



JULY

2022



UNION PACIFIC CORPORATION

Green Financing Framework




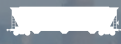



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FAST FACTS*

	32,452 ROUTE MILES IN 23 STATES WITH 7 BORDER CROSSINGS
	8.0** MILLION ANNUAL CARLOADS
	7,476 LOCOMOTIVES
	51,583 RAIL CARS
	32,124 EMPLOYEES
	30,000** RAILROAD CROSSINGS
	16,700** BRIDGES

* As of December 31, 2021 ** Figures are rounded

1.0 Introduction

1.1 Company Overview

Union Pacific Railroad Company is the principal operating company of Union Pacific Corporation (“Union Pacific”, “UNP” or the “Company”). We are one of America’s most recognized companies, and one of only a few created by an act of Congress and signed into being by a sitting president. We have a heritage of building and uniting the country, and our work today propels the nation forward, connecting businesses to communities around the world. Our rail network provides logistics solutions and connects 23 states in the western two-thirds of the nation, making us a critical link in the global supply chain.

1.2 Rail Transportation: A Climate Solution

We believe that rail transportation is a critical part of the solution to addressing and mitigating the impacts of climate change:

- One train can carry the freight of hundreds of trucks, which reduces highway congestion and greenhouse gas (GHG) emissions.
- Railroads are the most fuel-efficient way to move freight over land. Freight railroads are on average 3-4 times more fuel efficient than trucks.
- Moving freight by train instead of truck reduces GHG emissions by up to 75%.
- Railroads account for 40% of U.S. freight but only 2% of U.S. transportation related GHG emissions.

Source: Association of American Railroads Sustainability Fact Sheet April 2021

1.3 Our ESG Approach: Building A Sustainable Future 2030

Our climate is changing and there is a serious need, especially for businesses and government, to take action to prevent further drastic negative impacts to our environment. Rail transportation, while more fuel-efficient than trucks, still has a notable GHG emissions footprint. We intend to be a part of the climate solution by proactively seizing opportunities and investing in initiatives to meet, and exceed, our emissions reduction target. Union Pacific is committed to our company goal of reaching net zero emissions by 2050 and Building a Sustainable Future.

OUR SCIENCE-BASED TARGET

Locomotive operations represent our greatest source of GHG emissions. In 2018 (our baseline year), emissions from locomotives comprised 97.6% of our target scope GHG emissions and 85.4% of our total calculated emissions. Accordingly, most of our focus in reducing our carbon footprint is on our locomotive operations. Union Pacific works with independent organizations to assure an accurate calculation of its annual GHG emissions and continually evaluates its GHG and energy data to produce a comprehensive assessment of its environmental footprint.

In February 2021, Union Pacific announced its target to reduce absolute Scope 1 and 2 GHG emissions and GHG emissions on a well-to-wheel basis from locomotive operations 26% by 2030 from a 2018 baseline. Well-to-wheel emissions include well-to-tank emissions, which are Scope 3 emissions generated upstream in the value chain during fuel production and transport, and tank-to-wheel emissions, which are Scope 1 emissions related to the consumption of the fuel. The target boundary includes biogenic emissions and removals from bioenergy feedstocks and has been validated by the Science Based Target initiative (SBTi).

Our SBTi-approved target is in line with what climate scientists say is needed to meet the Paris Agreement goals – limiting global warming to well below 2° above pre-industrial levels. We are aware of the IPCC's finding regarding more urgent actions necessary to address climate change and will revalidate our target in 2025 or sooner for alignment with the most current science and on the path to net zero emissions by 2050.

We are approaching this target by continuing to make our operations more efficient through a better service plan and implementation of fuel-saving technology. In addition, we are pursuing efforts to decarbonize our operations through greater use of low-carbon biofuels and the adoption of alternative-propulsion technology and battery-electric locomotives.

