by land. However, we know that there are more actions railroads must take to reduce their carbon footprint. In early 2021, the Science Based Targets Initiative approved our targets to reduce absolute scope 1 and 2 and locomotive well-to-wheel GHG emissions from our operations 26% by 2030 against a 2018 baseline. In 2022, we formally committed with SBTi to revise our near-term emissions reduction target to support a 1.5°C climate ambition, as well as set and validate a net-zero emissions target. We are continuing to develop our decarbonization and residual emissions strategies in conjunction with this commitment. Read more about our environmental strategy in our [2022 Climate Action Plan](#).

Strengthening Our Communities

Union Pacific is dedicated to investing in communities and improving the quality of life where our employees live and work. Union Pacific's capital investments create economic opportunity through employment and supply chain activity, building a rail network that supports sustainable economic growth for generations to come. The more we invest in building a safe and efficient railroad today, the better our infrastructure can support communities in the future. Additionally, we pride ourselves on being a good corporate citizen in the communities in which we operate and a champion for diverse suppliers.

Fast Facts

ONE TRAIN CAN CARRY THE FREIGHT OF HUNDREDS OF TRUCKS, WHICH REDUCES HIGHWAY CONGESTION

FREIGHT RAILROADS ARE 3 TO 4 TIMES MORE FUEL EFFICIENT THAN TRUCKS, ON AVERAGE.

MOVING FREIGHT BY TRAIN INSTEAD OF TRUCK REDUCES GHG EMISSIONS BY UP TO 75%.

RAILROADS ACCOUNT FOR AROUND 40% OF LONG-DISTANCE FREIGHT VOLUME BUT ONLY 2% OF U.S. TRANSPORT-RELATED GHG EMISSIONS.

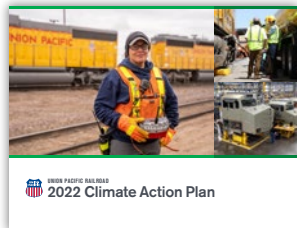
[AAR Freight Railroads and Climate Change, pg 2](#)

We Are Committed to Transparency

The Building America Report provides a top-level look at our progress toward achieving the goals surrounding our sustainability approach: Building a Sustainable Future 2030. Its focus is derived from our 2021 Materiality Assessment, which reflected the progress of our sustainability program. Compared to our 2019 assessment, we saw a rise in importance in our talent management practices, environmental actions and the broadening of our diversity and inclusion initiatives to include equity issues.

To guide our sustainability disclosures we rely on several reporting standards and frameworks, including the Global Reporting Initiative's (GRI) reporting standards, the UN's Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB). Environmental disclosures will incorporate the Task Force on Climate-Related Financial Disclosures (TCFD) and CDP (formerly the Climate Disclosure Project) frameworks.

We are committed to improving the relevance and transparency of our disclosures in all of our sustainability reporting, including:



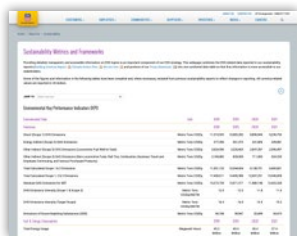
Climate Action Plan

The [2022 Climate Action Plan](#) (CAP), published in November 2022, outlines efforts to reduce our environmental impact, to achieve our science-based target of reducing absolute scope 1 and 2 GHG emissions from our operations by 2030 against a 2018 baseline, and ultimately pursue net zero emissions by 2050.



We Are One Report

The [2022 We Are One Report](#) was published in March 2023. It outlines our strategy to deliver a world-class employee experience and build a more diverse and inclusive culture that better reflects the communities we serve. That commitment is underscored by our 2030 diversity goals to reach 11% women and 40% people of color representation in our workforce.



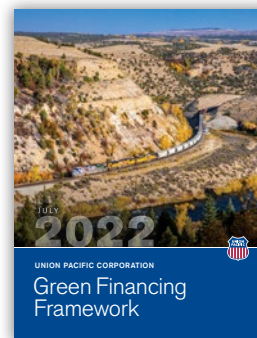
Sustainability Metrics & Frameworks

Providing detailed, transparent and accessible information on sustainability topics is an important component of our sustainability strategy. Our [Sustainability Metrics and Frameworks webpage](#) combines data reported in our sustainability reports into one combined data table to make information more accessible to our stakeholders. All data are reviewed and/or updated at least annually.



Proxy Statement

The [2023 Proxy Statement](#) outlines Union Pacific's commitment to strong corporate governance, effective risk management and strong independent oversight of management by the Board, which is reflected in our sound governance practices and policies.



Green Financing Framework

Union Pacific is committed to being part of the climate solution by proactively seizing opportunities to invest in initiatives to meet, and exceed, our sustainability goals. Through our [Green Financing Framework](#), Union Pacific may from time-to-time issue green bonds to support projects with environmental benefits. As part of this effort, Union Pacific Corporation issued a \$600 million green bond tranche on Sept. 9, 2022. UP's Framework addresses the four core components and key recommendations of the International Capital Markets Association (ICMA) Green Bond Principles 2021.

Materiality Assessment Defines Key Stakeholder Topics

MATERIALITY MATRIX ALIGNED WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We've organized this report around the material topics identified through our 2021 Materiality Assessment, which depicts the most material sustainability topics for our stakeholders. We also highlight which United Nations Sustainable Development Goals (SDGs) Union Pacific contributes to most significantly. Each report section focuses on one material topic, the aligned SDG (if any), and updates our progress over the past year. Topics aligned with SDG goals are identified throughout the report. This streamlined organization makes it easier to follow our goals and efforts as we strive to meet our sustainability objectives.

Building Responsible Foundations

- Ⓐ Health, Safety & Well-being
- Ⓑ Business Ethics & Conduct
- Ⓒ Cybersecurity
- Ⓓ Risk Management & Internal Control

Investing in Our Workforce

- Ⓐ Human & Labor Rights
- Ⓑ Employment Practices & Development
- Ⓒ Diversity, Equity & Inclusion

Championing Environmental Stewardship

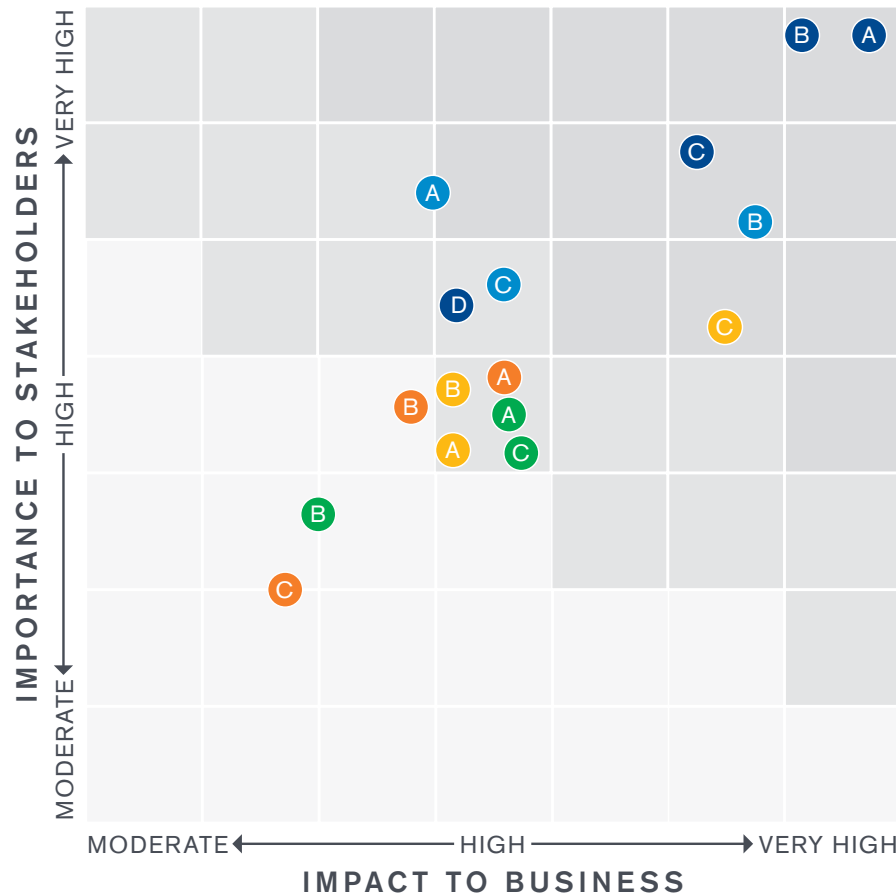
- Ⓐ Emissions & Energy Use
- Ⓑ Waste Management & Recycling
- Ⓒ Climate Change

Driving Sustainable Solutions

- Ⓐ Responsible Sourcing
- Ⓑ Socio-economic Impact
- Ⓒ Infrastructure Investment & Protection

Strengthening Our Communities

- Ⓐ Stakeholder Engagement
- Ⓑ Community Engagement & Giving
- Ⓒ Land Rights & Management



United Nations Sustainable Development Goals

1. No Poverty
2. Zero Hunger
- 3. Good Health and Well-Being**
- 4. Quality Education**
- 5. Gender Equality**
6. Clean Water and Sanitation
7. Affordable and Clean Energy
- 8. Decent Work and Economic Growth**
- 9. Industry, Innovation and Infrastructure**
10. Reduced Inequalities
- 11. Sustainable Cities and Communities**
- 12. Responsible Consumption and Production**
- 13. Climate Action**
14. Life Below Water
- 15. Life On Land**
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals

1. Health, Safety and Well-Being



Putting safety first across all elements of our activities to protect our workforce, our culture and our communities.

NATIONAL INCIDENTS PLACE RAIL SAFETY IN THE SPOTLIGHT

The health, safety and well-being of our employees have always been a priority at Union Pacific. Therefore, it was no surprise that both internal and external stakeholders identified this topic as our most important sustainability topic. World-class personal injury safety is not embodied in a number but rather in the goal that every Union Pacific team member goes home safely to their loved ones at the end of each day.

PROGRESSING OUR EMPLOYEE SAFETY CULTURE AND INITIATIVES TO WORLD CLASS

As detailed in our 2022 We Are One Report, Union Pacific is committed to a safety-focused culture that engages and empowers employees to recognize potential safety risks and speak up and take action to mitigate those risks. We utilize a multilayered approach with both system wide and local engagement activities to help drive our safety culture.

