

The How Matters



Statement of Policy on Ethics and Business Conduct
Agreement Professionals



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CEO's Letter



Being a part of the Union Pacific team means upholding the company's vision, mission, and values as we create value for our customers, shareholders, employees, and the communities we serve. Our high ethical standards, passion for performance, and teamwork are critical to our success. How we do our work is just as important as what we do to achieve great results.

The Statement of Policy on Ethics and Business Conduct outlines the principles of business conduct required of us as Union Pacific employees.

Ultimately the policy helps define what we expect of our team – honesty, fairness, integrity, and respect.

The company's good name and our own employment depend on our ability to act in an ethical manner whenever we conduct Union Pacific's business. Failing to conduct Union Pacific's business ethically can cause severe consequences. When our reputation suffers, we can lose customers, damage our credibility on Wall Street, lose the trust and confidence of our regulators, and hinder our efforts to recruit and retain the best employees.

Our company's reputation is a source of pride for us all. The principles within the Statement of Policy on Ethics and Business Conduct provide a great outline of our responsibilities. Whenever you have a question about the policy ask your manager for help, or check the Employees site for contact information and answers to frequently asked questions.

Thank you for continuing to make Union Pacific a great place to work.

Sincerely,

A handwritten signature in black ink, appearing to read "Lance M. Fritz". The signature is stylized and fluid, with a large loop at the beginning and a long, sweeping tail.

Lance Fritz, Chairman, President and CEO

We Strive for Excellence

COMPANY VISION

Building America. Our vision symbolizes the Union Pacific experience for all the people whose lives we touch. It connects the importance of UP's rail transportation to America's economy, honors the generations that preceded us and is the promise for the generations that follow.

MISSION

The men and women of Union Pacific are dedicated to serve. Union Pacific works for the good of our customers, our shareholders and one another. Our commitment defines us and drives the economic strength of our company and our country.

VALUES

Passion for performance. Our passion, concentration and determination will drive our safety, customer satisfaction and quality results.

High ethical standards. Our reputation will always be a source of pride for our employees and a bond with our customers, shareholders and community partners.

Work as a team. We are all part of the same team, and working together to reach our common goals is one of our strengths. Communication and respect are the foundation of great teamwork.

The Value Strategy

The Value Strategy builds on our foundation of vision, mission and values. It comprises six “value tracks.” When aligned, these tracks create competitive advantages for our customers, job stability and satisfaction for our employees, solid returns for our shareholders and economic strength in our communities. The value tracks are:

World-Class Safety. The evolving model incorporates individual accountability, data-driven processes and a relentless examination of every deviation to understand root causes, eliminate incidents and mitigate risk.

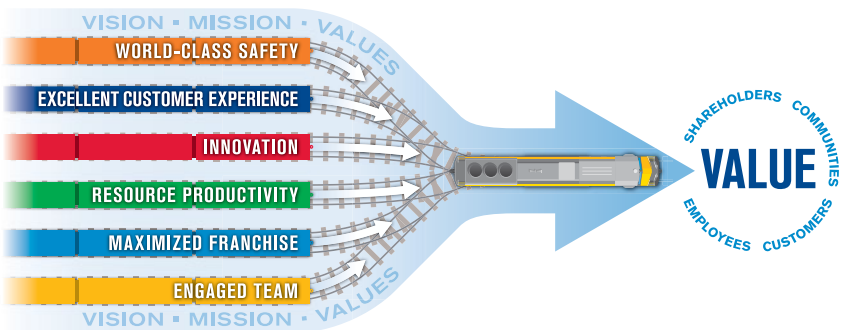
Excellent Customer Experience. More than the service product, the customer experience is about anticipating needs, quickly responding, keeping commitments and offering solutions. Every employee impacts our customers’ businesses and success.

Innovation. Ever-present throughout the railroad, innovation includes low-tech and high-tech approaches. It’s about not being satisfied with current results, thinking outside the box, and using UP Way tools to improve work.