ASSEMBLING THE WORLD’S LARGEST BATTERY-ELECTRIC LOCOMOTIVE FREIGHT FLEET

We have announced plans to purchase 20 battery-electric locomotives for testing in yard operations. The combined purchases and upgrades to yard infrastructure are expected to exceed \$100 million, representing the largest investment to date in battery-electric technology by a U.S. Class I railroad. For every 10 battery-electric locomotives used, approximately 4,000 tons of carbon will be eliminated annually, the equivalent of removing 800 cars from the highway.

The first units arrive in late 2023 with complete delivery by late 2024. They will immediately be put to work in rail yards in California and Nebraska where they will be tested for performance in cold and warm weather. We are eager to learn more about the capabilities and challenges of this promising technology.

CLIMATE ACTION STRATEGY

At the heart of Union Pacific's climate action strategy are four core principles that drive our climate-focused activities, which align with our corporate strategy: **Serve, Grow, Win, Together.**

1. Serve: Improve operational efficiency and minimize fuel consumption by modernizing our locomotive fleet and implementing energy management technology.

- UNP continues to invest in the modernization of our fleet. Each modernization results in an approximate 53% reduction in emissions and an additional 5% reduction in fuel consumption per engine.
- Our Energy Management System (EMS) on locomotives helps us identify opportunities to save fuel. EMS has been implemented in approximately two thirds of our active road fleet with a target of full implementation by 2025. We estimate that EMS will reduce our absolute GHG emissions by 4% annually by 2025.



2. Grow: Offer sustainable supply chain solutions to capture emerging transportation opportunities, explore supply chain circularity, and provide an excellent service product that establishes rail as the environmentally responsible surface transportation solution.

- Converting traffic to rail from truck offers an immediate reduction in the Scope 3 GHG emissions of our customers, which we believe will enable us to become a bigger part of our customers' value chains.
- In addition to providing carbon savings to our customers, we also help support the transition to a low-carbon economy through the shipment of sustainable, recyclable goods. For example, over the past 10 years, we have moved more than 80,000 carloads of wind components.

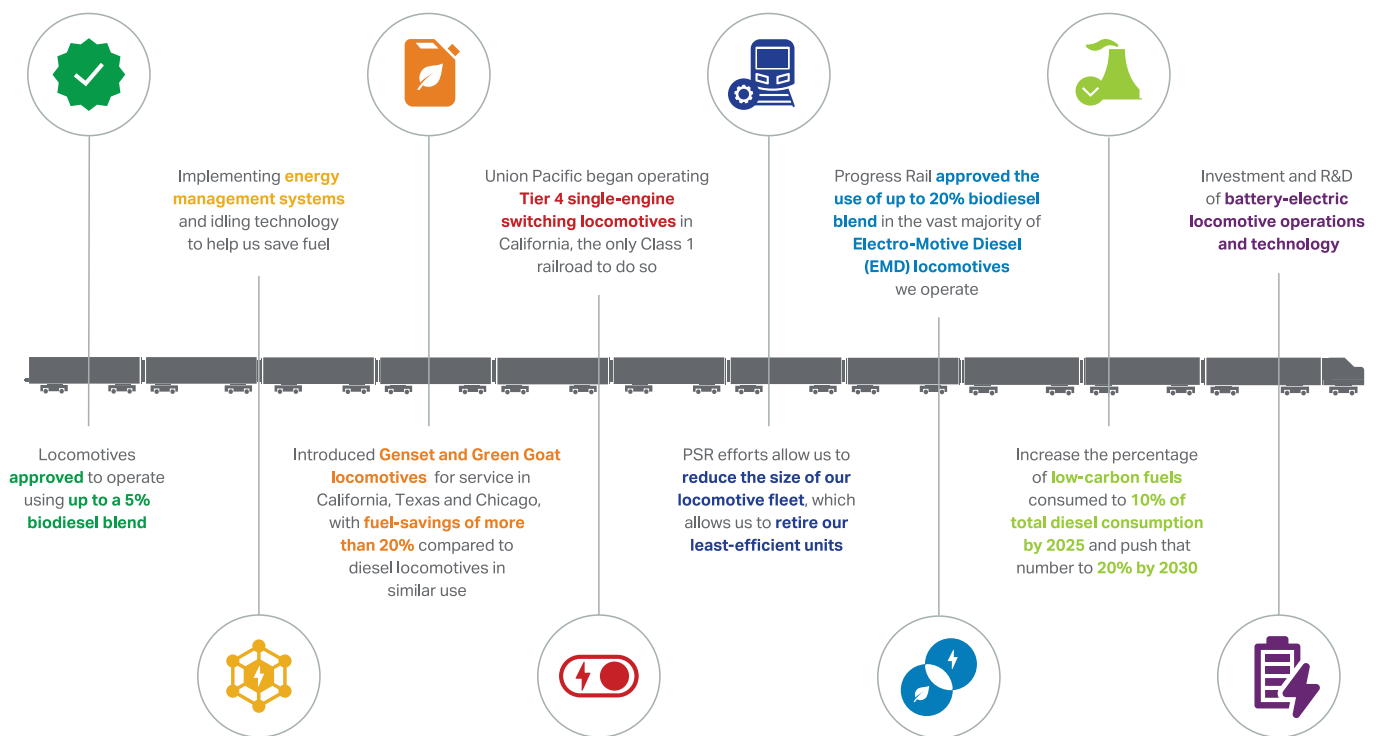
3. Win: Decarbonize our footprint and the environment by increasing our use of low-carbon biofuels and experimenting with alternative propulsion methods and exploring nature-based solutions.

