

INVESTOR PITCHBOOK

# UNION PACIFIC CORPORATION

NOVEMBER 2023

## Cautionary Information

This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions and demand levels, its ability to improve network performance (including those in response to increased traffic), its results of operations, and potential impacts of public health crises, including pandemics, epidemics or the outbreak of other contagious diseases, such as coronavirus and its variants (COVID), and the Russia-Ukraine and Israeli wars. These statements are, or will be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information or statements regarding: projections, predictions, expectations, estimates or forecasts as to the Company's and its subsidiaries' business, financial, and operational results, and future economic performance; and management's beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

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, including expectations regarding operational and financial improvements and the Company's future performance or results are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statement. Important factors, including risk factors, could affect the Company's and its subsidiaries' future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Information regarding risk factors and other cautionary information are available in the Company's Annual Report on Form 10-K for 2022, which was filed with the SEC on February 10, 2023. The Company updates information regarding risk factors if circumstances require such updates in its periodic reports on Form 10-Q and its subsequent Annual Reports on Form 10-K (or such other reports that may be filed with the SEC).

Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. References to our website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein.

2



2

BUILDING AMERICA

## Union Pacific Investor PitchBook

<u>Contents:</u>	<u>Slide</u>
Union Pacific's Strategy.....	5
Operations Review.....	6
Key Performance Indicators.....	7
Five Key Railroad Resources.....	11
Business Team Review.....	16
Volume to Date.....	17
Volume Outlook.....	18
Financial Review.....	42
Financial Results.....	43
Capital Plan.....	47
Sustainability.....	49

3


### Fast Facts

 **32,534** ROUTE MILES  
IN 23 STATES WITH 7 BORDER  
CROSSINGS

 **8.2 MILLION\*\***  
ANNUAL CARLOADS

 **7,338** LOCOMOTIVES

 **56,379** RAIL CARS

 **33,179** EMPLOYEES

 **30,000\*\***  
RAILROAD CROSSINGS

 **16,700\*\*** BRIDGES

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



3



# HOW WE WIN SAFETY + SERVICE & OPERATIONAL EXCELLENCE

4

## How We Win: Safety Service & Operational Excellence

---

**Be the Best at  
Safety**

*Have the Courage to Care,  
and we will all **Go Home  
Safe.***



**Engage Our Teams &  
Stakeholders**

*Know how our teams,  
customers, and stakeholders  
work, think, and make  
decisions.*

**Deliver the Service  
We Sold Our  
Customers**

*Commit to what we can do  
and do it with excellence.*

**Be Efficient &  
Productive**

*Act Like "It's Your Money."  
Get the best value for the  
resources spent.*

**Deliver Value  
Safely With Speed**

*Simplify how  
we work, so those closest  
can get it done.*




5

5

2

# OPERATIONS REVIEW

6



6

THIRD QUARTER 2023

## Key Performance Metrics

Year to Date Reportable Personal Injury & Derailment Rates Improved

<p>Freight Car Velocity <small>(Daily Miles per Car)</small></p>	<p>Intermodal Trip Plan Compliance <small>(% of Boxes on Time)</small></p>	<p>Manifest/Auto Trip Plan Compliance <small>(% of Cars on Time)</small></p>
<div style="border: 1px solid #ccc; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p style="font-size: 2em; margin: 0;">200</p> <hr style="width: 50%; margin: 5px auto;"/> <p style="color: green; font-size: 1.5em; margin: 0;">▲ 5%</p> </div> </div>	<div style="border: 1px solid #ccc; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p style="font-size: 2em; margin: 0;">75</p> <hr style="width: 50%; margin: 5px auto;"/> <p style="color: green; font-size: 1.5em; margin: 0;">▲ 13pts</p> </div> </div>	<div style="border: 1px solid #ccc; border-radius: 50%; width: 100px; height: 100px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <div style="text-align: center;"> <p style="font-size: 2em; margin: 0;">64</p> <hr style="width: 50%; margin: 5px auto;"/> <p style="color: green; font-size: 1.5em; margin: 0;">▲ 6 pts</p> </div> </div>

Quarterly Drivers

Reduced Freight Car Dwell	Improved Line of Road Performance	Improved Resource Utilization
---------------------------	-----------------------------------	-------------------------------

7 Year-over-year change in metrics.

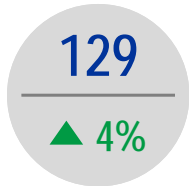


7

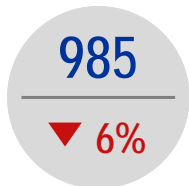
THIRD QUARTER 2023

## Key Efficiency Metrics

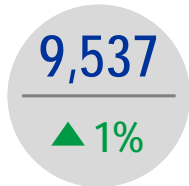
Locomotive  
Productivity  
(GTM per HP Day)



Workforce  
Productivity  
(Daily Car Miles per FTE)



Train  
Length  
(Max on Route, in Feet)



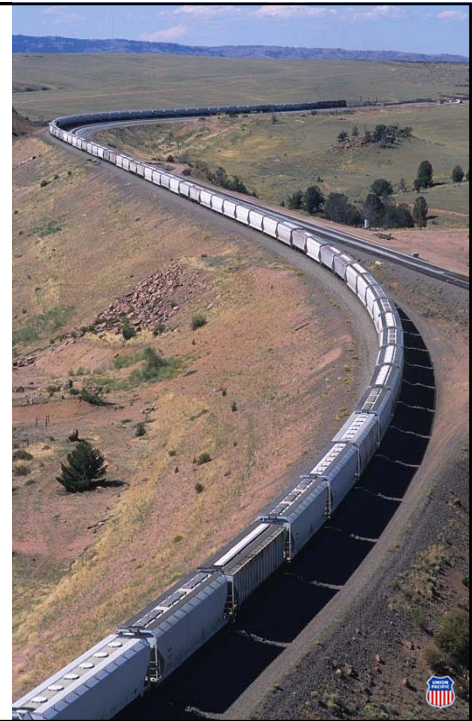
### Quarterly Drivers

Right Sizing  
Locomotive Fleet

Higher Workforce  
Levels

Optimizing  
Transportation Plan

8 Year-over-year change in metrics.

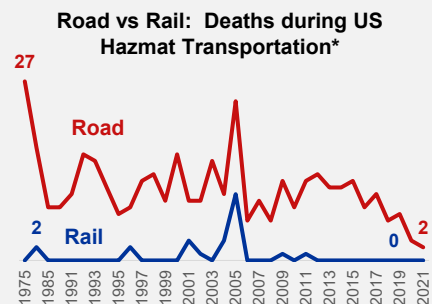
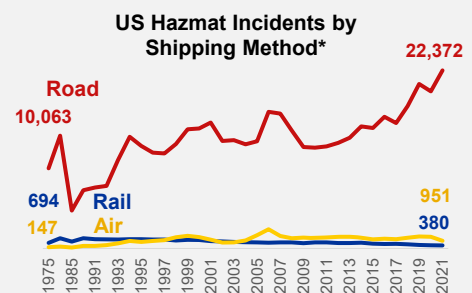


8

## Rail – Safest Freight Transportation

- Lower employee injury rates than most major industries - trucking, airlines, mining, even grocery stores
  - Rails have reduced employee casualty rates by 63% since 2000, and 15% since 2013
- More than 99.9% of hazmat shipments arrive safely
- 16X more fatalities in road-related hazardous materials incidents vs rail from 1975 – 2021
- Rails prioritize safety
  - Invested more than \$260K per mile of track on network improvements, or ~\$760B over the last 20 years
  - Wayside Detectors Installation, AI and Machine Learning Utilization, Automated Car & Track Inspection
  - Positive Train Control

9



\*Source: U.S. Bureau of Transportation Statistics

9

## Derailment Prevention to Keep Safe, Reliable Service

- Approximately 7,000 wayside detection devices monitor the condition of freight cars & locomotives in real time
  - More than 16 million data points generated every day
  - Consist of electronic sensors installed along the tracks used to measure strain, temperature, acoustic signature and dimensions
  - Measured components include brakes, wheels, trucks and braking systems



10

### UP Wayside Detector Locations



### Types of Wayside Detectors:

- Hot Box Detectors
- Wheel Temperature Detectors
- Acoustic Bearing Detectors
- Wheel Profile Detectors
- Wheel Impact Detectors
- Wheel Temperature Detectors
- Wheel Profile Detectors
- Machine Vision Systems



10

## Five Key Railroad Resources



Line  
Capacity



Terminal  
Capacity



Locomotives



People



Freight Cars

11



11

# Union Pacific Workforce Distribution

## Mechanical (~5K):

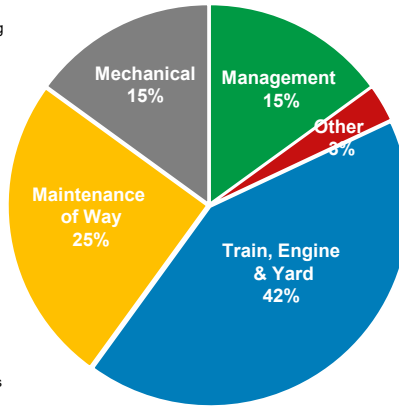


- Maintains locomotives and rolling stock
- 100% shift work
- 11 holidays
- 1-5 weeks of vacation
- Up to 3 personal leave days
- RUIA + supplemental sickness benefits for up to 52 weeks