While we have consistently maintained an ultimate goal of zero incidents and zero injuries, from 2018-2022 our safety performance struggled to make the next significant step change improvement toward our goal of world-class safety performance. To reach our goals, safety must be embraced as a core value of each employee and our company as a whole. We must not treat safety as a race to a number. Rather, we work relentlessly to drive activities and encourage peer-to-peer and manager-employee interactions that reinforce safety as our number one priority.

With the help of our internal Safety team, external safety experts and field employees at all levels of our organization, we continue to refresh our approach and evolve our safety practices and tools. We are driving to reduce not just reportable injuries, but also control overall employee exposure to safety risks.



Peer-to-Peer Safety Approach Reaches World Class

Southern Region Track Program employees are living their values with a comprehensive, team-first safety strategy taught by craft professionals and supported by local leadership.

As of Jan. 10, 2023, the team of 1,183 people from Rail South, Tie South, Southern Region Track Construction and Southern Region Work Equipment has worked more than 2.4 million employee-hours, or 417 days reportable injury-free.

This win in peer-to-peer safety, the next progression of the deeply rooted Total Safety Culture approach, encourages teams to look out for each other with a high level of engagement, commitment and attention. Safety data is incorporated into team safety engagement plans and used in daily job briefings.



World-Class Safety Pillars

Organizational Culture. Managers and peers treat safety interactions as coaching opportunities to encourage and sustain safe behavior and practices

Operational and Workplace. Anticipate, identify and evaluate hazardous conditions and practices. Design, implement and optimize behavior-based safety processes that control risk exposure

Tech & Advanced Analytics. Support field operations with real time train handling observation and monitoring, data analytics and coordination of field safety efforts between operating crafts

Consistent & Reliable Operations. Attack & reduce network variability to reduce risk exposure

Compliance & Regulatory. Compliance with regulatory requirements, training, reporting and program submissions

While we have consistently maintained an ultimate goal of zero incidents and zero injuries, from 2018-2022 our safety performance struggled to make the next significant step change improvement toward our goal of world-class safety performance. To reach our goals, safety must be embraced as a core value of each employee and our company as a whole.



Safe Rail Transport of Chemicals Requires Preparedness

The rail accident that occurred Feb. 3, 2023, in East Palestine, Ohio, has generated significant interest, curiosity and concern about hazardous materials being transported by rail. Union Pacific and all carriers and producers of hazardous materials are reflecting on how well they're prepared to respond if a similar situation occurs.

Hazardous materials play a part in our everyday life. They are used to produce a variety of necessities we take for granted, including fuels, cleaners, plastics, medications, and pesticides. They are even necessary to ensure we have access to safe drinking water. Federal law requires common carriers, like Union Pacific, to transport hazardous materials. Railroads haul about 40% of the hazmat used in the United States. From 2018-2022, railroads had 50 times fewer incidents involving hazardous materials and 10 times fewer injuries from hazmat-related incidents.*

Hazardous materials are generally hauled in tank cars. Our regionally based hazardous materials teams perform about 5,000 tank car inspections annually, auditing everything from tank car fittings and car markings to safety appliances. They also work alongside our contractors, our customers, and government regulators to inspect, report and remedy findings.

Our vigilance goes well beyond our hazmat team. All Union Pacific employees are trained regarding hazardous materials safety. Our train crews know, understand and carry proper instructions when operating a train carrying hazardous materials. If our inspections identify a shipper with recurring issues, one of our hazmat team members provides on-site training so the shipper knows and understands the importance of best practices for handling hazardous materials shipments.

We take our hazmat responsibilities seriously and work with communities who are impacted when accidents occur. We are transparent with our efforts and coordinate with key parties to remediate environmental impacts as required.

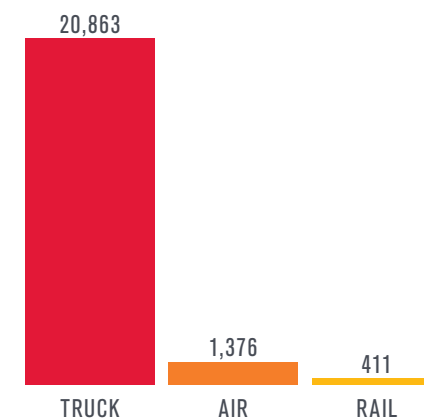
Derailment Prevention Key to Keeping Trains on Track

Derailment prevention initiatives are fundamental to safe train operations at Union Pacific. There are several approaches to accomplishing this work. Union Pacific utilizes technology, optimal response and maintenance methodologies, and an aggressive capital renewal strategy to help keep trains on the tracks. And it's working. Comparing last year to 2019, total derailments on Union Pacific have declined by 21%.

Union Pacific's robust network of more than 7,000 wayside detection devices monitors the condition of freight cars and locomotives in real time. These wayside detectors are electronic sensors installed along the tracks used to measure strain, temperature, acoustic signature and dimensions of various components such as bearings, wheels, trucks and braking systems. These alerts are used to drive UP responses to determine safe handling and repair of rolling stock. Robust use of wayside detectors vastly improves proactive risk identification and enhances repair capabilities.

Track-related derailment prevention is at the forefront of what Union Pacific's Engineering Department does every day, and in the last 10 years track-caused derailments have seen a 55% reduction. While that is an accomplishment to be proud of, it has not stopped us from continuing to use training and technology to drive that number to zero. Derailment prevention occurs many ways, but when it comes to track, it boils down to inspection, assessment, and capital renewal.

**INCIDENTS INVOLVING
HAZARDOUS MATERIALS***
ANNUAL AVERAGE BY MODE, 2018-2022



* 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 8, 2023.

Comprehensive Training at the Heart of Rail Safety

Union Pacific's 33,000 employees are responsible for the safe movement of freight that powers our lives, keeps our store shelves stocked and builds our homes and communities. To do this requires an array of skills that spans every craft, along with a commitment to comprehensive, state-of-the-art training. In 2022, we provided more than 1.5 million hours of best-in-class training to our workforce, including craft professionals who work to enable safe train operations.

From day one, we make sure our team has the tools and skills needed to keep the nation's supply chain moving. Newly hired train crew employees spend up to 14 weeks learning railroad safety and operating basics – including the cycle of a car, from origin to final destination, as well as how to effectively manage critical resources and safely apply rules. To check for understanding, exams are given during the training.

Focus Includes Contractor Safety

The safety of everyone supporting our company's mission is critical. All parties – employees, contractors and others – must do their part collaboratively to help our operations run safely.

All contractors are required to register with eRailSafe prior to coming on Union Pacific property. eRailSafe is the Class I and shortline industry standard for contractor safety and security management for railroads and the vendors that serve them. We require our contractors to follow all applicable safety regulations, including Union Pacific standards as well as OSHA, FRA and FMCSA requirements. Contractors must report all cases of personal injury and occupational illness that occur while on duty or on company property to the appropriate manager.

We have begun working with a third-party solution provider with expertise in contractor safety data collection, trend analysis, compliance and benchmarking. During 2023 we plan to implement processes and systems that will improve contractor safety data transparency, help us identify and mitigate contractor safety incident trends, and enhance contractors' training and qualification compliance in accordance with UP's requirements.

For more information on our contractor safety measures, please see our [contractor safety website](#).

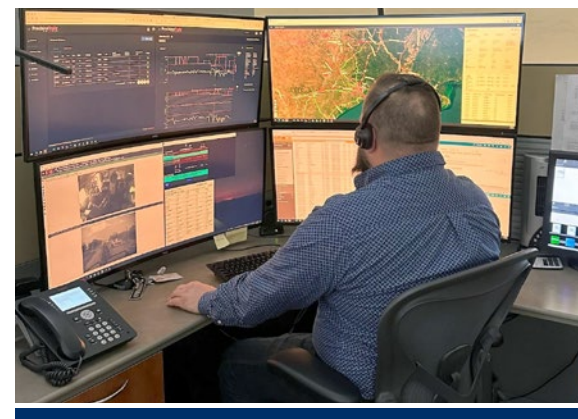
Command Center Provides Around-the-Clock Derailment Prevention

Union Pacific's Operating Practices Command Center (OPCC) was created in November 2019 as a 24/7 resource for enabling safety protocol compliance with local, federal and companywide standards across all our service units. Craft and management personnel receive accurate, consistent information about current rules and regulations, along with instant support from a team of 21 experts on safe train operations.

In addition to being an information resource, the OPCC takes a proactive stance by using state-of-the-art technology to analyze unintended train stops across the network as well as perform recertifications and other annual requirements for all employees.

Training Compliance is Essential

All Union Pacific employees are trained to perform their jobs safely and efficiently. Our training compliance system assigns each team member a mandatory training plan consistent with his or her job duties. Supervisors track progress via an online website that generates training notifications and compliance reports. Our Training Department constantly reviews training needs across our system and coordinates with supervisors to provide needed training classes.



With a variety of technology at his fingertips, Steve Terrell, manager-Operating Practices, assists a train crew from inside the Operating Practices Command Center (OPCC) located at Union Pacific's Harriman Dispatching Center.

Committed to a Safe Chemical Supply Chain: UP Maintains Industry-Best Certification

Union Pacific received recertification as a member of the American Chemistry Council's (ACC) Responsible Care Management System (RCMS) in February 2023 – reaffirming its commitment to the safe transportation of customers' chemical commodities leveraging industry-best safety practices.

We're committed to safely transporting chemical commodities in the communities where we live and work. As a Responsible Care Partner, UP adheres to the same standards as our ACC customers. This partnership allows us to work closely with chemical customers to develop safe and efficient supply chain solutions.

RCMS certification signals UP values safety in all of its endeavors, beyond regulatory compliance – from employee training to the processes in place to consistently deliver customer shipments incident-free.



Leveraging Technology for Safe, Reliable Operations

Here are some examples of technology Union Pacific is either developing or using every day to maintain a safe, efficient rail infrastructure.

Autonomous Geometry Systems – Union Pacific is utilizing autonomous geometry systems to greatly increase its track inspection footprint. Two different platforms currently are being leveraged – one located on a locomotive, the other a custom-developed boxcar. The fleet currently consists of seven locomotive systems with plans to increase to ten by the end of 2023. It also includes three boxcar-based systems. By utilizing these different systems, we were able to increase our track miles inspected by a geometry system to over 300,000 miles annually.