- We are progressing our plan to explore battery-electric locomotive technology to determine the fit and feasibility of operations at scale.
- We are working to increase the percentage of low-carbon biofuels consumed to 10% of our total diesel consumption by 2025 and push that number to 20% by 2030. Increasing the use of renewable diesel and biodiesel fuels currently represents the most promising avenue to help Union Pacific meet its science-based target.

4. Together: Engage our stakeholders and align interests by using our influence to develop and advance rail- and climate-friendly policies and by engaging our workforce on environmental issues.

- We are involved in the development of the policies described in the Association of American Railroads ("AAR") position papers on climate change and sustainability. We participate in the AAR's Decarbonization Working Group.

CURRENT AND FUTURE ACTIONS TO DECARBONIZE FOOTPRINT AND INCREASE LOW CARBON BIOFUELS

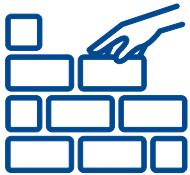


While the greatest opportunities for reducing fuel consumption and emissions comes from our locomotive operations, we are leveraging our employee knowledge and continuing to explore ways to develop new approaches that go beyond the locomotive. We are looking for opportunities to increase the decarbonization of our operations through the electrification of our vehicle fleet and some of the tools that we use in our maintenance of way work.

We also are exploring nature-based solutions to prepare for our goals beyond 2030 and to address any residual emissions after our initial carbon reduction efforts. Nature-based solutions aren't just offsets. They involve protection, restoration and/or management of natural and semi-natural land and aquatic ecosystems. These include intact forests or working lands, such as croplands or timberlands. Ecosystem services and biodiversity are of critical importance, and we believe that these projects should be designed and implemented with engagement of local communities and Indigenous Peoples.

PROGRESSING OUR ESG STRATEGY

Environmental Stewardship is one of our five pillars that guide our approach toward sustainability:



Building Responsible Foundations: In 2021, we added the “Building Responsible Foundations” pillar to our Building a Sustainable Future 2030 strategy. 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 in our [Proxy](#). 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 enabling them to grow, develop in new positions across the company and become experts in their roles. We know that to do that, we must be committed to fostering a diverse and inclusive environment that reflects the diverse markets and communities we serve. 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 [2021 We Are One Report](#).