## Train, Engine, & Yard (~14K):



- Operates and supports train movements
- 29% Scheduled Jobs / 71% Unscheduled Jobs
- 11 holidays – scheduled jobs
- 1-5 weeks of vacation
- Up to 12 personal leave days
- RUIA benefits for up to 26 weeks



## Management (~6K):



- 11 holidays
- 3-5 weeks of vacation
- Short-term and long-term disability

## Other Union (~850):



- Performs clerical and supervisory roles
- Similar union benefits
- Up to 10-15 days sick leave for clerical craft

## Maintenance of Way (~8K):



- Maintains track infrastructure
- 60% Traveling Jobs / 40% HQ Jobs
- 11 holidays
- 1-5 weeks of vacation
- Up to 4 personal leave days
- RUIA + supplemental sickness benefits for up to 52 weeks

12  
12

Source: November 2022 monthly report of number of employees filed with Surface Transportation Board (EMP-UP-2022-NOV.xlsx (live.com)).



12

# Technology-Driven Growth, Efficiency & Productivity



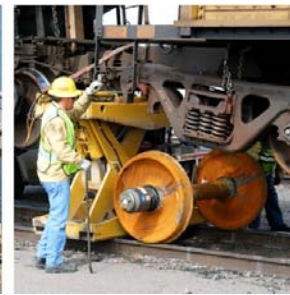
Mobile NX



Automated Rail Unloading



Precision Gate Technology



Automated Wheel Change Out

13



13

## Driving Productivity By Expanding Terminal Automation

- **Mobile Terminal + Mobile NX**
  - Integrated work list inventory management and switch alignment for terminal classification process
- **Handheld Clicker**
  - Peripheral for the Zebra device to improve efficiency and environmental concerns for list/route advancement
- **Smart Display Panel**
  - 55" outdoor smart display for real-time visual feedback



14



14

## Enhancing the Driver Experience – Intermodal Excellence



Improving Ramp Signage

New Gate Technology

UPGO

Driver Maps

Digital Tutorials

15



15

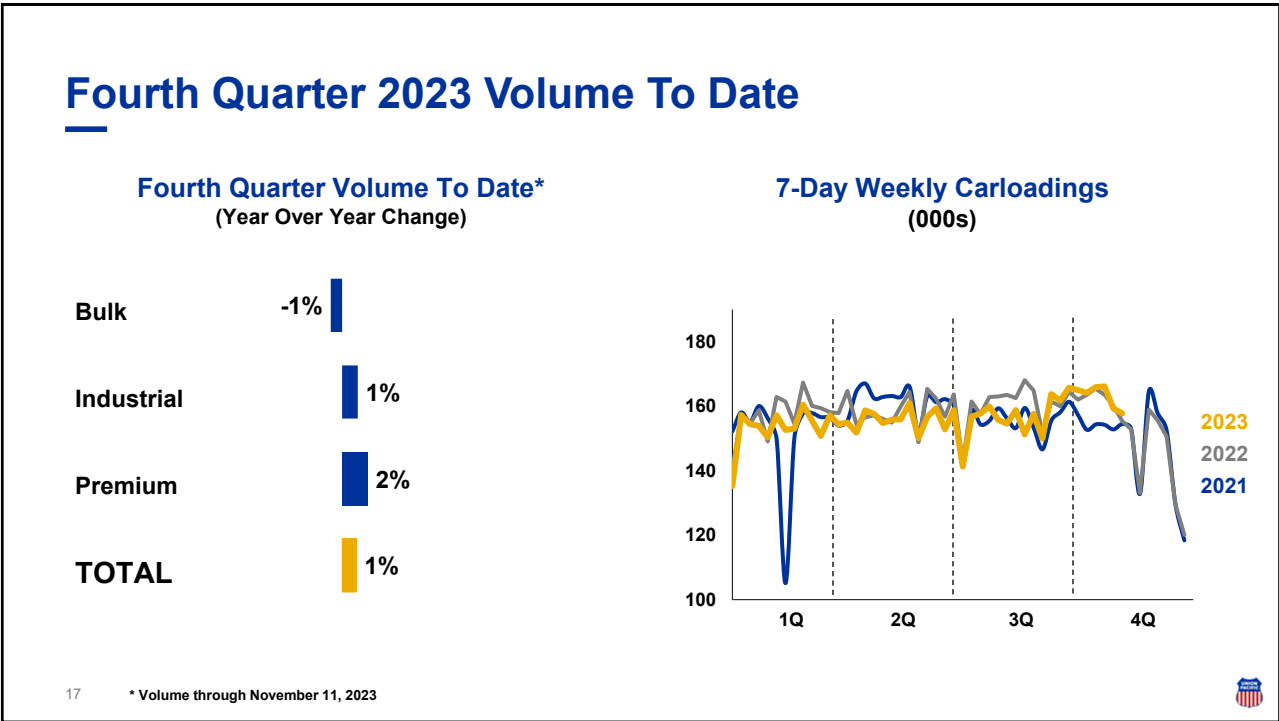


# BUSINESS TEAM REVIEW

16



16



17



17

# Fourth Quarter 2023 Volume Outlook

Bulk	Industrial	Premium
<ul style="list-style-type: none"> <li>- Coal</li> <li>↔ Grain</li> <li>+ Biofuel Feedstocks</li> </ul>	<ul style="list-style-type: none"> <li>- Industrial Production</li> <li>+ Petroleum</li> <li>+ Construction</li> </ul>	<ul style="list-style-type: none"> <li>↔ Domestic Intermodal</li> <li>↔ International Intermodal</li> <li>? Automotive</li> </ul>

**Current 2023 Full Year Industrial Production Forecast: 0.2%\***

<sup>18</sup> \*Source: S&P Global Market Intelligence



18

# Premier North American Rail Franchise

**3Q 2023 Volume**

Bulk	25%
Industrial	28%
Premium	47%

**3Q 2023 Results**

Revenue	\$5,545M (-9%)
Volume	2,052K (-3%)
ARC	\$2,702 (-7%)

● Automotive Distribution Centers  
■ Intermodal Terminals  
▲ Manifest Terminals  
◆ Ports  
★ Border Crossings, Gateways and Interchanges

<sup>19</sup>



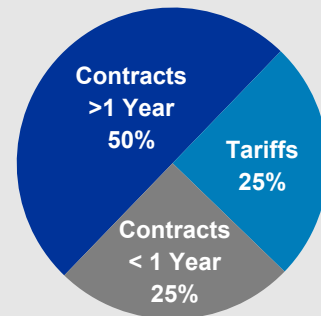
19

## Pricing Fundamentals

- Lower cost structure from PSR allows UP to be more competitive in the market
- Balanced portfolio provides flexibility for repricing as value grows
- Price to market and service value
  - Committed to achieving pricing dollars in excess of inflation dollars