Resource Productivity. Getting the most out of what we have, resource productivity means turning cars faster, making assets last longer, having fuel take us further and designing processes to be smarter.

Maximized Franchise. More than our physical footprint on a map, maximized franchise includes our assets, employees and their expertise, service products, market reach and proprietary technology. It’s the whole package of what we have to sell.

Engaged Team. When employees are empowered and respected, they feel connected to the company. This inspires passion and dedication, while leveraging diverse talents and creating the best ideas.



Living Our Credo

DO THE RIGHT THING

Union Pacific has a Statement of Policy on Ethics and Business Conduct because the company is committed to high ethical standards and must follow important laws, policies, operating rules and procedures to achieve success. All employees are an important reflection of Union Pacific. The company's reputation stems from the character of our employees, the people with whom we choose to do business and the quality of our decisions. All employees, subsidiaries, members of the company's board of directors, and third parties conducting business with or on behalf of Union Pacific are responsible for observing the company's policy and all applicable laws.

Employees can personally commit to these high standards through:

- **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 best interests of the company
- **Accountability** – holding yourself, your peers and our customers to our company's high standards
- **Adherence to the law** – complying with all laws
- **Compliance with policies** – complying with the letter and spirit of company policies

Besides committing ourselves to these high standards, employees must all work together to ensure prompt and consistent action is taken against violations of our policy. When evaluating a possible violation by a co-worker, employees should:

- Gather all the facts
- Ask themselves whether the action in question could be viewed as unethical or improper
- Clarify their responsibility and role

Then,

- Discuss the problem with their supervisor or with a member of the [Compliance Team](#), or contact the UP Values Line.
- Seek help from other company resources

Remember that ethical violations can be reported in confidence and without fear of retaliation

Examples of violations that require action include:

- Falsification of records
- Misrepresentation to a government entity or customers
- An improper pattern of conduct directed by or toward an individual or a group of individuals
- An action with the potential for negative media coverage
- Participation in bribes, kickbacks, or theft of goods or services
- A deliberate attempt to avoid standard processes
- Unethical actions that have a financial impact on a department or service unit

The purpose of this Policy is to convey the basic principles of ethical business conduct expected of all employees. The Policy is not intended to be all inclusive, and the fact that a certain circumstance or activity is not mentioned as improper does not imply that it is permissible. When used in the Policy, "Company" means Union Pacific Corporation and its subsidiary companies.

Diversity and Respect in Our Workplace

We value diversity and innovation. Our success depends on the unique skills and perspectives of our people.



WE UPHOLD THIS DIVERSITY AND RESPECT THROUGH:

- **Employee privacy.** Union Pacific respects the privacy of every employee's personal information. Employees will be asked to share only that personal information required to carry out necessary business.
- **Equal Employment Opportunity.** Union Pacific provides equal opportunities to all current and potential employees regardless of race, color, sex, national origin, ancestry, age, disability, religion, military and veteran status, sexual orientation, gender identity, gender expression, genetic information or any other ground prohibited by law.
- **A respectful work environment.** We can create a respectful work environment by avoiding offensive behavior and statements regarding a person's race, gender or other protected status.

EQUAL EMPLOYMENT OPPORTUNITY (EEO) POLICY

Union Pacific respects differences. The diversity of the company's workforce is one of its great strengths. Union Pacific prohibits the discrimination or harassment of others. All employees at Union Pacific must be treated fairly and respectfully, and everyone is responsible for ensuring this happens.

No employee should take advantage of another employee or customer through actions such as manipulation, concealment, abuse of confidential information, misrepresentation of material facts or any other unfair practice. Individuals in our work environment include fellow employees, contractors, customers, visitors and any other people with whom we interact during work activities. Areas that encompass our work environment can include work locations, customer sites, social media sites provided by or sponsored by Union Pacific, any place employees take action on Union Pacific's behalf.

Protected groups include race, color, sex, national origin, ancestry, age, disability, religion, veteran status, sexual orientation, gender identity, gender expression, genetic testing or any other ground protected by law.