Automated Tie Rating – Union Pacific is utilizing automated tie rating. The rating process was previously done by human inspectors on track. By using an autonomous system, we are able to greatly increase the speed and consistency of inspections while reducing manual inspection of ties. We plan to inspect just over 5,000 miles of the UP network using these trucks in 2023.

Rail Replacement Algorithms – Union Pacific uses complex algorithms to identify locations requiring rail replacement or maintenance. By leveraging data from the rail inspection fleet, geometry fleet and human inspections, a risk-based model has been developed that helps identify locations showing signs of degradation. This process allows UP to intervene and replace the rail proactively.

New On/Off Track Crane-Bridge Construction – Engineering is developing a new “On/Off” crane, which can be used either on or off the track, depending on terrain. It is self-erecting and can be transported via truck to the work site. The new crane reduces the need for an on-track footprint and will improve the productivity of our bridge construction team.



2. Business Ethics & Conduct

Upholding the highest standards of legal and ethical conduct through good governance, effective policies, processes and strong values.

THE HOW MATTERS TO ALL UP EMPLOYEES

Union Pacific's reputation and success are determined by the decisions we make as employees, as a company and by the people with whom we choose to do business. Employees are our first line of defense against enterprise risks such as regulatory compliance, environmental, hazardous materials and cybersecurity. Ongoing training and education are critical. Providing the training and tools needed to help employees make the right decisions is a priority. We have an internal Guidelines on Ethics and Business Conduct for employees webpage with links to our policies, Q&A, reporting information and more.

The How Matters, our policy on Ethics and Business Conduct, explains our expectation of ethical conduct. All Union Pacific employees are required to complete annual training on The How Matters. Separate training modules are provided to management employees versus craft professionals, highlighting the areas most relevant to their daily work. In 2022, 99% of employees completed that training. In certain instances, employees are required to take additional training on specific ethics issues, such as sexual harassment and anti-bribery and anti-corruption.

Union Pacific employees operate under the following high ethical standards:

- **Honesty** – Being truthful when dealing with customers, suppliers, shareholders and fellow employees.
- **Fairness** – Treating everyone fairly.
- **Integrity** – Voicing concerns when we believe our company or colleagues are not acting ethically or complying with the law.
- **Respect** – Maintaining a foundation of trust and respect with colleagues, customers, regulators, suppliers and other stakeholders.
- **Loyalty** – Ensuring no employee is, or appears to be, subject to influences, interests or relationships that conflict with the company's best interests.
- **Accountability** – Holding ourselves, peers and customers to the company's high ethical standards.
- **Adherence to the law** – Complying with all laws.
- **Compliance with policies** – Complying with the letter and spirit of company policies.

Our employees are encouraged to speak openly and honestly about business ethics and compliance concerns with their supervisors or Workforce Resources business partners. Union Pacific recognizes there may be times when employees would like to discuss issues, voice concerns, or report violations in a confidential or anonymous manner. In these instances, employees are encouraged to call the Values Line or the EEO Hotline. When an employee calls the UP Values Line or EEO Hotline, an intake specialist from the third-party vendor, Navex, creates a report and sends it to UP's Compliance Team where the report is assigned for investigation.

We review our ethics programs, including The How Matters, annually, utilizing the guidelines for effective ethics and compliance programs detailed in the U.S. Sentencing Commission Guidelines Manual. Policy and content owners for The How Matters review and update their sections, and any policy changes are subsequently reviewed by senior staff and the CEO and approved by the Audit Committee and Board of Directors, before being formally updated and communicated to all employees.

Union Pacific does not tolerate inappropriate behavior involving Equal Employment Opportunity (EEO) and retaliation and encourages employees who witness behavior they believe violates EEO policy to report the incident to the company's confidential Values Line.

To reinforce our annual ethics training, our Compliance Department periodically publishes Compliance Connections online internally and via email for employee viewing. These Compliance Connections communications may cover a broad range of risks, ethics, compliance and policy issues. The topics are selected based on an analysis of trending issues at our company. We also publicly disclose core ethics data, such as the total number of Values Line cases and the percentage of those cases that were substantiated.

Ethics and Compliance – By the Numbers

| | 2021 | 2022 |
|--|------|------|
| % of Employees Completing The How Matters Ethics Training | 98% | 99% |
| % of Required Employees Reporting Whether or not They Had a Conflict of Interest* | 100% | 100% |
| % of Required Employees Reporting Whether or not They Made Gifts or Payments to Public Officials Disclosure* | 100% | 100% |
| % of Required Employees Completing Sexual Harassment Training** | 99% | 99% |
| % of Required Employees Completing Foreign and Corrupt Practices Act Training (FCPA)*** | 88% | 84% |
| % of Required Employees Completing Anti-Trust Training*** | 96% | 98% |
| Number of Internally Published Compliance Connections | 3 | 12 |
| Number of Confirmed Corruption Incidents | 0 | 0 |

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

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

*** Required for certain management employees only.

For more information on our ethics standards, please see the following policies and reports:

- [The How Matters](#)
- [Union Pacific's Policy on Human Rights](#)
- [Sustainable Procurement Statement](#)
- [Supplier Code of Conduct](#)
- [2022 We Are One Report](#)



3. Cybersecurity

Protecting and preserving information by embedding effective data privacy and information security practices and complying with relevant legislation and standards.

VIGILANCE AND INGENUITY KEY TO CYBERSECURITY EFFORTS

Now more than ever, Union Pacific's success is powered by innovations and technology used every day in the office and in the field by our employees, suppliers and customers. As a result, cybersecurity is taken very seriously. On our most recent materiality assessment, respondents ranked cybersecurity as one of the top-three issues of concern to stakeholders.

Cybersecurity matters for all facets of our value chain: our customers 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 that their personal information is secure.

As technology has become a more central part of our operations, so has our focus on maintaining the security of our systems and protecting the data that we collect and generate from our business.

Our staff of information security professionals continually assesses cybersecurity risks and implements mitigation programs that evolve with the changing technology threat environment.

To date, we have not experienced any material disruption of our operations due to a cyber threat or attack.

We work closely on physical and cybersecurity initiatives with government agencies, including the U.S. Department of Transportation (DOT); the Department of Homeland Security (DHS), the Cybersecurity & Infrastructure Security Agency (CISA) and Transportation Security Administration (TSA); as well as local police departments, fire departments, and other first responders. In connection with new guidance from the TSA, effective January 1, 2022, we were required to report cyber incidents to CISA, perform a cyber vulnerability self-assessment and submit results to the TSA by March 31, 2022, assemble and adopt a cyber incident response plan by June 29, 2022, and appoint cybersecurity coordinators. We have fully met the requirements of the first directive and have submitted our cybersecurity plan for approval by TSA. We anticipate a few rounds of refinement over the next few months.

We have significantly increased investment in technologies to support our cybersecurity efforts. Union Pacific has implemented an industry-leading qualitative cybersecurity risk management process to ensure its operations are appropriately protected from cyber events. We have several processes and redundancies in place so UP is as safe as possible from any potential cyberattack.

We understand we may not be able to prevent all cyber incidents from occurring. As a result, detective controls and robust incident response programs are in place to enable us to detect, delay and quickly respond to an intrusion.



INFORMATION PRIVACY

Union Pacific is committed to maintaining web users' confidence and trust when on our website. 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 collection 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 2022, there were zero substantiated complaints concerning breaches of our customers' privacy. For more details, see our [Website Privacy Policy](#).

DATA SECURITY

Our Information Assurance team, led by our Chief Security Officer, is responsible for the confidentiality, integrity and availability of Union Pacific's infrastructure and assets. The team has a robust strategy in place to prevent, detect and respond to potential threats. We also perform regular vulnerability scanning and system penetration testing to validate our security controls and assess our infrastructure and software applications. Like many organizations our size, we are continuously probed by cyberattacks from around the world. In 2021 alone, the Union Pacific network was probed 714 billion times, and one breach occurred. However, to date we have not experienced any material disruption of our operations due to these probes or any other attacks directed at us. Extensive incident response, disaster recovery and business resumption plans are in place and tested annually, ensuring the computing environment can withstand a wide range of scenarios.

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. Union Pacific uses these materials for threat hunting and in our security awareness communications.

EMPLOYEE PARTICIPATION

Union Pacific employees know the importance of robust cybersecurity measures. We require annual training that includes information on data security policies and procedures. All employees must also work to protect the company's business information and computer systems against unauthorized use, including unauthorized personal use.

Union Pacific blocks hundreds of millions unwanted emails each year, of which some attempt to gain access to company or private information. Employees are regularly coached on how to identify phishing attacks, and how to avoid being victimized. They are also required to report suspicious activity through our Response Management Communication Center.



CISA Appoints Rahul Jalali to Cybersecurity Advisory Committee

Union Pacific's Rahul Jalali, senior vice president-Tech and chief information officer, has been appointed by the Cybersecurity and Infrastructure Security Agency (CISA) to its Cybersecurity Advisory Committee (CSAC). CISA recently brought onboard additional experts from the public and private sectors to advise on policies and initiatives enhancing the nation's cyber defense.

Established in June 2021, the CSAC is comprised of experts on cybersecurity, technology, risk management, privacy and resilience, who advise the director on policies and programs related to CISA's mission.



Cybersecurity Requires Leveraging New Technologies and Processes

We have implemented an industry-leading qualitative cybersecurity risk management process to ensure UP's operations are appropriately protected from cyber events. Some highlights of enabling secure tech include:

- Enabling our mobile workforce throughout all our facilities by providing secure, easy-to-use handheld devices, such as Zebra devices, to help perform their work efficiently and safely.
- UP's cloud journey is progressing with a secure-build mindset thanks to a cross-functional team from Security and other Tech groups. We are engaged with third-party cloud security firms to help assess and implement secure hosting solutions to provide new opportunities for our business partners.
- The Security and other Tech teams, including infrastructure and applications development, have partnered to create the Security Champions program. Security Champions are provided opportunities to upskill in the area of application security, which they use to drive the secure design, creation, and implementation of applications within their teams. This focus on secure design throughout the lifecycle of an application drives a more seamless, secure development lifecycle.
- We have removed the most common tool of a hacker by providing our management employees with security keys to help ensure they do not fall victim to a cybercriminal. The final phase of this will be to require usage of the tokens by craft employees later this year.