Driving Sustainable Solutions: Union Pacific's improved service product and commitment to improving the customer experience positions it as the transportation provider of choice for its customers. Our goal is to capitalize on the many advantages that rail transportation can offer and grow our traffic over less-efficient forms of transportation. 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 the transition to a low-carbon economy through the shipment of sustainable recyclable goods as those markets grow.



Championing Environmental Stewardship: As explained in detail above, railroads are one of the most fuel-efficient means of transporting freight by land. However, we know that there are still actions railroads must take to reduce their carbon footprint. Read more about our environmental strategy in our [2021 Climate Action Plan](#).



Strengthening our Communities: Union Pacific is dedicated to serving and investing in communities, 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 and represent investments in 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.

INCREASING TRANSPARENCY

To be more transparent about our actions, we have transitioned to providing more frequent topical reports to reflect our ESG efforts. The [Building America Report](#) provides a top-level look at our progress achieving the goals surrounding our ESG Approach: Building a Sustainable Future 2030. Combined with our [Climate Action Plan](#) (the E in our ESG efforts), our [“We Are One” Human Capital Report](#) (the S), and our [Proxy Statement](#) (the G), we’re providing detailed progress in the five areas of concentration related to Environmental, Social, and Governance (ESG) issues: Building Responsible Foundations, Investing in Our Workforce, Driving Sustainable Solutions, Championing Environmental Stewardship and Strengthening Our Communities.



To guide our ESG disclosures we are relying on several reporting 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 in other reports will incorporate the Task Force on Climate Disclosure (TCFD) and CDP frameworks. These reporting frameworks include KPIs that increase our transparency and comparability for our stakeholders. We are committed to improving the relevance and transparency of our disclosures in all of our ESG reporting.

SUSTAINABILITY GOVERNANCE

Union Pacific's climate actions are already integrated into the company's governance structure. The Union Pacific Board of Directors provides oversight of our ESG strategy. The Corporate Governance and Nominating Committee reviews current developments in ESG and recommends adoption of new – or modifications to existing – practices, policies and procedures.

In addition to providing the Board with an annual report on environmental risk management (discussed below), we provide routine updates on our ESG activities, which include actions related to climate change. In 2021, we formalized the Sustainability Team and added resources, including an individual dedicated to overseeing the day-to-day implementation of Union Pacific's ESG strategy and moving the company forward along its ESG disclosure journey. Looking forward, we are developing internal mechanisms to help increase the visibility of climate-related projects throughout the company. Finally, we are continuing to evolve ESG-related key performance indicators into our executive compensation scorecard.

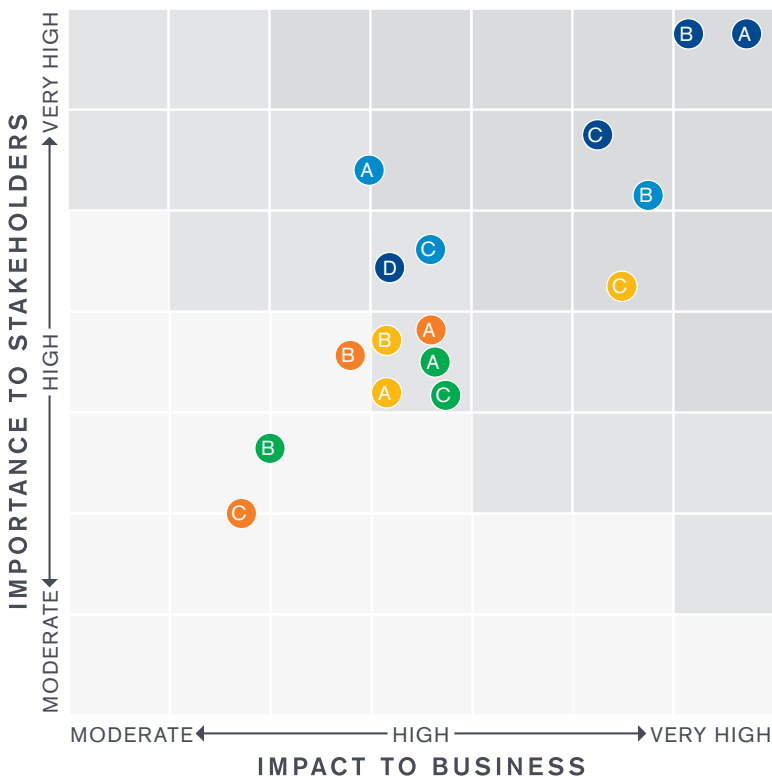
To oversee and guide the appropriate management of ESG, we have established the following governance structures:

- **Board of Directors** – Provides oversight of ESG strategy.
- **Board Committees** – The Corporate Governance and Nominating Committee oversees ESG strategy development, goals, policies and performance. Other Board Committees have the ESG oversight responsibilities as set forth in their respective Committee Charters.
- **Chief Executive Officer** – Provides executive direction on ESG strategy.
- **Management Leadership** – Our Executive Vice President – Sustainability and Strategy oversees ESG strategy and sustainability efforts.
- **Sustainability Team** – Oversees the day-to-day implementation of ESG strategy.
- **Sustainability Steering Committee** – Senior leaders from Law, Finance, Marketing and Sales, Operations (Mechanical & Engineering), Supply Chain, Environmental Management, Corporate Relations, Investor Relations, and Workforce Resources meet quarterly to drive decision-making, accountability and ownership of specific ESG initiatives.



MATERIALITY ASSESSMENT

In 2021, Union Pacific completed a comprehensive materiality assessment to determine which ESG topics were most important to our stakeholders. The process began with over 500 ESG issues, which led to the identification of 16 relevant and important topics. We then engaged a significant number of internal and external stakeholders through an online survey and follow-up interviews to understand a broader stakeholder perspective of our material topics. The insights from this assessment inform the continued evolution of our sustainability strategy. We anticipate refreshing this assessment periodically to monitor the evolution of the topics that are most important to our business.



Building Responsible Foundations

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

Investing in Our Workforce

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

Championing Environmental Stewardship

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

Driving Sustainable Solutions

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

Strengthening Our Communities

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

In addition to our materiality matrix, we leverage the United Nations Sustainable Development Goals (SDGs) to guide our sustainability goals and focus on a better future.





2.0 Green Financing Framework

2.1 Scope

In accordance with its strategy, Union Pacific has designed this Green Financing Framework (“the Framework”) which will guide future green bond issuances (each, a “Green Financing”).

This Framework addresses the four core components and key recommendations of the International Capital Markets Association (ICMA) Green Bond Principles 2021.

CORE COMPONENTS

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

KEY RECOMMENDATIONS:

1. Green Bond Frameworks
2. External Reviews



2.2 Use of Proceeds

For each Green Financing under this Framework, we intend to allocate an amount equal to the net proceeds to finance or refinance, in whole or in part, existing or new Eligible Green Projects. "Eligible Green Projects" include investments and expenditures by Union Pacific and its subsidiaries related to one or more of the criteria listed in the table below.

Eligible Green Projects will include expenditures disbursed up to 24 months prior to the applicable Green Financing. It is our intention to fully allocate an amount equal to the net proceeds of each Green Financing within 36 months of its issuance. We may allocate to a single Eligible Green Project or any combination of Eligible Green Projects, and no assurances can be provided that any amount will be allocated to fund any particular category of Eligible Green Projects.

Infrastructure and rolling stock for railway lines that are dedicated to the transportation of fossil fuels do not qualify under the Framework.