For additional explanation see the [Equal Employment Opportunity Policy](#).

PROHIBITED BEHAVIORS INCLUDE:

- Making offensive or demeaning remarks, gestures or other actions referring to race, sex or other protected status, even when intended as humor
- Using Union Pacific property to share, display or store offensive or demeaning material based on protected statuses
- Defacing Union Pacific property or someone's personal property to convey demeaning or offensive messages referring to a protected status
- Creating graffiti or other anonymous communication that refers to race, sex or any other protected status
- Harassing someone through unwelcome sexual advances, requests for sexual favors or any other verbal or physical behavior that is sexually suggestive, especially when the aggressor suggests submission to advances is a condition of employment or when the behavior creates a hostile work environment

ADDITIONAL PROTECTIONS THROUGH THE EEO POLICY

Individuals are also entitled to protections under the EEO policy and government regulations for:

- **Pregnancy and Childbirth:** Time off related to pregnancy and childbirth is managed through Union Pacific's temporary or short-term disability policies. Additional details on maternity leave for nonagreement employees are available on the Employees site.
- **Reasonable Accommodation of Disabilities and Religious Beliefs:** Union Pacific must make [reasonable accommodations](#) for employees with protected disabilities when their disabilities do not hinder them from performing essential job functions. In addition, employees' religious traditions must be reasonably accommodated.
- **Pay Transparency:** Union Pacific will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the contractor's legal duty to furnish information.
- **Confidentiality and Medical Records:** All medical records obtained by the company must be kept confidential. Only employees designated to review these records will have access to them. Managers will be given information regarding an employee's medical status only when these medical conditions require changes to the employee's work duties.
- **Family and Medical Leave Act and Family Military Leave:** According to the Family Medical Leave Act (FMLA), employees are eligible for 12 weeks of unpaid leave in a rolling twelve-month period for qualifying family events. This may include the adoption of a child, placement of a foster child in an employee's home, illness of a family member or when a family member is called to military duty. Up to 26 weeks of unpaid leave in a twelve-month period is available when a family member on active duty becomes injured or ill and the employee chooses to care for them. All potential requests for FMLA or Family Military Leave should be discussed with a representative of the Human Resources Service Center (877-275-8747, option 1).

REPORTING PROHIBITED BEHAVIORS

Union Pacific has a zero tolerance policy regarding inappropriate behavior. Reported incidents will be fully investigated and all proven violations will result in discipline, which may include termination.

Employees MUST contact the Union Pacific Equal Employment Opportunity (EEO) hotline at 866-UPR-EEOC (877-3362) or [file a complaint online](#) if they are targeted, are aware of an employee being targeted or are aware of an actual or alleged instance of prohibited behaviors. It is not sufficient for employees to only tell their manager or another manager.

Union Pacific will not retaliate against an employee for reporting an alleged violation. Any employee who retaliates against another will be disciplined and could be terminated.



EQUAL EMPLOYMENT OPPORTUNITY POLICY

Q: I overheard another employee that includes a sexually offensive joke. I'm not offended by it, but I know another person could easily be offended. Should I report it?

A: Yes. Even if you aren't offended by it, inappropriate jokes should be reported. Reporting ensures you are not implicated in the behavior and that the behavior can be addressed appropriately.

Q: I've noticed that a fellow employee has some signs in his locker that appear to be associated with a hate group. Should I report it?

A: Yes. This kind of suggestive material hanging in an employee's locker could create a hostile environment for employees. You should report it to ensure the situation is addressed appropriately.

NEPOTISM POLICY

ENSURING INTEGRITY IN THE HIRING PROCESS

Union Pacific's employees often are a great resource for filling the many positions available within the company. We encourage existing employees to tell our story and help us recruit talented and hard-working individuals, and it is critical that employees abide by the company's [Neptotism Policy](#).