4. Risk Management & Internal Controls

Embedding a strong risk management and internal control process to protect from risks or effectively mitigate if they do occur.

STRONG RISK MANAGEMENT PROCESSES CORE TO STRONG BUSINESS

The Board of Directors is responsible for overseeing the assessment and management of the critical enterprise risks affecting the company. Management identifies and prioritizes enterprise risks and reviews them with the Board at least once a year to answer any questions and obtain input related to mitigation strategies and categories of risk. The Board has delegated to the Audit Committee primary responsibility for oversight of risks related to financial and operational controls of the company, as well as compliance, regulatory, safety, sustainability, climate and cyber risks.

To address and mitigate cybersecurity risks, our Senior Vice President-Information Technologies and Chief Information Officer and our Assistant Vice President and Chief Security Officer lead a team responsible for establishing enterprise-wide security strategy, standards, architecture, policies and processes, and report to the Board or Audit Committee at each of its regularly scheduled meetings.

To address climate risk, our enterprise risk management program provides for the review, monitoring and mitigation of climate change risks and how these risks may affect the company's ability to participate in emerging commodity or financial markets or impact rail's environmental advantage over other modes of transportation. The Audit Committee and our Board receive updates on company activities and mitigation strategies related to climate risk.

The company's enterprise risk management process is dynamic and continually monitored so that the company can timely identify and address any potential risks that arise in the ever-changing economic, political, legal and technology threat environment in which the company operates.

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

The Corporate Governance, Nominating and Sustainability Committee monitors the allocation of risk and sustainability oversight among the Board and its Committees. It also annually reviews the company's political activities and political activity reporting.

The Compensation and Benefits Committee is responsible for assessing risks arising from the company's compensation policies and programs and oversees human capital-related risks, including with respect to the recruitment, development and retention of company personnel and employee engagement and effectiveness.

For more information, see our [2023 Proxy Statement](#).



5. Human & Labor Rights



Respecting human and labor rights to protect those around us from harm and to provide decent jobs to our workforce.

HUMAN RIGHTS EFFORTS ALIGN WITH UNITED NATIONS STANDARDS

Union Pacific exists to build America. How we accomplish that is as important as what we do – connecting businesses and communities to the world. We are committed to respecting the human rights of our workforce by fostering a safe, respectful and inclusive workplace for each of our employees. We're also working to ensure that our value chain partners have a commitment to universal human rights that mirrors our own.

Union Pacific's 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 is expected to understand and comply with this policy. Through our annual The How Matters training, all employees are trained on our Human Rights policy.

OUR HUMAN RIGHTS MITIGATION MEASURES

Union Pacific understands 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:

Policies and Standards

Union Pacific has multiple policies that touch on the protection of human rights, including our Human Rights Policy, our Supplier Code of Conduct and our Commitment to Health & Safety. These policies are reviewed annually and updated when necessary to allow for broad coverage and appropriate standards. Employees are expected to understand and comply with all Union Pacific policies. All employees are required to participate in annual training that covers human rights issues.

Supplier Assessments and Audits

In 2022, a sustainability questionnaire was sent to our top suppliers assessing several topics including human rights, safety and ethics. Throughout 2023, the results of the questionnaire have been incorporated into supplier scorecard review meetings. Starting in 2023, Union Pacific anticipates incorporating human rights issues into our category supplier risk assessments.

Indigenous Communities and People

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, we aim to 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 agreement since 2013. In an effort to create employment opportunities for tribal members, Union Pacific has held several on-reservation recruiting events. In 2022, Union Pacific presented to CTUIR's leadership about processes for tribal contractors to be approved and to compete for contracting work.

- The Council of Native American Heritage (CONAH), launched in 2006, was the fifth employee resource group at Union Pacific. CONAH's mission is to assist Union Pacific with the recruitment, retention and development of employees with Native American heritage and to build bridges to the Native American community. With their mission in mind, CONAH has strengthened the relationship between employees and Indigenous communities, including:
 - Providing necessary supplies to tribal schools
 - Spreading awareness to employees regarding murdered and missing indigenous women
 - Creating awareness events and displays that highlight stories of significant indigenous people throughout history

Collective Bargaining Agreements and Labor Practices

Union Pacific works with 13 major rail unions, representing approximately 83% of our roughly 33,300 full-time employees. Those employees are covered by collective bargaining agreements that determine certain terms of their employment. Our company has a long history of working alongside unions with collective bargaining agreements that ensure fair and respectful work conditions and labor practices, and we are committed to continuing to find ways together to enhance the quality of life for our employees through improved working conditions. For more information, see our [2022 We Are One Report](#).

Local Partnerships

Union Pacific collaborates with organizations that focus on human rights issues. In 2023, Union Pacific launched a partnership with The Set Me Free Project, a nonprofit organization whose mission is to bring prevention education to youth and families to stop human trafficking before it begins. Some key initiatives expected to grow from this partnership include human trafficking awareness training for Omaha-area lodging employees, developing educational materials for employees, and offering awareness training to employees.



CONAH Lunch and Learn participants were taught how to make Native American beaded bracelets in the colors of the four directions by native artist Valery Killscrow Copeland.

6. Employment Practices and Development

Supporting and helping employees thrive through training and development opportunities, career progression, ongoing engagement, benefits and rewards.

EMPLOYEES MUST FEEL VALUED, ENGAGED AND INSPIRED

Union Pacific is committed to providing our employees with a world-class employment experience. As they help fulfill our vision to build America, we want them to feel valued, engaged and inspired. The process begins with recruiting talented and diverse employees to join our team. We then focus on training and development, which includes programs designed to recognize potential and help our employees grow so we can retain our talent and prepare them for future roles. The final stage is providing our team members with the tools to achieve a successful and fulfilling retirement. For more information, see our [2022 We Are One report](#).

7. Diversity, Equity & Inclusion

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

ALL EMPLOYEES ENGAGED IN DE&I EFFORTS

At Union Pacific, we believe diversity, equity and inclusion is not the job of the DE&I department, nor Workforce Resources. It is the responsibility of every Union Pacific employee. To further our mission of better reflecting the diverse communities we serve, Union Pacific set aggressive diversity goals in 2020: 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 2022 to increase our people of color representation by 1.5 percentage points. Progress toward our female representation goal remains more challenging – we gained 0.2 percentage points, driven primarily by increased hiring along with improved retention. For more information, see our [2022 We Are One report](#).



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.

8. Emissions & Energy Use



Reducing Union Pacific's direct environmental footprint through carbon reduction initiatives and use of energy-efficient technologies.

9. Climate Change



Taking a proactive approach toward environmental management, considering our climate change impacts and risks, and implementing effective solutions.

OUR CLIMATE AMBITION: NET ZERO EMISSIONS BY 2050

Today, railroads are the most environmentally responsible way to move freight on land, cutting greenhouse gas (GHG) emissions by up to 75% compared to commercial trucks. In 2021, we set our science-based target to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions and GHG emissions on a well-to-wheel basis from locomotive operations 26% by 2030 from a 2018 base year. In 2022, we formally committed with the Science Based Target Initiative (SBTi) to revise our near-term emissions reduction target to support a 1.5°C climate ambition, as well as set and validate a net-zero emissions target.

Locomotive operations represent our greatest source of GHG emissions. Accordingly, our major focus in reducing our carbon footprint is on our locomotive operations. We are investing in several avenues to decrease emissions from our locomotive operations including operating efficiencies, biofuels and battery-electric locomotives.

However, looking only at our locomotive operations will not get us to net zero by 2050. We must also decrease emissions across our value chain. As part of our SBTi revalidation initiative currently underway, we are reassessing our existing Scope 3 value chain emissions data sources and inventory methodologies to reflect our total GHG emissions, including those of our extended supply chain. We are also engaging with our upstream suppliers to better understand their emissions reduction activities so that we can better measure reductions in our Scope 3 emissions. For more information, see our [2022 Climate Action Plan](#).

GHG Reduction Goals Get a Lift from Hybrid Cranes

Union Pacific finalized contracts to purchase and test four hybrid cranes for use in its intermodal yards, with the first crane expected to be operational this fall and all four cranes in place by the end of 2024. The cranes will be powered by both diesel and batteries. They will operate on battery, but when the battery packs are low, the diesel generator will kick in to charge the battery and power the crane. Three of the cranes will be used at Union Pacific's intermodal terminals in the Chicago area. The cranes will arrive in sections and will be assembled on site with the first crane operational by late summer or early fall. The fourth crane will be used in Los Angeles.



10. Waste Management & Recycling



Diverting waste from landfills and enhancing recycling and waste management initiatives.

RESPONSIBLE WASTE MANAGEMENT REQUIRES SOPHISTICATED APPROACH

Union Pacific moves the goods that families and businesses use every day. As demand for products and services continues to grow, responsible waste management and material stewardship is becoming increasingly important. Union Pacific implements a sophisticated approach for managing waste, which follows three principles:

1. minimizing resource requirements;
2. diverting waste from landfills;
3. managing waste responsibly and in full compliance with regulations.

Union Pacific is partnering with outside companies to implement waste stream recovery methods, using sustainable circular measures to reduce landfill impact and lower our carbon footprint. Examples include:

- We are implementing changes to facility lighting to reduce our electricity usage.
- We have worked to reduce paper consumption, watering practices, and the consumption of other resources.
- At locations where we provide drinking water for employees, we minimize resource use where practical and have worked with other water suppliers to reduce the volume of plastic used in packaging.
- We replace nearly 300,000 tons of railroad ties annually and divert approximately 93% of the total for energy recovery.

Union Pacific uses relatively little water for its operations. Primary uses are 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. Our team focuses on using data to identify and address consumption changes, which might suggest a leak or other issue.

In 2022, Union Pacific recycled:

~161,000 pounds of electronic waste

~1,500,000 pounds of batteries

>200,000 tons of metal

>56,000 tons of solid waste

>3,400,000 gallons of oil and diesel fuel

Putting “Repair and Re-Use” in Action

For more than 20 years, Union Pacific has 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 2022, we repaired over 132,800 individual parts on over 1,500 unique components, avoiding over \$400 million in purchasing costs for new parts and helping our suppliers to avoid the use of over 22,500 tons of new steel.

Advancing Plastics Recycling Makes Impact

Union Pacific joined the Cyclyx consortium in 2022 to lend our expertise in developing supply chain solutions for increasing plastic recycling rates. Cyclyx is a plastic feedstock management company whose goal is to increase plastic recycling rates from 10% to 90% by working with industry partners to source, collect and pre-process large volumes of waste and redirect it to be recycled.