Balanced Revenue Portfolio



20

20

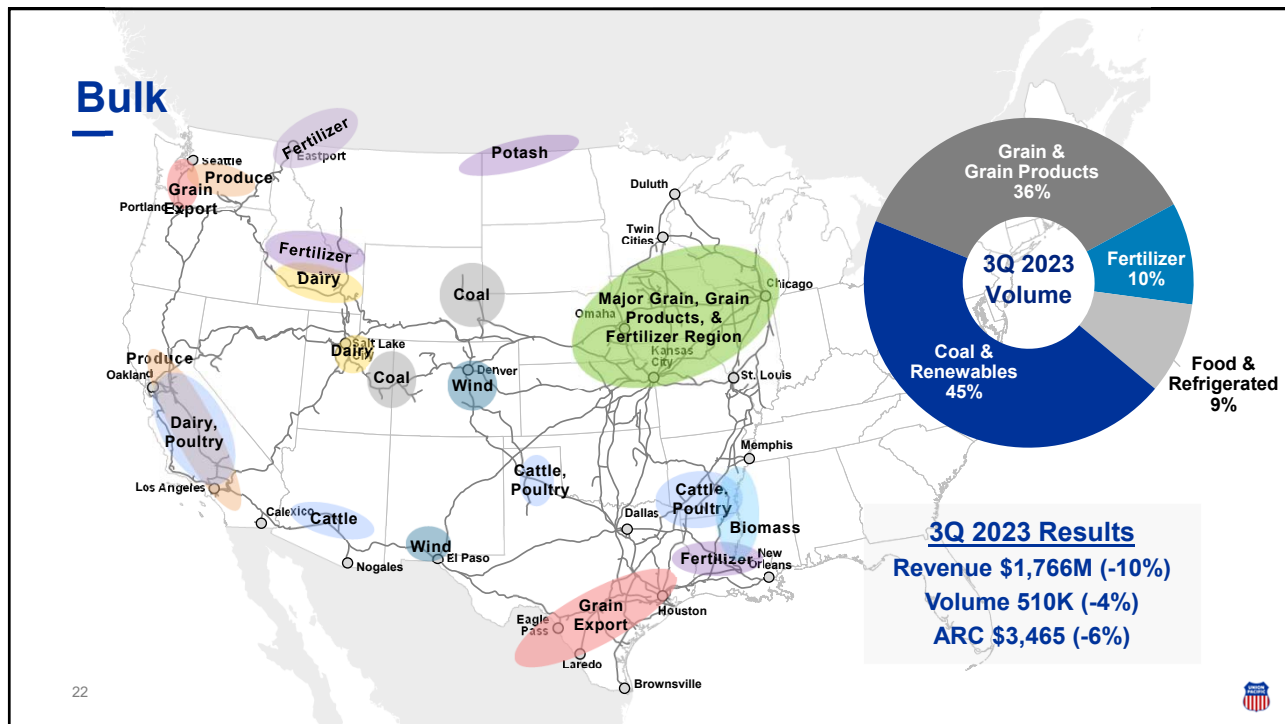
## Economic Indicators



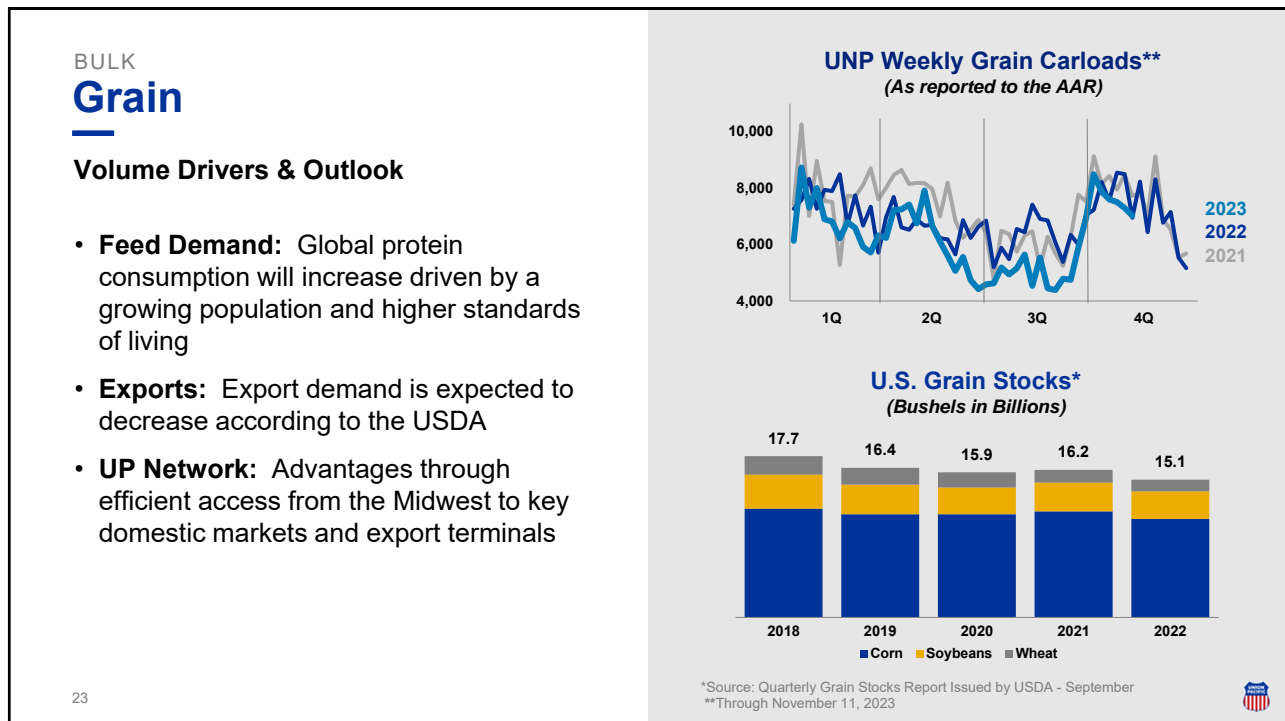
	Industrial Production	GDP	Housing Starts (MM)	Light Vehicle Sales (MM)	Imports of Goods	Exports of Goods
2022	3.4%	1.9%	1.55	13.8	8.6%	7.0%
<b>2023</b>	<b>0.2%</b>	<b>2.4%</b>	<b>1.40</b>	<b>15.4</b>	<b>(1.3%)</b>	<b>2.8%</b>
2024	(0.3%)	1.4%	1.33	15.7	4.2%	3.2%

21 Source: IHS Markit U.S. Economic Outlook, November 2023

21



22

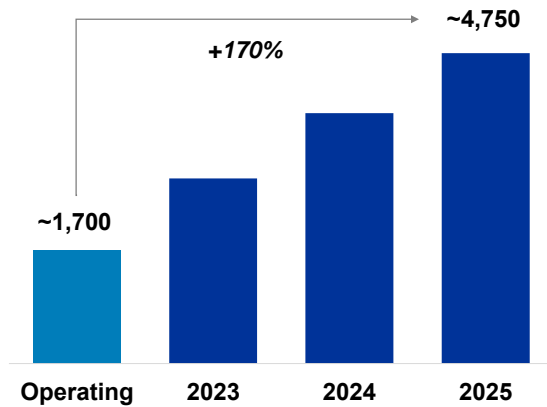


23

BULK

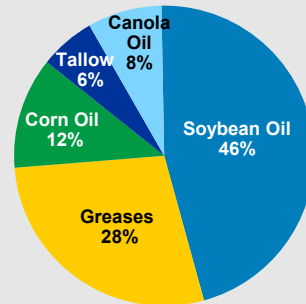
## Renewable Diesel

Existing and Announced Renewable Diesel Production By Planned Production Gallons



24

Feedstock Inputs to Biomass Diesel Industry



24

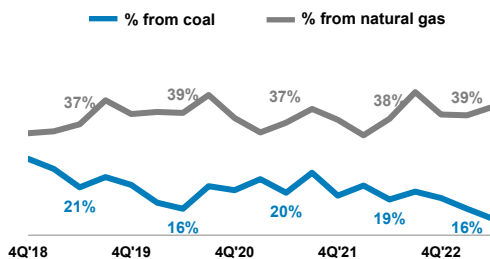
BULK

## Coal

### Volume Drivers

- Weather impacts
- Natural gas prices
- Coal inventory levels

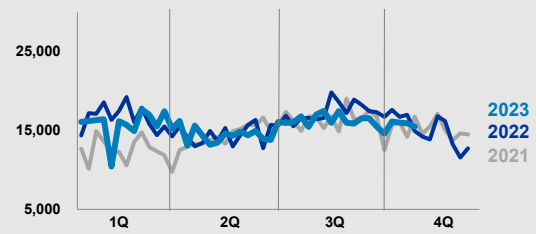
Electricity Generation Market Share\*\*



25



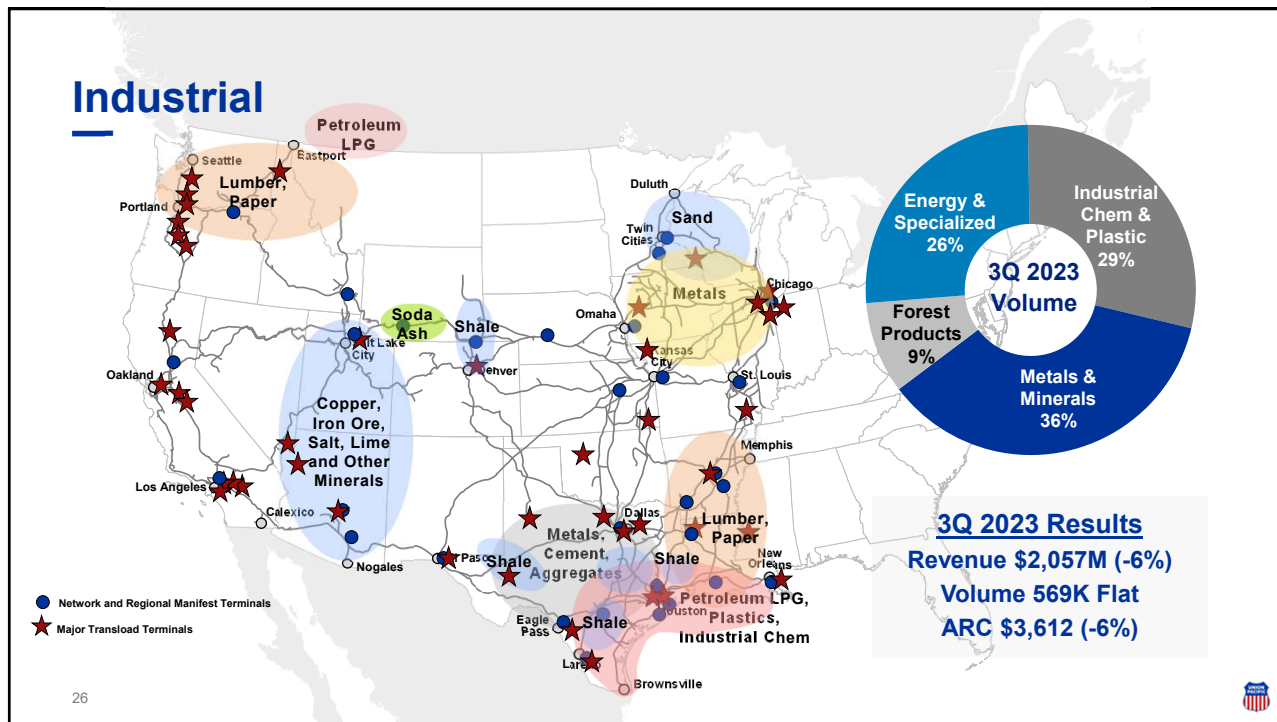
UNP Weekly Coal Carloads\*  
(As reported to the AAR)