The company's Neptotism Policy states:

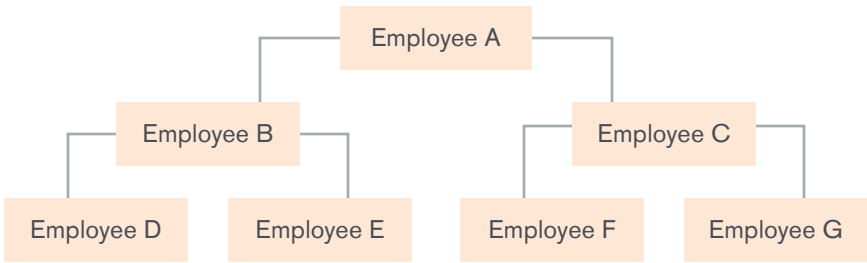
- Union Pacific hires on the basis of merit and job-related qualifications.
- Union Pacific does not guarantee an interview or employment to applicants who are relatives of employees.
- Relatives of employees may be hired only if they will not work directly for or supervise a relative and also will not occupy an "indirect" reporting relationship; an "indirect" reporting relationship is a position in the same line of authority under which decisions can be made involving a direct benefit to the relative. Such decisions include, but are not limited to, hiring, pay, performance assessments, work assignments, overtime, promotional opportunities and leave request.

DIRECT AND INDIRECT REPORTING RELATIONSHIPS

The reporting relationships described below are for purposes of conflict of interest assessments including nepotism.

Supervision Defined

Distinguishing between direct and indirect supervisory relationships for related employees – agreement and nonagreement – working in the same department.



Direct Supervision

“A” directly supervises all employees
“B” directly supervises “D” & “E”
“C” directly supervises “F” & “G”

Indirect Supervision

“C” indirectly supervises “D” & “E”
“B” indirectly supervises “F” & “G”

CHANGE IN JOB STATUS

To address perceived or actual conflicts resulting from a change in job status, the company has established protocols and controls that apply to current nonagreement, right of selection and other agreement employees whose position change or transfer will result in a direct or indirect reporting relationship with a relative. When job changes are permissible or approved on an exception basis, controls can include but are not limited to removing decision-making authority from the senior employee over the subordinate employee’s compensation, promotions, performance ratings, expense approvals, time off, work hours, testing, and work reviews. When the change in job status is approved for nonagreement and ARASA employees, they must report such direct or indirect reporting relationships by updating their [Report to the Chief Executive Officer](#). In that report, the parties must set forth the controls that have been put in place to mitigate the conflict.

Nonagreement Employees:

Nonagreement employees should avoid direct or indirect reporting relationships between relatives. However, in limited circumstances, such reporting relationships may be permitted with appropriate controls if doing so serves the best interest of the company and mitigates otherwise negative impact on the affected employee(s). Before a direct or indirect reporting relationship between relatives develops as the result of marriage, organizational restructure, promotion or position change, the change in status must be pre-approved by: 1) the Manager or HRCS Director in consultation with the Compliance Team for Band C and below employees; or 2) the Vice President – Law, Vice President – Human Resources, and the highest ranking manager (who is not a relative) of the impacted department for Band D and above employees. In all cases, approval may be given only if the approving parties can ensure adequate controls can be put in place to mitigate the conflict.

Right of Selection Employees:

Before a direct or indirect reporting relationship between relatives develops as the result of an employee being selected into a right of selection position in the same line of authority as a relative, the change in status must be pre-approved by the manager and the [Compliance Team](#). The Regional Recruiting Director will have oversight to ensure the manager and Compliance Team have visibility to the necessary information for review and recommendation. Approval may be given only if the approving parties can ensure adequate controls can be put place to mitigate the conflict

Other Agreement Employees:

A position change or transfer that develops as the result of the exercise of seniority as provided for in collective bargaining agreements which results in a direct or indirect reporting relationship must be reported to the Compliance Team for recommendations on appropriate controls consistent with the policy.

For more information and examples refer to the [Nepotism Policy](#).