Chemical Approval Process Improves

Union Pacific has taken steps to improve its internal chemical approval procurement process to ensure that the chemicals used at UP sites are safe for use by employees and that normal use will not cause harm to the environment. Following this process also helps us reduce our hazardous waste as we control hazmat at the procurement step of the acquisition process.

11. Responsible Sourcing

Collaborating with partners and vendors to develop mutually beneficial relationships and apply our ethical standards throughout the value-chain, including sourcing goods and services responsibly.

ENGAGING WITH OUR SUPPLIERS FOR A SUSTAINABLE FUTURE

Each year, Union Pacific spends billions of dollars across its network of nearly 5,000 suppliers who support the railroad's operations with fuel, engineering services, construction materials and more in the 23 states where it operates. This spending represents a significant portion of the economic impact our business generates.

Union Pacific is committed to working with economically, socially and environmentally responsible suppliers. In 2022, we published our Sustainable Procurement Statement written in accordance with ISO 20400, Sustainable Procurement – Guidance, and with the UN Sustainable Development Goals in mind. Through this statement, we aim for improving sustainability within our operation through Human Rights & Labor Practices, Environmental Stewardship and Business Ethics. Our Supplier Code of Conduct, which is reviewed annually, outlines the same expectations for our supply chain. We expect all suppliers to abide by our Supplier Code of Conduct, this expectation is outlined in our supplier Terms & Conditions.

In 2022, we took supplier engagement a step further by requesting our top Critical and Strategic* suppliers to submit responses to a sustainability questionnaire (“the questionnaire”). The questionnaire covered 6 key topics: Safety, Ethics, Cybersecurity, Climate Action, Human Rights and Diversity. Once the questionnaire responses were received, the data was analyzed and suppliers were placed into one of the following tiers based on their responses: Top-Tier, Mid-Tier, Bottom-Tier and Lowest-Tier.

Subsequently, suppliers received notification of their tier placement, as well as action items outlining how they might improve their sustainability practices going forward. Starting in 2023, our strategic supplier reviews include a review and discussion of their responses to the questionnaire. Important action items necessary to improve sustainability in the supplier's operations are explained, resources are provided, and an open dialogue with Q&A is encouraged.

Union Pacific performs category risk assessments intended to identify risks attributed to specific categories of suppliers across our supply chain. In 2023, the risk assessment process was remodeled to include additional sustainability issues, including human rights, and environmental risks. On-site audits are also performed with select suppliers to verify the quality of the products we purchase and to better understand their safety processes. In 2023, we anticipate adding sustainability metrics to specific on-site supplier audits to better understand our supplier's sustainability initiatives and goals.

| Supply Chain Due Diligence | 2022 |
|--|------|
| Supplier Quality Audits | 30 |
| Strategic Supplier Inspections | 42 |
| Strategic Supplier Reviews | 17 |
| % of Targeted Suppliers who Participated in Supplier Questionnaire | 100% |
| Supply Chain Managers Trained on Sustainability | 95% |

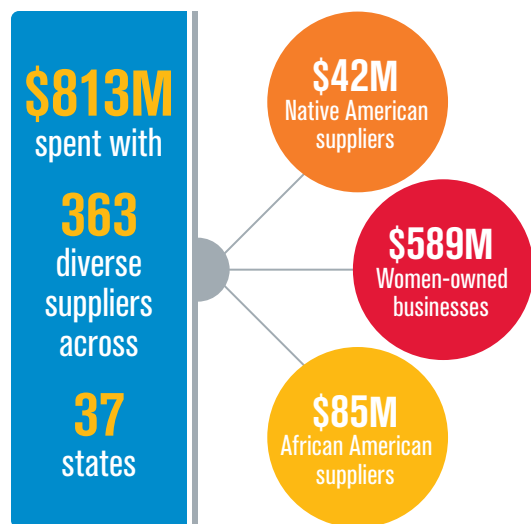
* “Critical Suppliers” provide materials or services that are difficult to obtain from other suppliers and whose failure would impact UP operations. “Strategic Suppliers” provide critical materials or services that are difficult to obtain from other suppliers, whose failure would impact UP operations, and have a high capacity to add value through product innovation or Total Cost of Ownership improvement.

SUPPLIER DIVERSITY CAN DRIVE POSITIVE BUSINESS RESULTS

The benefits that come with having a diverse supplier base are numerous and meaningful.

Supplier diversity programs and activities can introduce new products, services and solutions to our company that might otherwise be overlooked. It can be an effective way to promote innovation while also driving price and service competition amongst suppliers. In many cases, supplier diversity can bring our investment to the very communities in which we operate, promoting job creation at a local level. Supplier diversity can drive positive results for our company and our stakeholders.

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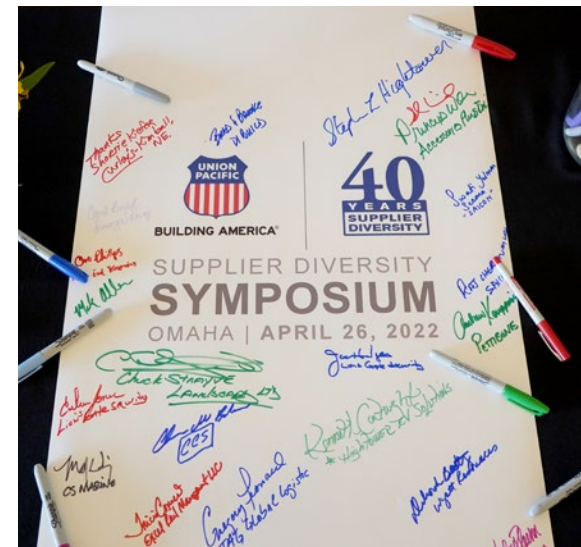


In 2022, Union Pacific purchased approximately \$813 million in goods and services from 363 diverse suppliers in 37 states. Our spending with diverse suppliers grew 56% from 2021 to 2022 and has more than tripled since 2017, from \$239 million. We are working to increase our year-over-year spend on diverse suppliers by 5% to \$850 million by the end of 2023.

Of the \$813 million spent in 2022, nearly \$589 million (72%) was with women-owned businesses and \$42 million (5.2%) with Native American suppliers.

Spend with African American suppliers increased more than four times to \$85 million, thanks to Hightowers Petroleum, a Black-owned business based in Ohio that was awarded the management of our vehicle fleet fuel purchasing card program.

In 2022 we began capturing, for the first time, our Disability Owned Business Enterprises (DOBEs) annual spend accounted for \$1.6 million. All our strategic suppliers reported purchasing goods and services from diverse suppliers, demonstrating their support for our diversity initiative.



Union Pacific Celebrates 40 Years of Supplier Diversity

In 1982, Union Pacific became the first U.S. railroad to establish a formal supplier diversity program. That first year, the railroad spent \$10 million with diverse businesses.

To mark the anniversary, Union Pacific hosted its first Supplier Diversity Symposium April 26, 2022, in Omaha. More than 30 suppliers participated, gathering to hear from railroad leadership, network with peers and celebrate 40 years of developing, cultivating and promoting diverse suppliers.

12. Socio-Economic Impact



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

PRODUCTIVE EMPLOYMENT HELPS BOLSTER LOCAL ECONOMIES AND COMMUNITIES

Throughout our rail network, we reach millions of people living in diverse communities across North America. We transport 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 Union Pacific's strategy.

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 CHEYENNE LOS ANGELES
Twin Cities DALLAS
ST. LOUIS Omaha San Antonio/Austin

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



We promote sustainable growth through full and productive employment and economic contribution. We create economic opportunities for local communities through direct employment with us, as well as through spending by local employees. Each American freight rail job supports multiple jobs elsewhere in the U.S. economy.

Union Pacific's 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 2022, across our 23-state network, Union Pacific's in-state purchasing totaled nearly \$8.7 billion.

We are hiring new workers to support our business operations and the growing U.S. economy. In 2022, we accelerated our recruitment efforts and exceeded our goal of hiring nearly 4,000 employees despite post-pandemic labor market challenges. We will continue evolving our recruiting practices, including expanding our industry leading Second Chance Hiring Program, award-winning intern programs, and more to achieve our hiring and 2030 diversity goals of reaching 11% women and 40% people of color representation. For more information on our hiring practices, see our 2022 We Are One report.

In 2022, we accelerated our recruitment efforts and exceeded our goal of hiring nearly 4,000 employees despite post-pandemic labor market challenges.

The Manufacturing Institute

Union Pacific is proud to lead the industry with our inclusionary hiring practices. In 2022 we partnered with The Manufacturing Institute to grow our successful [Second Chance Hiring Program](#), which provides job opportunities for people who were previously incarcerated.

A pilot program began in Houston connecting candidates with community support and resources. In its first three months, the program brought in nearly 100 new applications. By the end of the year, we expanded the program to 16 locations within Arkansas, California, Colorado, Illinois, Iowa, Louisiana, Minnesota, Missouri, Nebraska, Oregon, Texas and Washington – and hired nearly 100 Second Chance candidates.

13. Infrastructure Investment and Protection



Investing in and protecting our network infrastructure and working with regulatory officials to align our business with the country’s infrastructure requirements and needs.

INVESTING IN OUR NETWORK TO POWER OUR FUTURE

From apps managing train systems to enhanced track inspection systems, we continually invest in new technologies that enhance safety, efficiency and service. We believe the more we invest in building a safer and more efficient railroad today, the better our infrastructure can serve communities going forward.