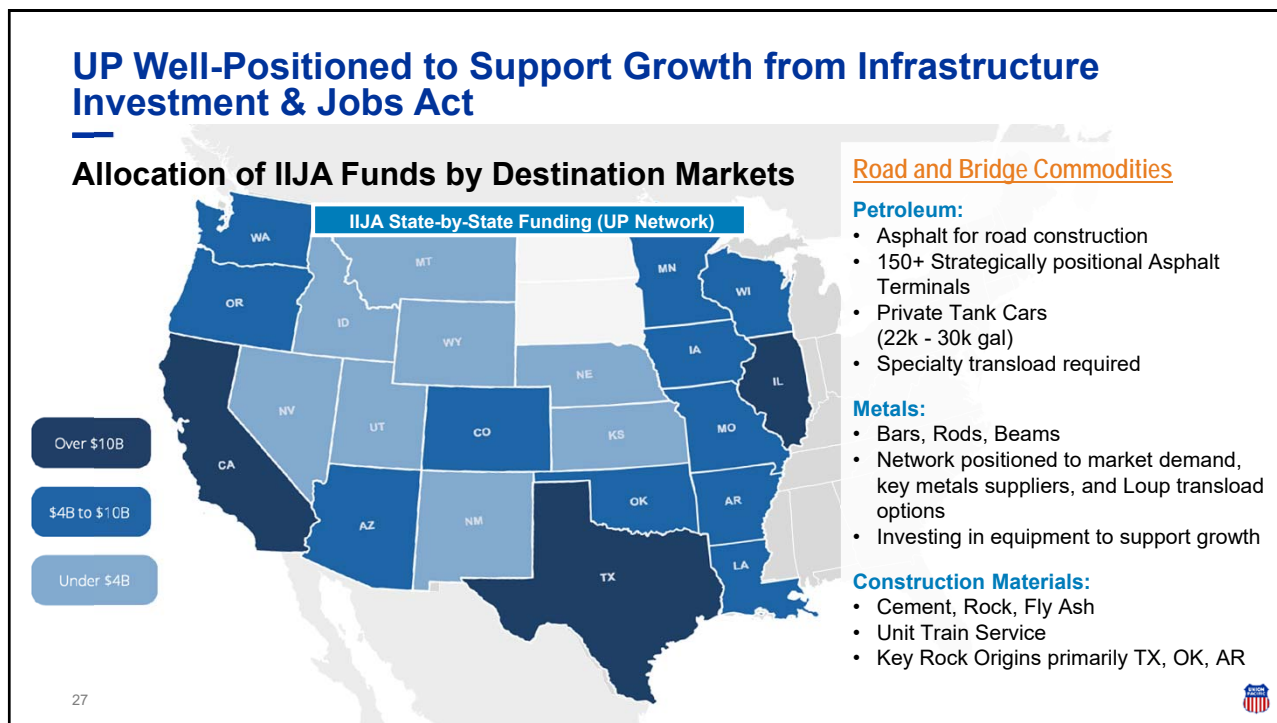
\*Through November 11, 2023



25



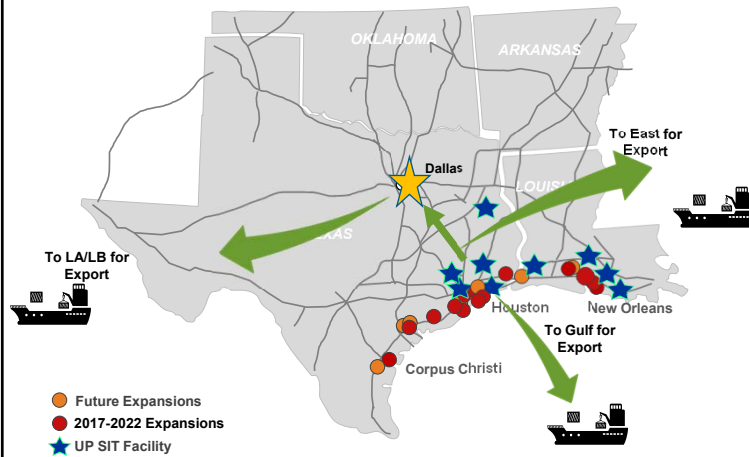
26



27

INDUSTRIAL

## Strong Franchise to Support Plastics Growth



28 \*Source: American Chemistry Council, 2022

- \$220 billion completed and planned petrochemical investment in Gulf
- Industry leader in plastics rail transportation
  - Comprehensive product offerings & service excellence
  - Expansive Storage in Transit (SIT)
  - Dallas to Dock service solution for export optionality
  - Team dedicated to supporting plastics sustainability



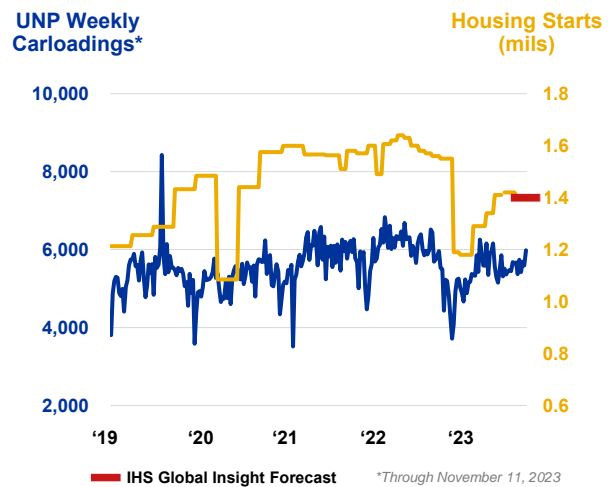
28

INDUSTRIAL

## Housing Trends

- UP lumber, stone & glass business correlates with housing starts
- Housing also drives appliances, roofing, rebar, aggregates, and cement demand
- Housing related shipments represent ~5 % of current UP volumes