2.3 Eligibility Criteria: Eligible Green Projects

Eligible Project Category* <i>(Environmental Objective)</i>	Eligibility Criteria	UN SDG Alignment**
Clean Transportation <i>(Climate Change Mitigation and Pollution Prevention & Control)</i>	<p>Expenditures in technologies, products, systems or equipment that support low-carbon transportation:</p> <p>New Rolling Stock, Vehicles & Equipment</p> <ul style="list-style-type: none"> ▪ Battery-electric locomotives and associated infrastructure ▪ Zero direct emissions vehicles and associated infrastructure ▪ Refrigerated boxcars, which include a plug-in hybrid refrigeration unit, for running on electricity instead of diesel, and numerous thermal efficient features <p>Upgrades to Existing Rolling Stock</p> <p>Improvements that will reduce GHG emissions and increase fuel efficiency:</p> <ul style="list-style-type: none"> ▪ Modernizations and emissions upgrades on existing locomotives ▪ Energy management solutions, such as Trip Optimizer, LEADER and Auto-Engine Start/Stop ▪ Refrigeration units on existing refrigerated boxcars, which may include plug-in hybrid models for running on electricity instead of diesel <p>Contributions to Modal Shift and Expanding Network Capacity</p> <ul style="list-style-type: none"> ▪ Replacement and expansion of intermodal facilities, including purchase of electric and hybrid cranes, which can promote modal shift of freight to lower-carbon alternatives such as rail ▪ Train length initiatives, such as new sidings and siding extensions, which improve operational efficiencies including dwell and corridor fluidity 	
Circular Economy <i>(Natural Resource Conservation and Climate Change Mitigation)</i>	<p>Expenditures in technologies, systems, programs or equipment that support redundant products end-of-life, beneficial-use solutions:</p> <ul style="list-style-type: none"> ▪ Repurpose, refurbishment or remanufacturing of products, such as metal, rolling stock components, batteries, and used railroad ties 	

*Per Green Bond Principles

**[United Nations Sustainable Development Goals](#)

Energy Efficiency

(Climate Change Mitigation)

Expenditures in technologies, products, systems or equipment that reduce energy consumption and/or support energy conservation:

- Heating, ventilation, air conditioning, lighting, and electrical equipment that are Energy Star certified
- Projects that enable monitoring and optimization of the amount and timing of energy consumption, such as smart meters, load controls and sensors



Renewable Energy

(Climate Change Mitigation)

Expenditures dedicated to generation and distribution of renewable energy from solar or wind sources:

- Acquisition, investment, development, maintenance and/or operation of onsite or offsite generating capacity
- Purchases of renewable energy or energy storage capacity under long-term (greater than 5 years) power purchase agreements (PPAs) and virtual power purchase agreements (vPPAs), in all cases entered into prior to the commencement, or in the case of rehabilitated projects, the re-commencement, of commercial operation of the project



Sustainable Water & Wastewater Management

(Natural Resource Conservation and Pollution Prevention & Control)

Expenditures in technologies, products, systems, equipment or facilities that improve water quality or water efficiency:

- Capture and treatment of industrial wastewater from equipment washing and maintenance
- Spill prevention controls and countermeasure plans
- Collection, distribution, treatment, recycling or reuse of water, stormwater, or wastewater



Terrestrial and Aquatic Biodiversity Conservation

(Biodiversity and Natural Resource Conservation)

Expenditures in nature-based solutions that protect, restore, or increase natural ecosystems:

- Reforestation and forest conservation
- Wetland conservation
- Habitat restoration and/or protection



2.4 Process for Project Evaluation and Selection

Union Pacific has a formal risk management process to address environmental risks and risks associated with climate change. Additionally, [Union Pacific's Environmental Management, corporate governance](#) and other [ESG-related](#) policies and procedures apply to all Eligible Green Projects and will help mitigate environmental and/or social risks associated with Eligible Green Projects.

Union Pacific has established a Green Finance Committee (the "Committee") comprised of executives or their delegates from each of the disciplines below and meets quarterly. This Committee is a sub-committee of UNP's Sustainability Steering Committee. Union Pacific's Treasury Group, working with the Committee, will identify projects for allocation and propose such projects to the Committee for review and approval as Eligible Green Projects in alignment with the criteria listed above.