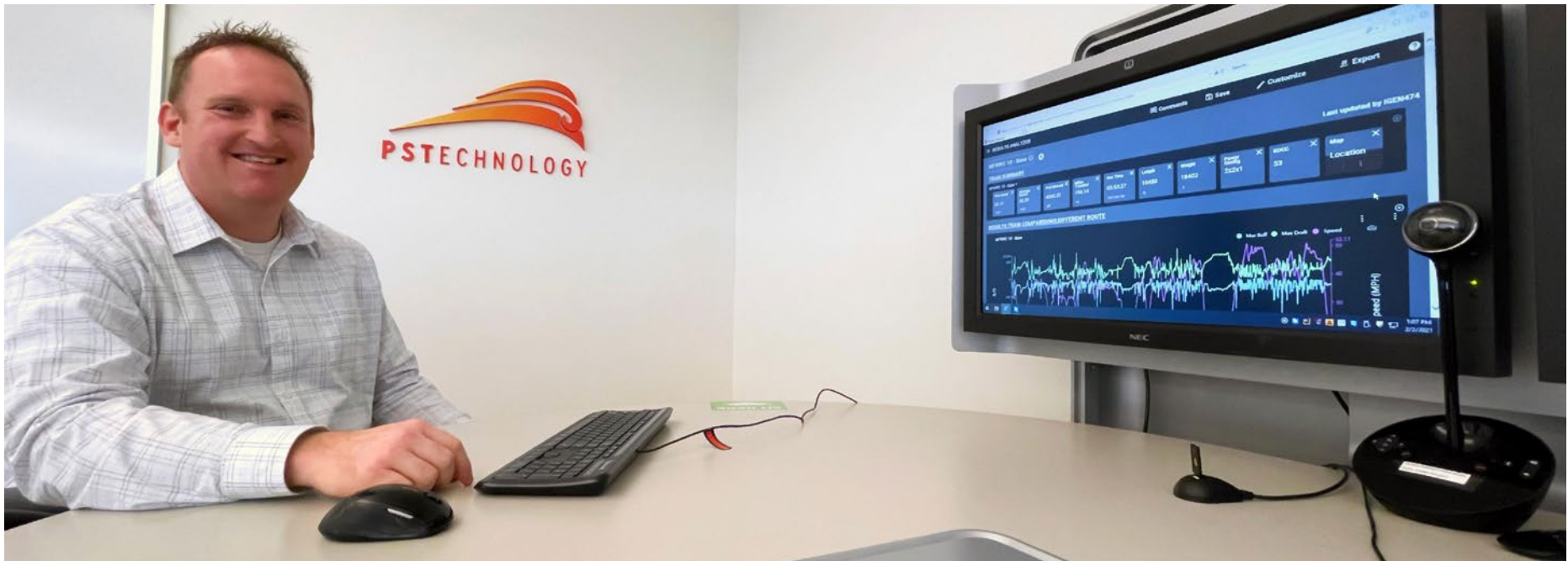
Engineering Construction Team 8460 worked injury-free throughout the Oscuro, New Mexico, siding extension project – adding to the team’s more than one-and-a-half year injury-free record.

| | 2021 | 2022 |
|--|--------|-------|
| New Ties Installed (thousands) | 4,058 | 3,712 |
| Track Miles of Rail Replaced | 502 | 542 |
| Track Miles Surfaced | 10,441 | 9,502 |
| Track Miles of Rail Capacity Expansion | 70 | 44 |
| Frequency of Internal Integrity Inspections* | 5,574 | 6,027 |

* Weekly inspections multiplied by the miles of track on which the inspections took place, divided by total main track miles.

IMPROVING OUR INFRASTRUCTURE’S RESILIENCY TO WEATHER IMPACTS

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 that impact our business, including physical risks related to chronic and acute climate change. The analysis is being used to evaluate and develop strategies to better mitigate acute and chronic weather impacts, such as flooding, drought, and wildfire. For a detailed discussion of our climate scenario analysis, please see our [2022 Climate Action Plan](#).



Innovative Technology Powers Operational Efficiency and Resiliency

We are investing in new technologies our employees can use every day to maintain safe, efficient, and resilient rail operations.

Intelligent Terminal is a suite of Artificial Intelligence (AI) planning tools used by yardmasters to optimize decision making, from yarding to departure. It reduces dwell and missed connections, and improves fluidity. The suite of tools includes:

- **Class Planner** – An AI optimizer that creates a hump sequence for inbound trains and schedules necessary re-humps. Benefits include minimized car dwell, minimized missed connections, automation of manual procedures, and enhanced communication between yardmasters and switching crews.

Integrated Transportation Planner is a suite of tools used for plan modeling, optimization, and monitoring of Union Pacific's Transportation Plan. It supports higher variability in the planning process, ensuring rail assets are used as efficiently as possible.

- **Terminal Dashboard** is integrated into UP Vision and provides real-time terminal performance visibility. It conveys leading indicators that allow terminal management to identify potential problem areas before they become an issue.

Precision Train Builder (PTB) simulates the physics of a train consist over a given geographic route to predict – and therefore prevent – physical forces that might cause a safety incident, such as a derailment. New PTB functionality now recommends where locomotives should be placed in the train, further increasing operational safety and protecting infrastructure.

Mobile Locomotive Shops – We are redesigning locomotive shop applications to leverage mobile friendly devices to record work completions, replacing use of centralized kiosks and large laptops. This will reduce duplicate entries and allow employees to complete reporting tasks more quickly, which will improve the scheduling availability of locomotive power. More locomotive availability means that we can respond more quickly demand for locomotives, improving our operations' fluidity.

Above: A screen from the Precision Train Builder program. Users can compare theoretical train consist designs over actual train routes. Factors like weather, track adhesion and more are calculated.

14. Stakeholder Engagement

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

COMMITMENT REFLECTED IN ROBUST STAKEHOLDER COMMUNICATION EFFORTS

Our four key stakeholders are at the heart of our ongoing sustainability efforts.

Employees

Union Pacific's more than 33,000 employees work 24/7 across our 23-state service area. We support and engage employees through the following channels:

- 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 bulletins
- A Values Line, allowing employees to anonymously report concerns 24/7
- Employee electronic newsletters
- Portal communications
- Social media
- DE&I Listening Sessions
- Operating Excellence meetings
- Senior management town halls with question-and-answer sessions
- CEO communication, such as online and in-person town halls with question-and-answer sessions; videos covering key issues, including safety and employee engagement; a blog highlighting observations from field visits and topics impacting the company; and monthly employee virtual lunches
- Information Television Network
- Microsoft Outlook emails and Teams communities
- Home mailings, including quarterly newsletters
- Annual Leadership Conference

Technology and Innovations Positively Impact Employee Work Environment

DigiCrew moves TEY crew reporting from a paper-based, end-of-shift process to a digital, real-time process. Employees use a mobile device for real-time information and reporting. That means better informed decision making, fewer trips to the crew room, and less radio chatter for basic information gathering. DigiCrew is deployed across 7,300 devices across 7 service units. Nearly 14,000 devices have been assembled and distributed through 2022.

Intermodal Vision is a visual management tool that provides real-time visibility into the health of Union Pacific intermodal terminals. The tool consolidates information found in dozens of disparate systems, screens, reports, and analytical tools into a seamlessly integrated product, custom-tailored to the unique needs of UP's Intermodal network. Intermodal Vision will identify potential operational issues before they arise, enabling quicker response and resolution times. Users include ramp contractors, employees and managers.

UP Vision 3.0 is an all-in-one network surveillance tool that identifies issues and provides tools and information to handle them. UP Vision tracks active trains anywhere on the UP system and provides train length, equipment count, train timeliness, crew availability and cars released from industry.

Terminal Work List Mobile NX leverages UP's mobile capabilities with the Mobile NX (eNtrance/eXit) product, which allows switchmen and mechanical employees to align routes, derails and retarders. The system can automate inventory moves, as well as make one-click signal asset maintenance requests. This increases productivity, reduces work events, improves safety and replaces obsolete hardware.



Customers

Union Pacific has strong relationships with its customers. At the heart of those relationships are multi-faceted communication efforts, enabling us to develop solutions that meet their changing needs and support growth. We engage customers through the following channels:

- Email and calls to actively keep customers updated and notified
- Face-to-face, teleconference and virtual meetings
- Webinars
- Customer website and secure customer portal, including a Virtual Assistant (chat feature) and Online Self-Help Library to assist customers with doing business with Union Pacific
- Shipment Notifications, with more than 40 types available to subscribe to, customers customize the information they 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
- Shipment notifications
- Rail operation announcements and 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

Technology Powers Improved Customer Experience

Here are some examples of the technology Union Pacific is either developing or using every day to improve its customers' overall experience.

APIs for Supply Chain Customer Integration – UP leverages our cutting-edge microservices architecture to deliver APIs (application programming interface) for seamless customer and supply chain integration. Our daily API volume of 5.4 billion calls (tasks performed) has increased by 233% in the last 2 years and will grow even more as we connect with more customers and partners across our ecosystem. Current customer volumes are more than 700,000/day. Additionally, we are expanding to push APIs for more timely data delivery and exploring analytics connectivity to enable customers to easily tie UP data into their internal reporting systems. Union Pacific's advanced API ecosystem and capabilities was a key enabler in the successful onboarding of the Schneider intermodal business.

Customer Onboarding is becoming digital. We are redesigning the onboarding experience with:

- automation to reduce onboarding time,
- integration to eliminate duplicate data entry, and
- new/improved interfaces and notifications to increase visibility.

For customers, this means less waiting and more visibility to start shipping sooner.

Invoicing enhancements will improve our customers' visibility to freight and accessorial invoices while simplifying their ability to pay, remit, dispute and manage their account. This also provides the foundation to connect invoicing to our customer engagement platform.

Proactive Notifications provide concise, up-front information to customers who may be impacted by maintenance planned by UP. Notifications are sent ahead of time to those affected so customers can move traffic or communicate the impacts to their business partners. Customers can sign up to receive broad, monthly messages or more concise on-demand messages.

Unit Train Visibility application provides bulk customers enhanced visibility into their shipments, as UP continues to streamline its services via longer trains and combination trains. This effort, as a part of the larger Unit Train Customer Interface effort, and in tandem with Shipment Management, returns this visibility and allows customers to act on trains they care about.

Shipment Management is our one-stop shop for customers to manage their shipments. This application serves each business line (Intermodal, Manifest, and Unit Train) and shortline partners in a unique way, matching their specific needs.

Communities

Union Pacific's 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 to promote 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.
- Social media platforms, including Facebook, LinkedIn, Twitter, Instagram and YouTube to share company news of interest.

In addition to our local employees and public affairs team members, we provide mechanisms for community members to engage directly with Union Pacific. Our national 24/7 emergency hotline and online reporting tool allow community leaders and members of the public 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 from these calls is logged and distributed within our company for resolution. In addition, 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 we operate through.