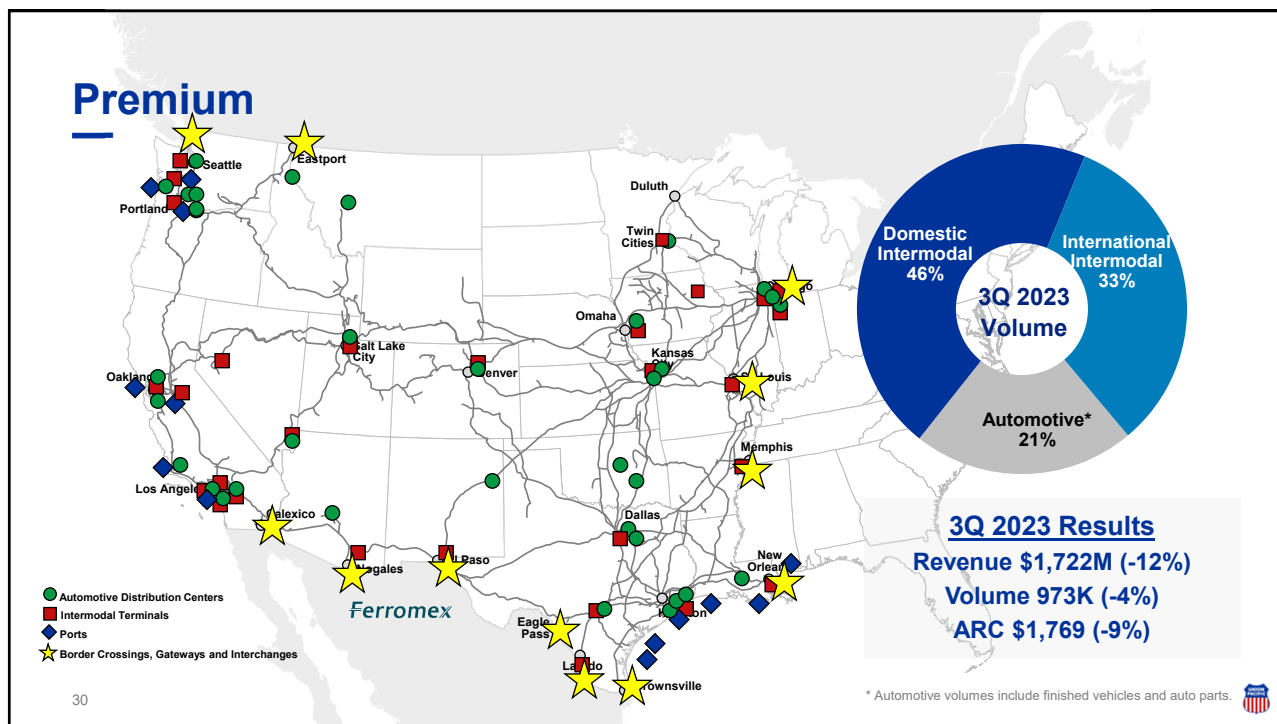
## Lumber, Stone & Glass



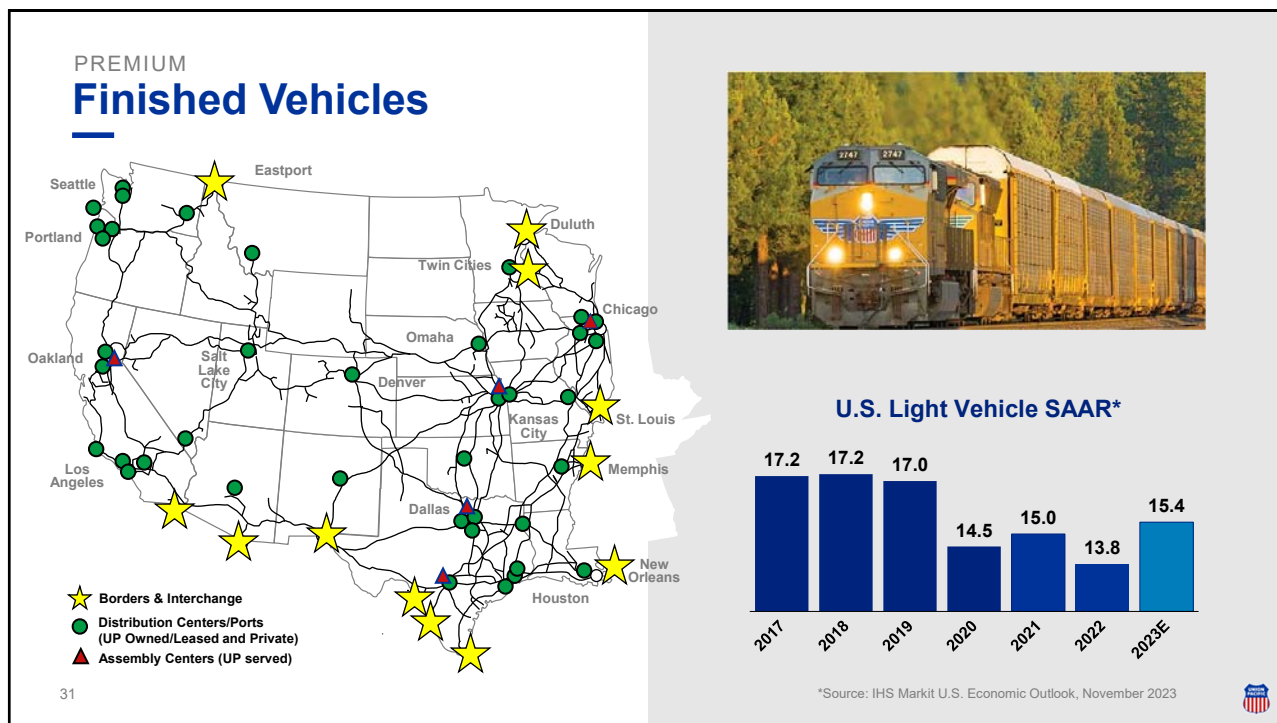
29



29



30



31



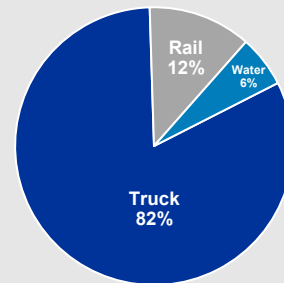
PREMIUM

## Highway Conversion

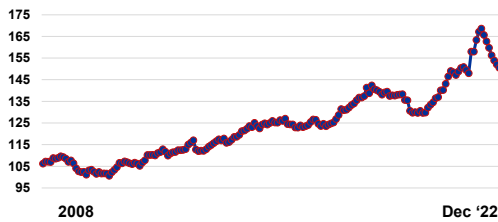
- Highway conversion opportunities exist in all business groups
- High insurance costs
- Drug & alcohol testing
- Truck capacity
- Loup



Transportation Mode  
(By Tonnage)



Cass Truckload Linehaul Index



32



32

PREMIUM

## Delivering Competitive Intermodal Solutions

### Port Houston On-Dock



- Provides more optionality for ocean carriers & BCOs
- On-dock operation saves time by eliminating need for dray carrier

### Falcon Premium Service



- Best-In-Class Mexico-US-Canada service
- Unbeatable schedule between Mexico's border and Chicago

### Eagle Premium Service



- Shortest route from Monterrey and the border to Chicago
- Consistent service and truck competitive reliability

33



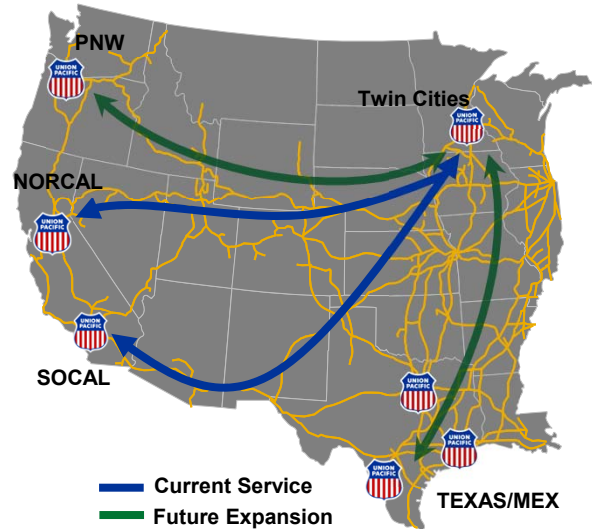
33

PREMIUM

## Twin Cities Intermodal Terminal

### Expanding Market Reach for Growth

- Opened pop-up Twin Cities Intermodal Terminal in January 2021
- Located in heart of the Twin Cities metropolitan area
- Gives customers in the Twin Cities metro efficient access to Union Pacific's intermodal network
- Capable of 100,000 annual lifts