NEPOTISM POLICY

Q: Employee A is currently in a position covered under a collective bargaining agreement but does not hold ARASA seniority. She applies for an ARASA supervisor position in a shop where she would have direct supervision of her brother. If Employee A is determined to be the best candidate can she be selected for the position?

A: Yes, if it is determined that appropriate controls can be put in place. The shop manager must work with the [Compliance Team](#) to determine if appropriate controls can be put in place before the position is awarded. The Regional Recruiting Director will have oversight to ensure the manager and [Compliance Team](#) have visibility to the necessary information for review and recommendation.

SAFE AND INJURY-FREE WORKPLACE

We all are responsible for supporting our company's efforts to maintain a safe workplace. This means we must know and comply with all applicable company policies and workplace health and safety laws. We must also be aware of potential safety risks and report any hazards or incidents.

Union Pacific is committed to conducting all operations in a safe manner. The company's management believes:

- All injuries can be prevented.
- Managers and employees at all levels are responsible for maintaining safe working conditions and preventing personal injuries.
- Performing work functions in a safe manner is more important than meeting deadlines, production schedules and other non-safety tasks.

The Company has a zero tolerance policy for any form of retaliation against an employee for reporting a personal injury or illness or making a good faith report of a safety concern. Additionally, there must be no interference with an employee's medical care for a work-related injury or illness. See [Union Pacific's FRSA Whistleblower Policy](#) for more information.

Union Pacific's Drug and Alcohol Policy prohibits the illegal use of drugs at any time and any use of alcohol in the workplace, on company property, or after accepting a call to report for duty. Marijuana use or possession is prohibited regardless of state of residence. This includes medical marijuana. See [Union Pacific's Drug and Alcohol Policy](#) for more information.

The company has a zero tolerance policy with respect to all forms of violence in the workplace. If an emergency situation exists, contact a local law enforcement agency immediately and then, when time and circumstances permit, report the incident to the Response Management Communication Center (RMCC) at 888-877-7267 (888-UPRR-COP) and a management supervisor. See the [Policy to Address Violence and Abusive Behavior in the Work Place](#) for more information.

TOTAL SAFETY CULTURE

Union Pacific employees lead our company's commitment to a Total Safety Culture (TSC), a voluntary initiative that teaches employees safe behaviors while providing observations and feedback. TSC directly empowers agreement employees to address at-risk behaviors and is fully supported by senior management.

Four primary characteristics of TSC:

- Safety is a value upheld by all employees.
- Each individual feels a sense of responsibility for the safety of their co-workers as well as themselves.
- Each individual is willing and able to "go beyond the call-of-duty" on behalf of the safety of others.
- Each individual routinely demonstrates actively-caring and/or safety behaviors for the benefit of others.



A Total Safety Culture is based on the principles of behavior- and person-based psychology. Behavior-based psychology helps develop strategies for encouraging behavior change. Person-based psychology fosters an environment where employees are actively caring, and encourages employees to be involved in and take ownership of change efforts.

COURAGE TO CARE

Many Union Pacific employees embrace Courage to Care, a personal commitment to safe behavior and looking out for fellow employees to ensure everyone goes home safely.



I have the courage to care. Worn with a lion's pride, it means those I work with will have my back, and I will have theirs. I pledge to shield myself and my team from harm. I will take action to keep them safe, by fixing an unsafe situation, addressing an unsafe behavior or stopping the line. In turn, I will have the courage to accept the same actions from my co-workers, who care enough to correct my path.

We wear this badge out of respect for each other and those who have gone before us. On my watch, we will all go home safe to our families every day.

MANAGING AGREEMENT PROFESSIONALS FOR SUCCESS

Union Pacific is committed to be a railroad where our customers want to do business, our employees are proud to work, shareholder value is created, and the safety of the public and our employees is our top priority.

All railroad professionals are expected to work safely, honestly, and to treat others with respect. Compliance with workplace rules and policies is necessary to meet the commitments of Union Pacific and to fulfill certain regulatory requirements.