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
- Climate Action Plan
- We Are One Report
- Materiality Assessment
- Fact Book
- Participation in voluntary sustainability disclosure, such as CDP, and engaging with sustainability ratings firms such as the Dow Jones Sustainability Index (DJSI), EcoVadis, MSCI, Sustainalytics, and JUST Capital.
- Face-to-face, teleconference and virtual shareholder meetings with management and investor conferences
- Quarterly earnings reports and conference calls



Union Pacific employees volunteer at a Special Spaces event.

OTHER KEY AUDIENCES

Policymakers

Union Pacific works 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's) 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



Maqui Parkerson, vice president-Labor Relations, left, was among those who met with President Biden at the conclusion of last year's national labor negotiations.

Suppliers

Suppliers are an important part of Union Pacific's 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, teleconference and virtual meetings
- Annual Performance Review with Strategic Suppliers
- Site visits to ensure quality and performance
- Annual Supplier Diversity Symposium

Business and Industry Affiliations

Union Pacific participates in a number of trade associations, industry groups and nonprofits across North America. There is a wide array of benefits to being involved with these organizations, including the development of policy recommendations and rail safety protocols, infrastructure investment, and shared knowledge and research. With such a diverse set of members within each organization, it is unlikely that Union Pacific will agree with the specifics of every policy position taken. However, we must evaluate the nature and extent of our disagreements and weigh that against the broader value of our continued participation in each organization.

Union Pacific plays a leadership role in these organizations, where we use our influence to advocate for policy positions that align with Union Pacific's goals, values, and policy aims. We are also engaged in the appropriate committees and working groups of trade associations to best exercise leadership and influence relevant policy positions. Union Pacific reviews its participation in these organizations on an ongoing basis, including in the [Climate Lobbying Alignment Assessment](#).

15. Community Engagement



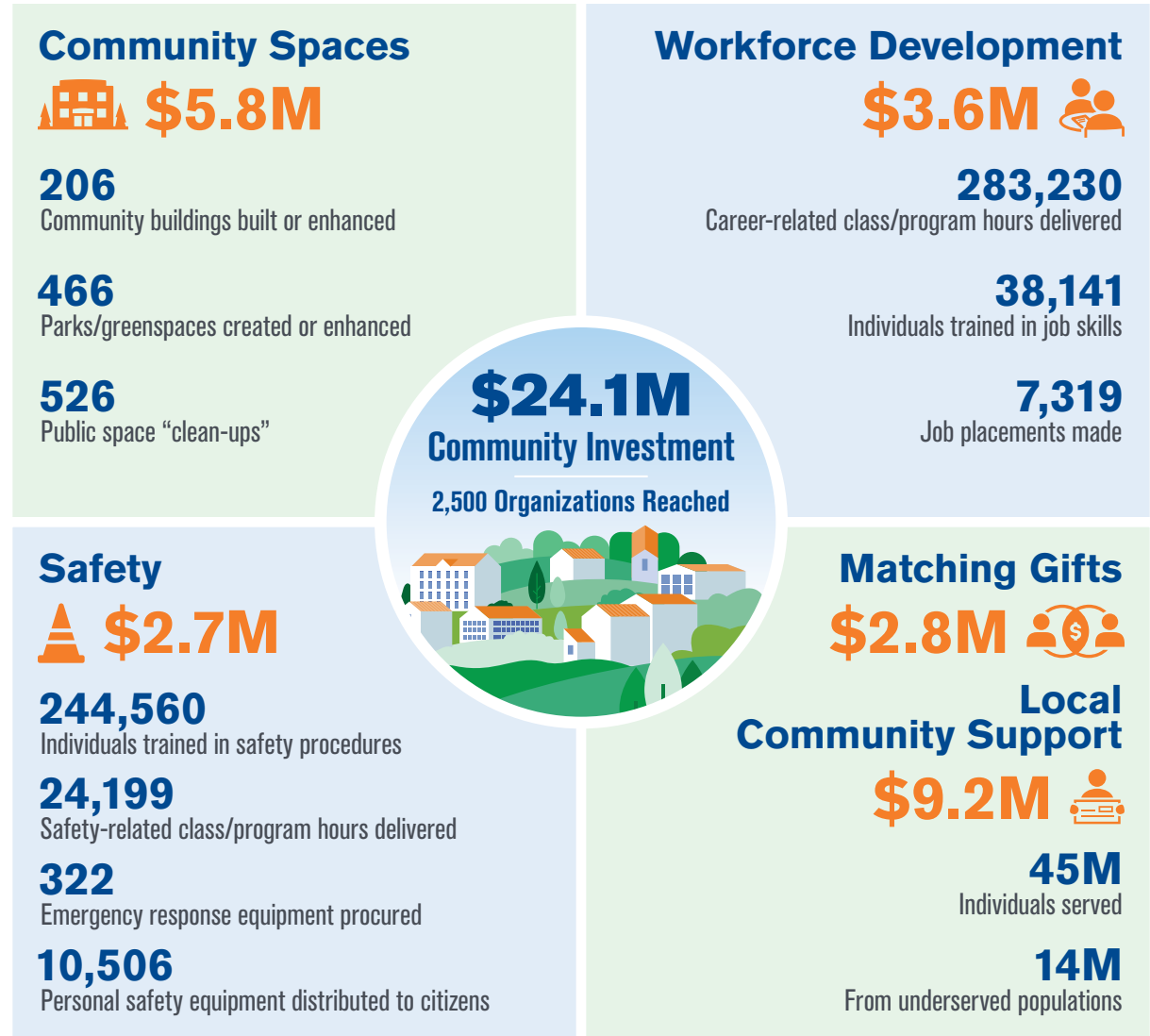
Going beyond Union Pacific’s direct business activities to support communities through charitable giving, event participation and volunteering.

COMMUNITY TIES GIVING PROGRAM BUILDS VIBRANT COMMUNITIES

Union Pacific's charitable giving programs have helped thousands of nonprofit organizations achieve their missions since 1959. Funding allocated by the Community Ties Giving Program ranges from \$2,500-\$25,000 for organizations receiving local grants, and up to \$4 million for multi-year national key partnerships.

The ethical treatment of others is important to Union Pacific. 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 that they prohibit discrimination on these grounds.

Union Pacific understands each community has unique challenges and opportunities. The programs we support align with one or more of our social impact goals related to safety, workforce development, community spaces and the environment. Together, our work in these areas builds safe, prosperous and vibrant communities – places people want to be.



ENVIRONMENTAL SUSTAINABILITY BECOMES FOURTH PILLAR OF GIVING PROGRAM

Union Pacific's Community Ties Giving Program was originally built on three pillars: Safety, Workforce Development and Community Spaces. In November 2022, Union Pacific added Environmental Sustainability as its fourth pillar, extending the company's bold commitment to reduce impacts of climate change, building a more sustainable economy.

Adding Environmental Sustainability as a priority funding area supports our overall Sustainability strategy. Our company is deeply committed to reducing our impact on the environment including through several internal and external initiatives outlined in our 2022 Climate Action Plan. Extending this commitment to community investments will allow Union Pacific to make an even bigger impact in communities across its 23-state footprint.

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 non-profits 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.

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.

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.

Community Spaces

Vibrant communities attract businesses, tourists and skilled workers. We seek to ensure residents within our communities have 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 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, ultimately, attract more residents, businesses and visitors.
- Planning for, creating or enhancing unique spaces reflecting a community’s character, and diverse needs and desires.

KEY PARTNERSHIPS PROVIDE MEASURABLE COMMUNITY IMPACT

From local grants to key partnerships, our philanthropic outreach aligns with Union Pacific's 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 Union Pacific's key areas of giving in safety, workforce development, community spaces and environmental sustainability.

National Partners

Union Pacific is proud to partner with these world-class nonprofit organizations, 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 – Union Pacific has partnered with Safe Kids Worldwide to reach a full continuum – from pre-schoolers and K-12 youth to parents – with research-based education and messaging designed to reduce risky behaviors that lead to rail-related incidents.

The Manufacturing Institute (MI) – Our partnership with The Manufacturing Institute, the workforce development and education partner of the National Association of Manufacturers, will help shrink the gender gap in the workforce by inspiring more women and young people to pursue modern industry careers.

National Park Foundation (NPF) – As an early supporter of the National Park System, Union Pacific is 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) – A nonprofit dedicated to conserving the lands and water on which life depends, has been selected to help further the mission of the new environmental sustainability pillar for the next three years. TNC was selected because its work aligns closely with the railroad's goals and objectives, which are to: preserve and restore nature; protect and enhance water or air quality; reduce waste; develop environmental stewards; and advance a green economy.

Safe Kids Worldwide

Union Pacific and nonprofit Safe Kids Worldwide teamed up to drive home an important message for families in a new rail safety video: Model rail safety, because 'Nothing' is worth more than your child's life. UP is proud to partner with Safe Kids Worldwide through a second multiyear partnership demonstrating the railroad's commitment to the safety and wellbeing of communities within its operating footprint. Safe Kids coalitions conduct transportation safety education programs nationwide regarding child pedestrian, school bus, bike, railroad and passenger safety.



National Park Foundation

A trip to a national park can change the way a student views the world for the rest of their life, providing Union Pacific wants to help foster that admiration and respect. With the help of UP's sponsorship, the National Park Foundation called Open Outdoors for Kids, expects to reach over a million students in the next four years, creating a unique opportunity for fourth graders to learn about and explore national parks.



Regional Partners

Regional partnerships are granted by invitation only, and like our national partnerships, are often multi-year commitments, designed to provide long-term impact in our communities. We want to work with organizations where we can explore big ideas, build powerful momentum within our communities, and achieve significant, lasting impact across Union Pacific's network. Among them are:

- Associated Industries of Arkansas
- Boys & Girls Club of Placer County
- Chicago Cook Workforce Partnership
- 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
- Twin Cities Public Television
- Local Initiatives Support Corporation (LISC) Chicago
- Mosaic Templars Cultural Center – Little Rock
- Nebraska Museum of 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

DIVERSITY, EQUITY & INCLUSION COMMITMENT

Union Pacific is committed to the goal that 100% of Community Ties Program giving will support programs or organizations which demonstrate a commitment to advancing diversity, equity and inclusion. DEI-aligned grants are defined as meeting one (or more) of the following:

- The purpose of the grant is to advance the interests of an underrepresented or underserved population as they relate to Union Pacific's priority cause area.
- The grant will primarily serve an underrepresented population.
- The organization is taking actions to instill DEI internally and/or within its programs.