- Finance
- Operations
- Supply Chain
- Sustainability and Strategy

2.5 Management of Proceeds

An amount equal to the net proceeds of each Union Pacific Green Financing will be allocated towards Eligible Green Projects as stated in section 2.2 Use of Proceeds of this Framework and will be managed by Union Pacific's Finance Department. So long as a Green Financing remains outstanding, our internal records will show, at any time, the amount equal to the net proceeds from the issuance of such Green Financing allocated to Eligible Green Projects as well as any remaining unallocated proceeds. Pending the allocation of any amounts to Eligible Green Projects, we will temporarily manage funds according to our normal liquidity practices.

Payment of principal and interest on the Green Financing will be made from Union Pacific's general funds and will not be directly linked to the performance of any Eligible Green Projects. Union Pacific will use reasonable efforts to substitute any material Eligible Green Projects that are no longer eligible as soon as practicable upon identifying an appropriate substitute Eligible Green Project.

2.6 Reporting

During the term of the Green Financing, Union Pacific will provide, and keep readily available on a designated website, information on the allocation of an amount equal to the net proceeds of each Green Financing and the impact of such allocated proceeds, to be updated at least annually until full allocation and as necessary thereafter in the event of material developments. The allocation of an amount equal to the net proceeds of each outstanding Green Financing will be reported using a bond-by-bond approach.

The Committee, outlined in section 2.4, will review and approve the reporting and associated commitments prior to publication.

ALLOCATION REPORT

The Allocation Report will include information on (i) the amount of net proceeds allocated to Eligible Green Projects, (ii) any amounts pending allocation, and (iii) the share of financing and refinancing of existing or new Eligible Green Projects. We will seek to report the amount of net proceeds allocated at the Eligible Project Category or sub-Category level.

IMPACT REPORT

Where feasible, Union Pacific will adopt the guidance in The Harmonized Framework for Impact Reporting (June 2021) and plans to report one or more core metrics that we determine most relevant for our Eligible Green Projects. Performance of estimated impacts will not be tied to the pricing or other characteristics of a Green Financing under this Framework.

The Impact Report will include, on a best effort basis, (i) reporting focusing on quantitative environmental impacts of our Eligible Green Projects, and (ii) case studies with additional information on highlighted projects. For projects that are not yet operational or an asset that is still in the development phase, Union Pacific will strive to provide estimates of expected impact. The methodology and material assumptions used to report on the environmental benefits of the Eligible Green Projects will be disclosed in the Impact Report. The Report may include:

Eligible Project Category* <i>(Environmental Objective)</i>	Examples of Impact Metrics
Clean Transportation <i>(Climate Change Mitigation and Pollution Prevention & Control)</i>	<ul style="list-style-type: none">▪ Number of new rolling stock, vehicles or equipment deployed and type (i.e. battery-electric, hybrid, etc.)▪ Annual reduction in fuel consumption▪ Annual GHG emissions reduced/avoided in metric tons of CO2 equivalent▪ Number of new infrastructure projects deployed that support clean transportation▪ Expected extension of lifetime for locomotives in years

*Per Green Bond Principles

Circular Economy

(Natural Resource Conservation and Climate Change Mitigation)

- Number of and/or absolute amount in tons of redundant products that have been repurposed, refurbished and/or remanufactured

Energy Efficiency

(Climate Change Mitigation)

- Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
- Annual GHG emissions reduced/avoided in metric tons of CO2 equivalent

Renewable Energy

(Climate Change Mitigation)

- Annual renewable energy generated or purchased in MWh/GWh (electricity) and GJ/TJ (other energy)
- Annual GHG emissions reduced/avoided in metric tons of CO2 equivalent

Sustainable Water & Wastewater Management

(Natural Resource Conservation and Pollution Prevention & Control)

- Annual absolute (gross) water consumption reduced/avoided
- Annual absolute (gross) amount of wastewater treated

Terrestrial and Aquatic Biodiversity Conservation

(Biodiversity and Natural Resource Conservation)

- Maintenance/safeguarding/increase of natural landscape area (including forest) in acres
-

3.0 External Review

3.1 Second Party Opinion

Union Pacific has commissioned Sustainalytics to conduct an external review of its Green Financing Framework, and to issue a Second Party Opinion (“SPO”) on the Framework’s environmental credentials, and its alignment with the Green Bond Principles. The SPO will be made available on Union Pacific’s website.