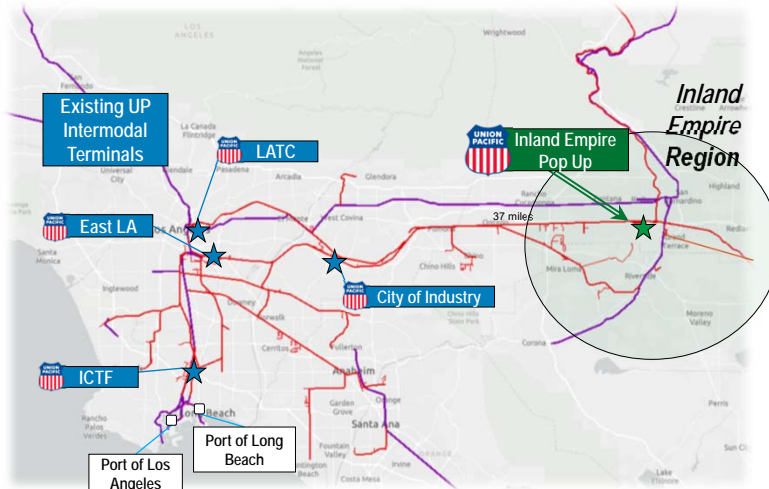
34

34

PREMIUM

## Inland Empire Intermodal Terminal

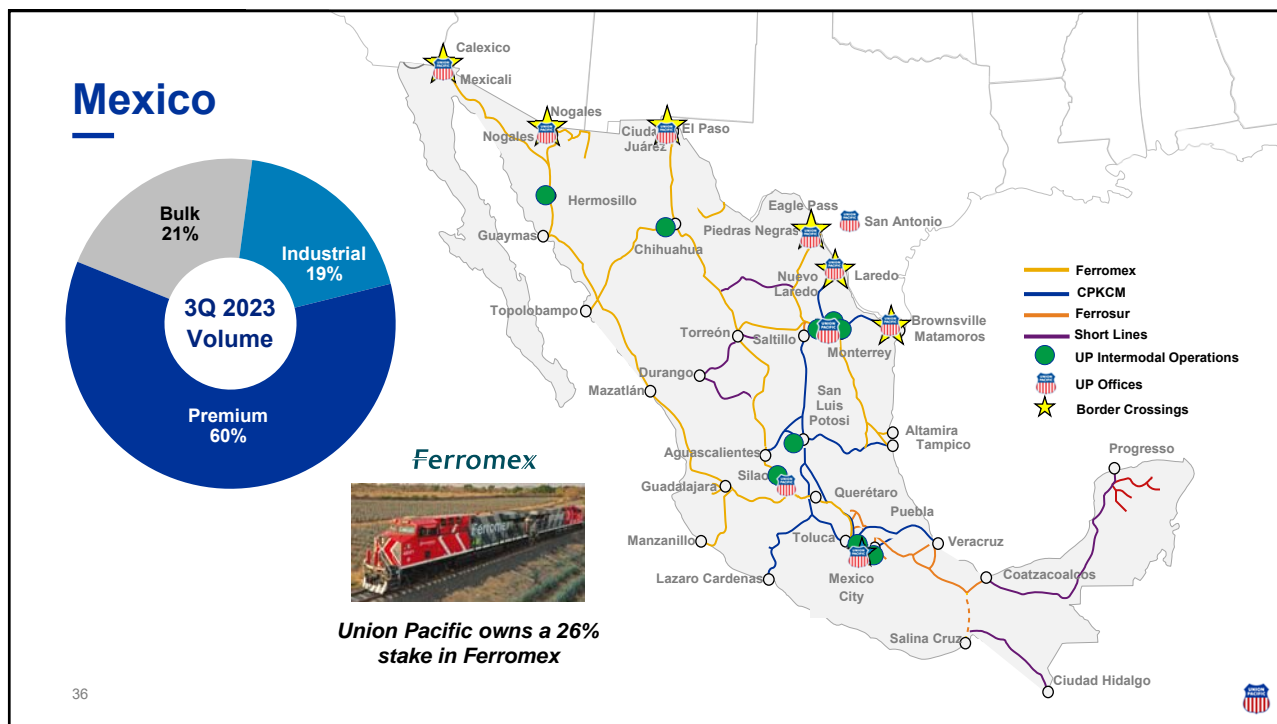
### Expanding Our Footprint to Capture New Markets



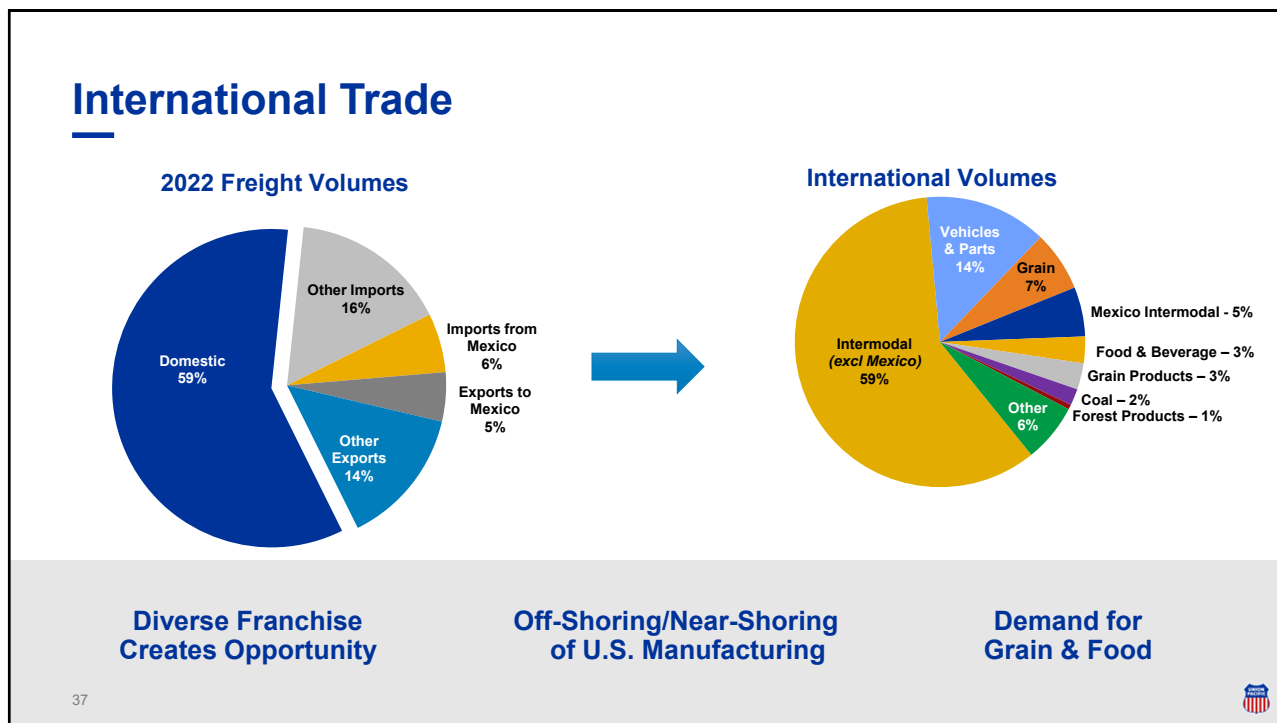
- Inland Empire is the fastest growth region in California
  - 2 million imports (in cargo capacity units) trucked annually to Inland Empire
  - Estimated ~15 million truckloads of long and short haul freight
- Increased our footprint in 2022 and expanding in future years
- Initial service offering to/from Chicago
- Additional markets to be added throughout the full build

35

35



36



37

# Union Pacific's Customer Experience Journey Map

Advancing our Customer Experience through effortless interactions to attract more business to rail



38

# Loup – Providing Total Supply Chain Logistics



39

## Developing Rail Solutions for Customers to Grow

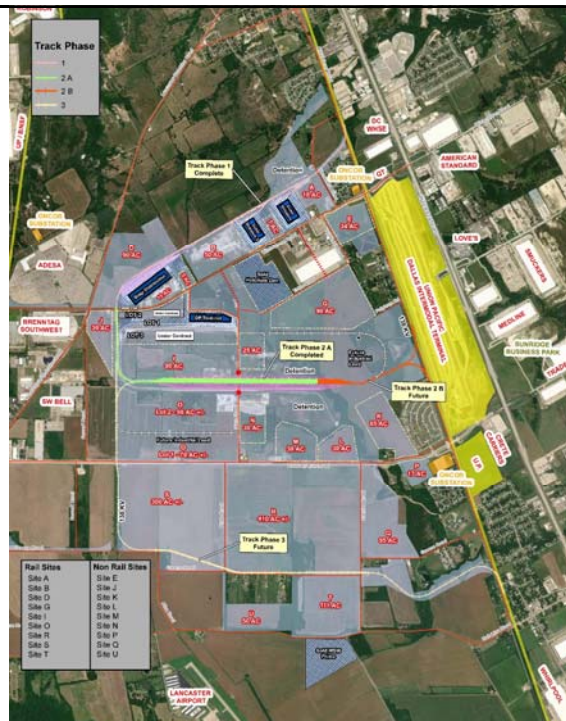


- Locating customers on Union Pacific
- Utilizing latent capacity for growth
- Developing new Focus Sites
- Partnering with Loup Logistics

## Prime Point Industrial Park

Hutchins, TX (12 miles south of Dallas)

- 3,000-acre site for premier rail service
- Close proximity to Interstates 45, 20, 30 and 35
- Adjacent to UP's Dallas Intermodal Terminal
- Rail-served sites for manufacturing and distribution along with refrigerated/cold storage
- Shovel ready sites increasing customers speed to market