Last year, 89% of our local grantees met our DE&I goals.

16. Land Rights & Management



Working closely with relevant stakeholders to ensure effective management of land and consideration of biodiversity and environmental land management.

BIODIVERSITY STATEMENT, NATURE CONSERVANCY PARTNERSHIP UNDERSCORE COMMITMENT

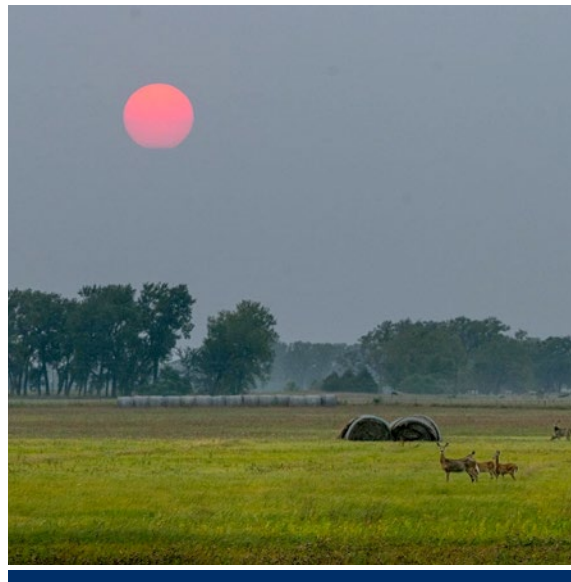
Our wide reach across the United States means it's important that we act as conscientious stewards to protect the biodiversity we encounter through our operations. In 2022, Union Pacific took two major actions to demonstrate the importance of protecting biodiversity. First, we published a Biodiversity Statement outlining our commitment to preserve the land our operations touch. Second, we partnered with The Nature Conservancy to support three separate nature-based solutions projects based in Nebraska, California and Texas. Project goals include grassland and wetland restoration, groundwater recharge, threatened species habitat conservation, and community education.

We know the importance of protecting and managing biodiversity and lands near our rail network. We implement habitat conservation plans to protect ecosystems and endangered species in various locations. When our operations are in close proximity to critical biodiversity, we apply the following mitigation hierarchy: 1) avoid impacting, 2) minimize impact, 3) rehabilitate / restore impact, 4) offset the impact elsewhere.

Union Pacific also engages with community partners and nonprofit organizations working to protect our natural resources or reinvigorate specific ecosystem needs. We review our construction and maintenance projects to understand potential environmental impacts and minimize impacts to the extent possible. We also proactively work to avoid and minimize impacts to wetlands and other aquatic resources as part of our capital projects. Where impacts are unavoidable, we fund the replacement of wetland or aquatic resources lost due to our impacts, or purchase credits in approved mitigation banks.



In California, a field is monitored to assess the cover crop on fallowing farmland.



Near the upper Elkhorn River in Nebraska, teams focus on keeping grassland areas intact.



The Nature Conservancy has managed Parkhill Prairie in Collin County, Texas, for 25 years.

Looking Forward

We are proud of our progress on sustainability initiatives. Just as important, we believe we are weaving sustainability into our company processes, goals and culture. We believe the actions we are taking now will Build America, and contribute to a sustainable world for our workforce, our customers, and our communities for generations to come.

Throughout the year, we will keep you informed as we continue to take necessary, bold actions to reach our aggressive sustainability goals. We also will keep you updated on our progress toward meeting those goals by reporting our outcomes at the Sustainability section of UP.com and through our storytelling efforts at our Inside Track news website and in media releases posted on UP.com.

We look forward to keeping you updated on our continued progress.



Key Performance Indicators

| NETWORK MAINTENANCE | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|-------------|-------------|
| New Ties Installed (<i>thousands</i>) | 3,475 | 4,671 | 4,058 | 3,712 |
| Track Miles of Rail Replaced | 534 | 468 | 502 | 542 |
| Miles of Track Surfaced | 7,741 | 10,414 | 10,441 | 9,502 |
| Track Miles of Rail Capacity Expansion | 55 | 83 | 70 | 44 |
| Frequency of Internal Integrity Inspections <i>(weekly inspections multiplied by miles of track on which they took place) / (total main track miles)</i> | 5,496 | 5,655 | 5,574 | 6,027 |

| FATALITIES | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|
| Employee Fatalities | 2 | 1 | 2 | 5 |
| Contractor Fatalities | 1 | 1 | 4 | 3 |
| Employee Fatality Rate <i>(employee work-related fatalities / total number of FTEs)</i> | 0.000054 | 0.000031 | 0.000062 | 0.000150 |

| INCIDENTS | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|
| Train-Related Incidents & Accidents | 632 | 451 | 430 | 498 |
| Train-Related Accidents Involving the Release of Hazardous Materials | 11 | 15 | 7 | 5 |
| Non-Accident Release of Hazardous Materials | 148 | 128 | 130 | 118 |
| Trespassing Accidents | 319 | 336 | 415 | 434 |
| Crossing Accidents <i>(per million train miles)</i> | 2.72 | 3.04 | 3.51 | 3.58 |
| Reportable Equipment Incident Rate <i>(# accidents/million train miles)</i> | 4.28 | 3.54 | 3.80 | 4.30 |
| Number of Federal Railroad Administration (FRA) Recommended Violation Defects* | 1,385 | 1,335 | 1,817 | 1,472 |

* These figures are based on FRA inspectors writing inspection reports with recommended violations, Union Pacific did not receive violations on all of these.

| WASTE | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|
| Total Waste Generated (Tons) | 1,433,365 | 2,107,755 | 1,077,503 | 1,182,181 |
| Hazardous Waste Generated (Tons) | 2,246 | 1,603 | 114 | 2,221 |
| Non-Hazardous Waste Generated (Tons) | 1,431,119 | 2,106,152 | 1,077,389 | 1,179,960 |
| Total Waste Diverted (Tons) | 977,714 | 989,339 | 604,801 | 627,327 |
| Hazardous Waste Diverted | 561 | 401 | 0 | 0 |
| Preparation for Reuse (Tons) | 0 | 0 | 0 | 0 |
| Recycled (Tons) | 0 | 0 | 0 | 0 |
| Recovery for Energy (Tons) | 0 | 0 | 0 | 0 |
| Non-Hazardous Waste Diverted (Tons) | 977,153 | 988,938 | 604,801 | 627,327 |
| Preparation for Reuse (Tons) | 30,968 | 91,998 | 0 | 25,201 |
| Recycled (Tons) | 45,104 | 37,710 | 46,192 | 37,024 |
| Total Waste Disposed (Tons) | 453,405 | 1,116,813 | 472,588 | 552,633 |
| Hazardous Waste Disposed (Tons) | 1,685 | 1,202 | 114 | 2,221 |
| Incinerated (Tons) | 0 | 0 | 0 | 25 |
| Landfilled (Tons) | 0 | 0 | 114 | 2,097 |
| Non-Hazardous Waste Disposed (Tons) | 690,916 | 1,117,214 | 764,848 | 784,462 |
| Incinerated (Tons) | 235,265 | 266,282 | 292,145 | 231,829 |
| Landfilled (Tons) | 455,651 | 850,933 | 472,703 | 552,633 |

| WATER | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|
| Water Withdrawal (megaliters) | 4,517 | 3,622 | 4,148 | 6,082 |
| Water Discharge (megaliters) | 2,563 | 1,764 | 1,817 | 4,461 |
| Total Water Consumptions (megaliters) | 1,954 | 1,858 | 2,331 | 1,621 |

| CYBERSECURITY | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|
| Number of Information Security Breaches or Incidents* | 0 | 0 | 0 | 0 |
| Total Number of Customers and Employees Affected by Data Breach | 0 | 0 | 0 | 0 |
| Total Amount of Fines/Penalties Paid in Relation to Information Security Breaches or Other Cybersecurity Incidents | 0 | 0 | 0 | 0 |
| Number of Substantiated Complaints – Breaches of Customer Privacy | 0 | 0 | 0 | 0 |

* Union Pacific defines a breach as a penetration of the system in which the attacker obtains confidential information.

| SUPPLIERS | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|-------------|-------------|-------------|-------------|
| Number of Suppliers | 5,314 | 4,672 | 4,828 | 4,937 |
| Diverse Suppliers | 3030 | 286 | 287 | 363 |
| Diverse Supplier Spend (millions) | \$328 | \$423 | \$522 | \$813 |
| Local Supplier Spend (millions) | \$107.8 | \$88.1 | \$103.2 | \$114.3 |
| Strategic Suppliers | 21 | 19 | 16 | 17 |
| Strategic Supplier Audits | 96% | 41% | 100% | 100% |
| In-State Purchasing (millions) | \$6,766 | \$5,427 | \$6,192 | \$8,696 |

| COMMUNITY GIVING | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|-------------|-------------|
| Investment in Capital Expenditures (millions) | \$3,453 | \$2,927 | \$2,936 | \$3,620 |
| Community Ties Giving Program (millions) | \$22.2 | \$26.8 | \$22.5 | \$24.1 |
| Employee Volunteer Hours* | 6,532 | 4,028 | 3,821 | 3,907 |

* Only reflects employee volunteer hours greater than 40 hours per employee.

| ETHICS | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|
| Total Values Line Reports | 1,260 | 1,271 | 1,222 | 1,342 |
| Substantiated Values Lines Reports | 29% | 26% | 27% | 27% |
| Number of Confirmed Corruption Incidents | 0 | 0 | 0 | 0 |
| % of Employees Completing The How Matters Ethics Training | 20% | 17% | 98% | 99% |
| Number of Internally Published Compliance Connections | 2 | 2 | 3 | 12 |
| % of Required Employees Reporting Whether or not They Had a Conflict of Interest* | | | 100% | 100% |
| % of Required Employees Reporting Whether or not They Made Gifts or Payments to Public Officials Disclosure* | | | 100% | 100% |
| % of Required Employees Completing Sexual Harassment Training** | | | 99% | 99% |
| % of Required Employees Completing Foreign and Corrupt Practices Act Training (FCPA)*** | | | 88% | 84% |
| % of Required Employees Completing Anti-Trust Training*** | | | 96% | 98% |

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

** Required for specific location, not entire employee population (CA, NY, IL).

*** Required for certain management employees only.

CAUTIONARY INFORMATION

Our 2022 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 February 10, 2023, 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 do 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.