The objective of this Policy is to provide a meaningful and effective process to address rule and policy violations in a consistent and fair manner. Coaching, conferencing, and training are tools to reinforce the importance and understanding of safe and professional conduct in the workplace. However, certain rule or policy violations and/or patterns of behavior may be so serious that suspension or dismissal from service is the Company's only option.

Union Pacific's Attendance Policies are separate from this Policy. The management of those policies, or other Company policies not listed here, will be governed under the terms and conditions of those separate policies.

This Policy applies to all agreement professionals and replaces all previous Company policies pertaining to discipline. See the full [Policy for Managing Agreement Professionals for Success](#) for more information.

How to Do Business with Integrity

DISCLOSE CONFLICTS OF INTEREST

A conflict of interest exists when the private interests of an employee conflict with his or her responsibilities as an employee of the company. All such conflicts should be avoided. No employee should place himself or herself in a position that appears or could be construed to conflict with the interests of the company. Employees must disclose all facts about questionable situations to the company by completing or updating their [Report to the Chief Executive Officer](#).

Employees should continue to report potential conflicts of interest each year as long as the relationship or situation exists. Employees should not assume that since they reported it once, the conflict no longer needs attention. Also, if a potential conflict arises before the annual reporting period, the employee must file an interim report.

Employees and their relatives should not have a significant financial ownership in a customer, supplier, contractor or competitor of the company. Relatives include parents, spouses, domestic partners, sons, daughters, stepsons, stepdaughters, brothers, step brothers, sisters, step sisters, aunts, uncles, nephews, nieces, first cousins, grandchildren, grandparents, fathers-in-law, mothers-in-law, daughters-in-law, sons-in-law, brothers-in-law and sisters-in-law. This definition of relatives applies to domestic partner relationships.

Potential conflicts of interest may include but are not limited to:

- Interests in other businesses associated with Union Pacific. Interests may be demonstrated through involvement in:
 - a. Any transaction where the company is or may become a party;
 - b. Any property the company may acquire; or
 - c. Any entity with which the company is or may be dealing.
- Involvement in an outside business enterprise that may require attention during business hours and prevent full-time devotion to job task.
- Family members in business with or in competition with Union Pacific.
- Family members who work at Union Pacific.

Employees who believe they are involved in, or are aware of, any situation that could result in a conflict of interest, should disclose it to their supervisor.

UNDERSTAND GIFTS AND ENTERTAINMENT

Employees should not accept gifts or entertainment from customers, contractors, vendors, suppliers or similarly situated third parties if the gift will influence, or has the appearance of influencing, the fairness of Union Pacific's interactions with customers, contractors, vendors, suppliers or similarly situated third parties.

FOLLOW THE BUSINESS TRAVEL AND EXPENSE POLICY

The [Business Travel and Expense Policy](#) provides information, guidelines and best practices for travel expenditures while traveling on company business. All travel expenses should be economical and reasonable. All travel arrangements should be made using the online [My UPTravel](#) tool. The company will pay for reasonable meal expenses incurred by an employee while on company business.

COMPLY WITH APPLICABLE LAWS

Union Pacific's operations are subject to laws and regulations by various authorities, and all officers and employees must comply with them. This includes the Company's policy on [Gifts to Government Officials](#).

- Employees should never offer or provide gifts, gratuities or entertainment to government officials on behalf of Union Pacific.
- Employees may not obstruct justice by testifying falsely under oath, refusing to testify, or destroying, altering or falsifying documents or evidence related to legal proceedings or government investigations.

POLITICAL ACTIVITY AND LOBBYING

The company also encourages employees to participate actively in community, civic and political affairs. However, these activities must be legal, appropriate and conducted on employees' own time and at their own expense. Employees must not use company time, resources or funds to support their political activities, including supporting any employee who runs for office. Also, employees should not give the impression that Union Pacific supports any candidate, campaign or issue in which they are personally involved.