3.2 Assurance

Each Allocation Report will be accompanied by a report from an independent registered public accounting firm in respect of its examination of management’s assertions conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

DISCLAIMER

The information and opinions contained in this Framework are provided as of this Framework's date and are subject to change without notice. None of Union Pacific, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise. However, we reserve the right to update this Framework at any time in our sole discretion. If we make any such update, no inference should be drawn that we will make additional updates with respect thereto or with respect to any other matters set forth in this Framework. This Framework represents current Union Pacific policy and intent, is subject to change and is not intended to, nor can it be relied on, to create legal relations, rights or obligations. This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Union Pacific and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Union Pacific as to the fairness, accuracy, reasonableness or completeness of such information.

No representation is made as to the suitability of any financing to fulfill environmental and sustainability criteria required by prospective investors. Each prospective investor should determine for itself the relevance of the information contained or referred to in this Framework or the relevant documentation for such financing regarding the use of proceeds and its purchase should be based upon such investigation as it deems necessary. Union Pacific has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with Union Pacific Green Financings. However, nothing in this Framework is intended to modify or add to any covenant or other contractual obligation undertaken by Union Pacific in any Green Financing that may be issued in accordance with this Framework, or any other financing. This Framework does not create any legally enforceable obligations against Union Pacific; any such legally enforceable obligations relating to any Green Financings are limited to those expressly set forth in the documentation governing such Green Financing. Therefore, unless expressly set forth in the indenture, loan agreement, notes, or other financing documents governing such Green Financing, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such Green Financing if Union Pacific fails to adhere to this Framework, in whole or in part, whether by failing to fund or complete Eligible Green Projects or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that the expected benefits of the Eligible Green Projects as described in this Framework may not be achieved. Factors including, but not limited to, market, political and economic conditions, changes in government policy (whether with continuity of the government or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Green Projects being initiated, failure to complete or implement projects or other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Green Projects. Each environmentally focused prospective investor should be aware that Eligible Green Projects may not deliver the benefits anticipated, and may result in adverse impacts.

This Framework does not constitute a recommendation regarding any securities of Union Pacific, and is not intended to be, and should not be, construed as providing legal, financial or any other type of advice. This Framework is not, does not contain and may not be intended or interpreted as, an offer to sell or a solicitation of any offer to buy any securities issued by Union Pacific; it is provided for information purposes only. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution. Any decision to purchase should be made solely on the basis of the information contained in any offering document provided in connection with the respective offering. Prospective investors are required to make their own independent investment decisions.

Materiality, as used in this Framework, is different than the definition used in the context of filings with the Securities and Exchange Commission ("SEC"). Issues deemed material for purposes of this Framework may not be considered material for SEC reporting purposes.

CAUTIONARY INFORMATION

Certain statements in this Framework (as well as information included in oral statements or other written statements made or to be made by us), are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. Forward-looking statements and information also include any other statements or information in this Framework regarding: financial results, liquidity, and financial position, and on the world economy; anticipated results, benefits, goals, commitments and targets related to the strategic plan or sustainability plans or initiatives; expectations regarding the effectiveness of steps taken or to be taken; the time by which goals, targets, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to our business, financial, and operational results, future economic performance, and general economic conditions; proposed new products and services; estimates of costs relating to environmental remediation and restoration; and any other similar expressions concerning matters that are not historical facts.

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 risks and uncertainties over which management has little or no influence or control. The Risk Factors in our most recent Annual Report on Form 10-K, 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 this Framework. Forward-looking statements 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 or results will be achieved. Forward-looking information is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.