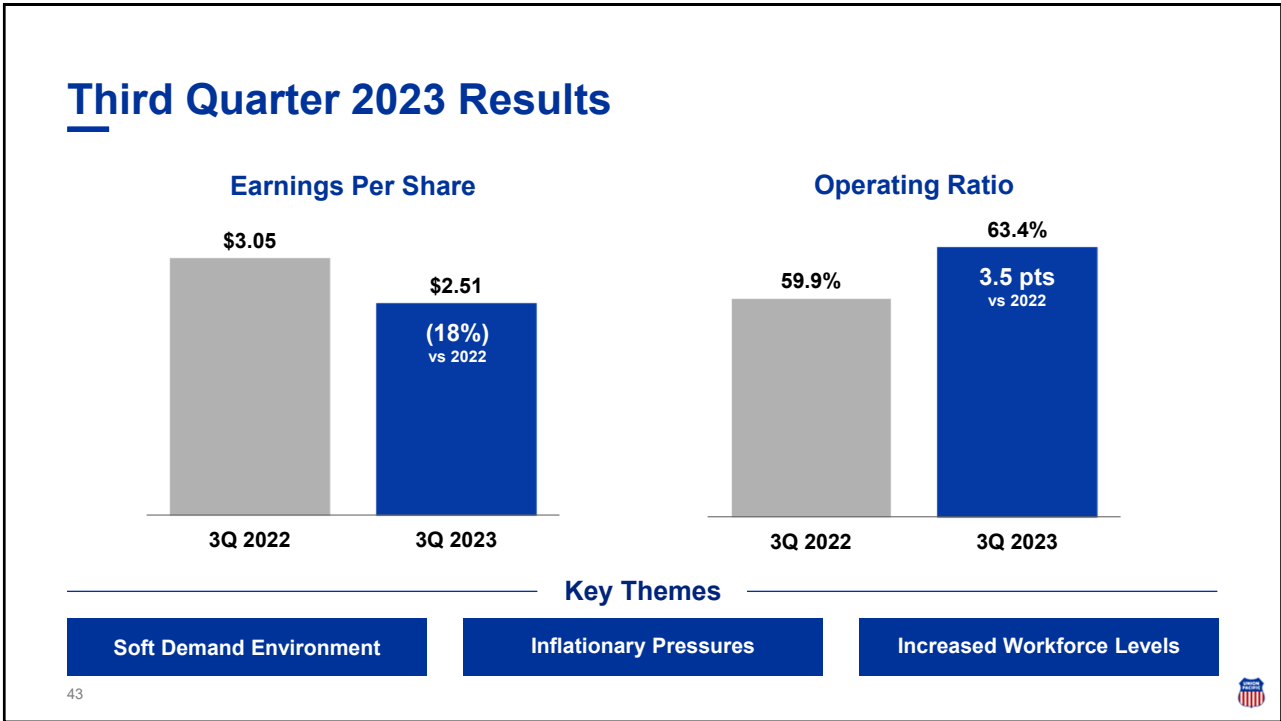


# FINANCE REVIEW

42

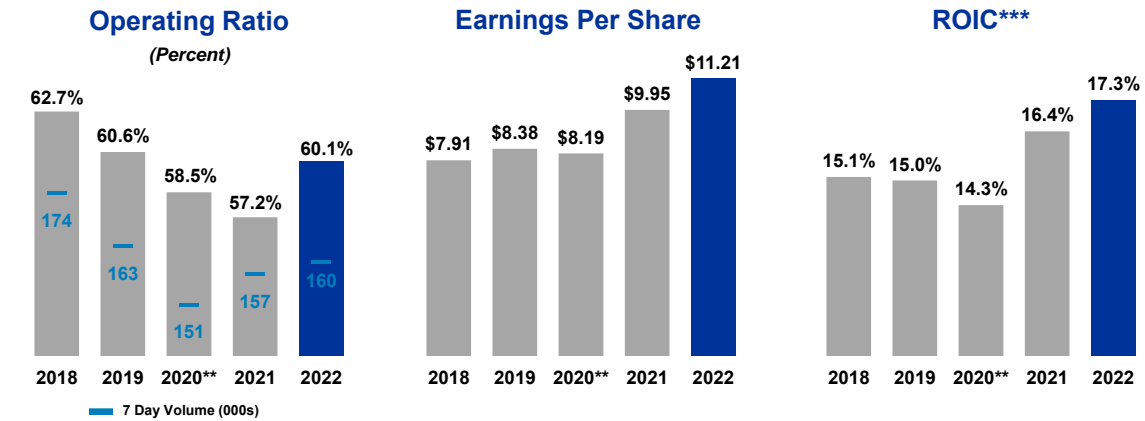


42



43

## Expanding Margins and Driving Returns

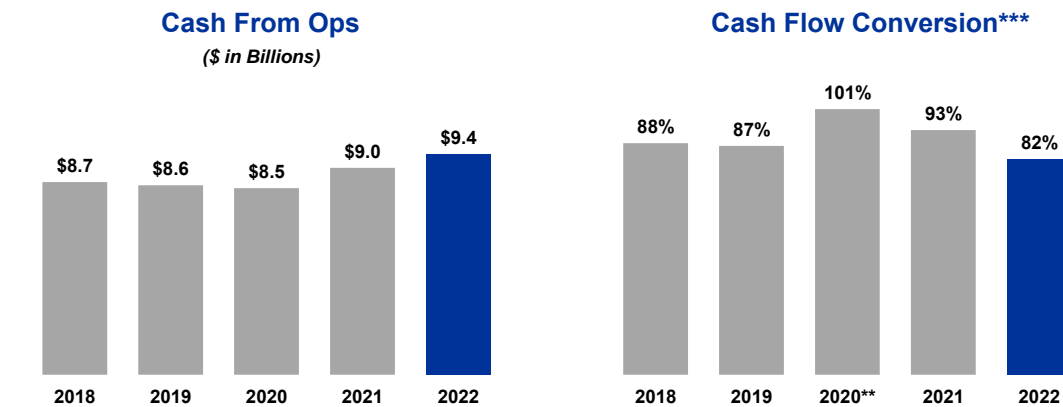


44 \* 2020 Adjusted to exclude the Brazos non-cash impairment charge.  
 \*\* See Union Pacific website under Investors for a reconciliation to GAAP.



44

## Strong Cash Generation

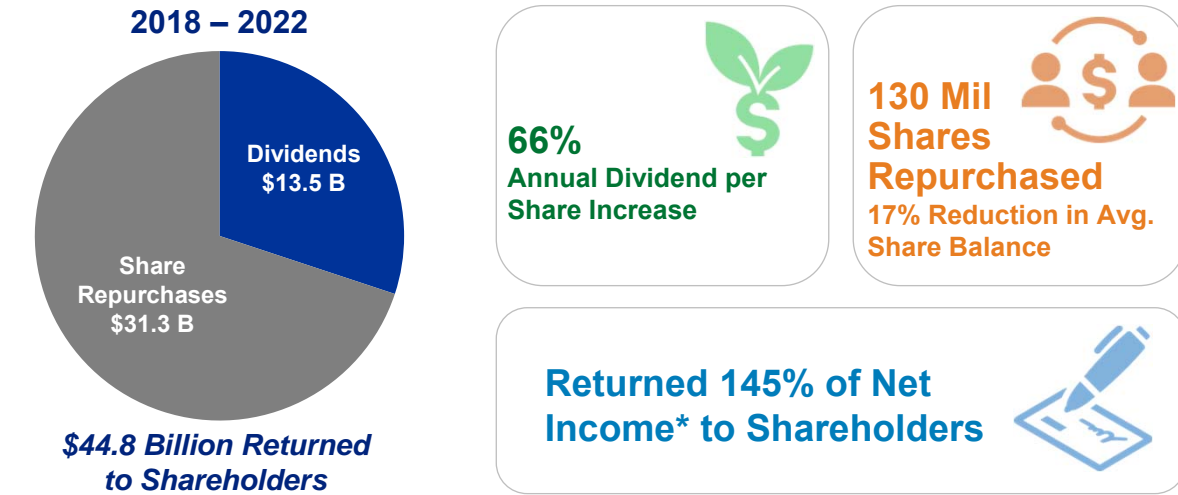


45 \* 2020 Adjusted to exclude the Brazos non-cash impairment charge.  
 \*\* See Union Pacific website under Investors for a reconciliation to GAAP.



45

## Rewarding Shareholders and Delivering Value



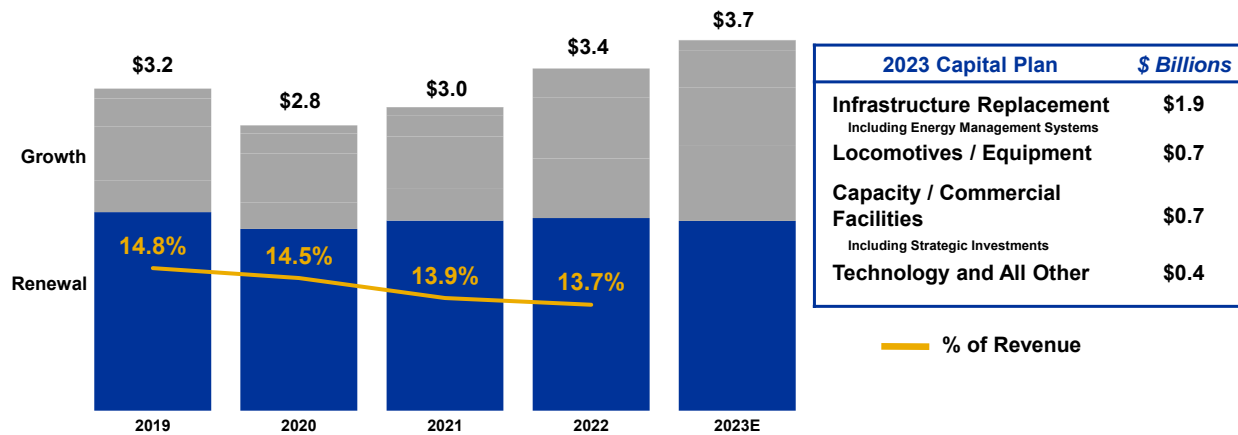
46 \* 2020 Net Income adjusted to exclude the Brazos non-cash impairment charge. See Union Pacific website under Investors for a reconciliation to GAAP.



46

## Increased Capital Plan Targets Growth Initiatives

### 2023 Capital Plan of \$3.7 Billion



47



47

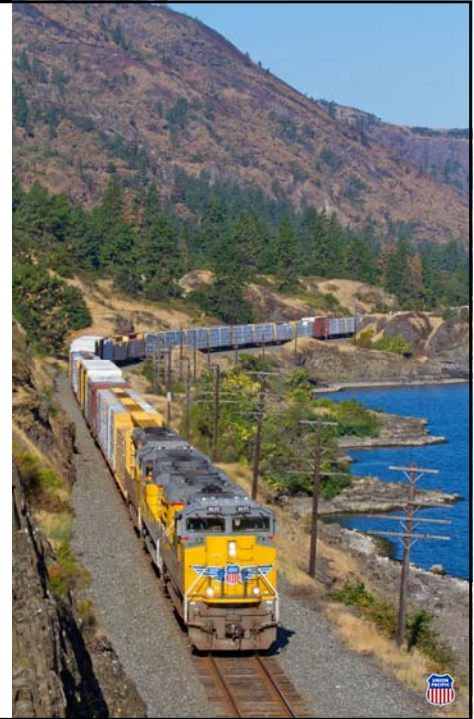


## 2023 Full Year Outlook Remains Relatively Unchanged

---

- **Year to Date Softness in Consumer-Related Volumes Likely Drive Full Year Volumes Below Industrial Production**
- **Pricing Dollars in Excess of Inflation Dollars**
  - Elevated Cost Impact to Operating Ratio Not Fully Offset
- **2023 Capital Allocation:**
  - Updated Capital Plan of \$3.7 Billion
  - Maintain Dividend of \$1.30 per Quarter
  - No Further 2023 Share Repurchases Planned

48



48

## SUSTAINABILITY

---

49



49

# Sustainability Awards and Recognition

**50 Best Companies for Latinos to Work for in the U.S.** (LATINA Style 2022)

**BEST PLACES TO WORK** 2021 for LGBTQ Equality (100% CORPORATE EQUALITY INDEX)

**WOMANS** Professional **HISPANIC** Black3Journal **BEST OF THE BEST 2022**

**WOMENS CHOICE AWARD** 2022 **BEST COMPANIES TO WORK FOR** (WOMEN, DIVERSITY, MILLENNIALS)

**DEI BEST PLACE TO WORK FOR DISABILITY INCLUSION** 2022 (90% DISABILITY EQUALITY INDEX)

**Mansfield Rule** Boosting Diversity in Leadership

**TOP 50 INSPIRING WORKPLACES** (NOVA | 2022)

**vault** TOP RANKED

**50 OUT FRONT** Diversity MBAs 50 Out Front: Best Places to Work

**Industry Mover** S&P Global ESG Score 2022

**Sustainability Yearbook Member** S&P Global ESG Score 2022

**REFINITIV** TOP 100 COMPANY 2021 (Diversity and Inclusion Index)

**DiversityInc** 2021 TOP 50 COMPANIES FOR DIVERSITY (NOTEWORTHY)

**ANITA B. PEARSON** Top Companies for Women Technologists PARTICIPANT 2022

**Training APEX AWARDS** 2022 WINNER

**HIRE Vets.gov** HIRE Vets Medallion Program

**BEST FOR VETS EMPLOYERS** 2022 (MILITARY TIMES)

**INHERSIGHT** Best Transportation Companies #1 Best • October 2022

**VETS INDEXES** 4 STAR EMPLOYER 2021

**FORTUNE** THE WORLD'S MOST ADMIRABLE COMPANIES 2022

**JUST capital** Dow Jones Sustainability Indexes

50

# Industry Leading Disclosure

**UNION PACIFIC**

**2022 PROXY STATEMENT** & Notice of Annual Meeting of Shareholders

**UNION PACIFIC'S 2021 Building America Report**  
A report to stakeholders on our social, environmental, and economic sustainability progress.

**UNION PACIFIC'S 2022 We Are One Report**

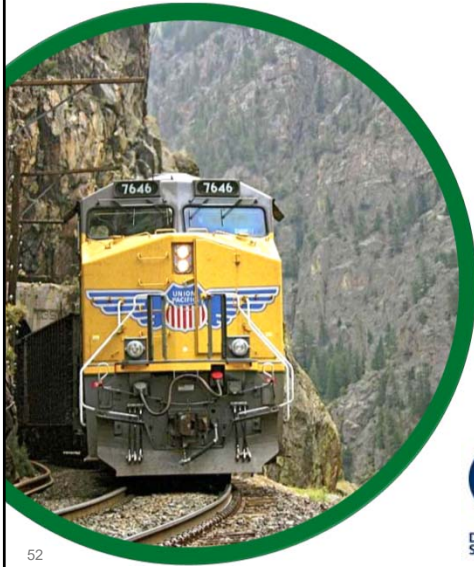
**UNION PACIFIC RAILROAD** 2022 Climate Action Plan

*Political Action Report Coming in Early 2023*


51

51

## Building a Sustainable Future 2030



52

-  Building Responsible Foundations
-  Investing in Our Workforce
-  Driving Sustainable Solutions
-  Championing Environmental Stewardship
-  Strengthening Our Communities



Dow Jones Sustainability Indexes



2021 WINNER



2022 BEST PLACES TO WORK FOR LGBTQ+ EQUALITY LIST

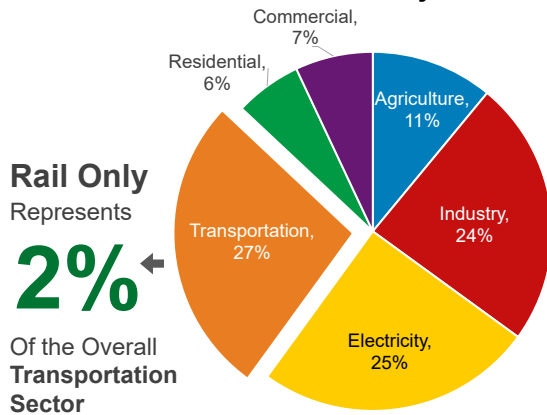


2021 GOLD MEDALLION RECIPIENT

52

## Supply Chain Emissions

### 2020 U.S. GHG Emissions by Sector



53

UP CUSTOMERS  
**AVOIDED**  
**23.4M**  
METRIC TONS OF GHG EMISSIONS IN 2022

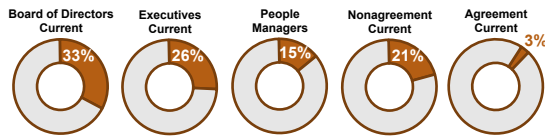
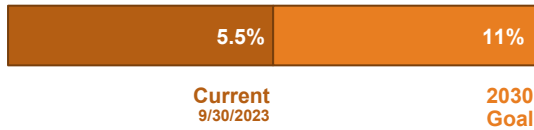


CONVERTING RAIL TO TRUCK  
**REDUCES**  
GHG EMISSIONS BY  
**75%**

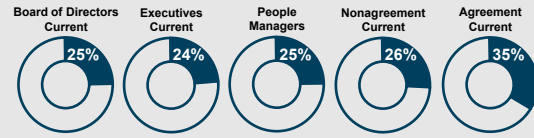
53

## Diversity & Inclusion

**Female = 100% Improvement**  
(Goal compared to 2019 at 5.5%)



**People of Color = 36% Improvement**  
(Goal compared to 2019 at 29.4%)



54



54

## Strengthening Our Communities

### Investments Where We Work and Live

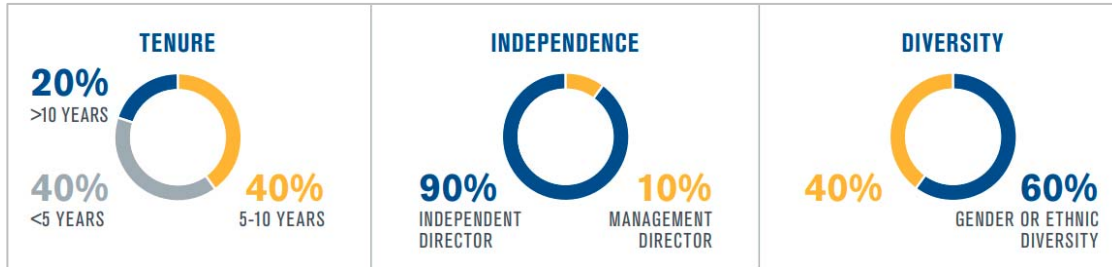


55



55

## Board Composition and Governance Highlights



- Commitment to Board Refreshment
- Average Board Tenure of 6.7 Years
- Active Lead Independent Director
- Board Strategic Oversight and Review of Enterprise Risk Management
- Four Fully Independent Board Committees

56