ABIDE BY FAIR TRADE PRINCIPLES

ANTITRUST

Employees must be familiar with the principles and purposes of the antitrust laws that may apply to the company's business, and abstain from any activities that violate them.

Antitrust laws prohibit unreasonable anti-competitive behavior and unfair business practices, including price-fixing, customer allocation, boycotts and predatory acts designed to strengthen a dominant company. Antitrust laws apply to interactions with customers, vendors and competitors.

CONSEQUENCES OF VIOLATIONS

The consequences of violating antitrust laws can be extremely serious for Union Pacific and its employees. Violations can lead to fines and imprisonment for the individuals involved and heavy fines for the company. In addition to criminal prosecution, the company may be subject to very costly civil suits. If there is a question about activities, seek advice from the Law Department.

Ignorance of the law is no excuse.

COMPLY WITH THE FOREIGN CORRUPT PRACTICES ACT (FCPA)

Employees, agents, consultants and representatives of Union Pacific and its subsidiaries may not, directly or indirectly, offer, pay or promise to pay money, or provide anything of value, no matter how small, to a foreign official to: obtain or retain business, influence any decision of a foreign official or secure any other improper advantage.

Violating the FCPA may result in severe consequences for employees and Union Pacific, including individual fines of up to \$250,000 per violation, prison terms of up to five years per violation, and other criminal and civil penalties, including termination.

For more information see the [Foreign Corrupt Practices Act Policy](#).

UPHOLD VALUES DOING BUSINESS WITH SUPPLIERS

PURCHASING POLICIES

Union Pacific's Supply Chain Department is responsible for entering into contracts with suppliers to provide materials and services for the railroad.

The act of purchasing materials or services is governed by the [Union Pacific Procurement Policy](#).

The intent of this policy is to ensure the company secures the best price and in a manner consistent with our values.

EMPLOYEE EXPECTATIONS

When dealing with suppliers, Union Pacific employees are expected to act with integrity and honesty in accordance with company values.

KEY EXPECTATIONS

- All bids/quotes obtained, as well as contract terms, are confidential and are to be communicated only to Union Pacific employees who need to know. Under no circumstances should employees disclose this information outside the company.
- Individual discussions with potential suppliers regarding commercial aspects of an open bid are prohibited. Bidders are required to submit their questions to designated Supply Chain personnel via the electronic Q&A to ensure all suppliers receive the same information.
- Employees are required to disclose personal relationships with any person or entity which, to the knowledge of the employee, is under contract with the company.



SUPPLIER EXPECTATIONS

Suppliers of Union Pacific Railroad are expected to act with the same level of integrity and honesty we ask of our employees. In an effort to clearly communicate our expectations, a Supplier Code of Conduct was established. A supplier's failure to comply with Union Pacific's Supplier Code of Conduct may result in the company pursuing legal action and/or discontinuing the business relationship.

EQUIPMENT AND MATERIAL DISPOSITION POLICY

The Supply Chain Department handles the sale and disposal of retired assets and unneeded material.

The Department enters into contracts to procure materials and services, and engages in competitive bidding, auctions and "spot" sales to establish contracts when disposing of assets. The company's policy for selling assets is outlined in our [Equipment and Material Disposition Policy](#).

Valuing Our Property and Information

CORPORATE ASSETS

Corporate assets include all physical property and business information the company owns or produces.

CONFIDENTIALITY AND INSIDER TRADING

Insider trading is illegal and violates the Company's [Confidentiality and Insider Trading Policy](#). Employees always must keep any proprietary information about Union Pacific or its business partners confidential. Securities laws make it illegal for those with material inside information to buy or sell securities.

Confidentiality: Every employee is responsible for guarding against unauthorized use or disclosure of company assets.

Employees may learn about material, nonpublic information about Union Pacific during the normal course of business.

Employees may not:

- Disclose any nonpublic (inside) material information about Union Pacific.
- Buy or sell securities if they have inside information.
- Trade the securities of another company, including a Union Pacific customer, supplier or partner, if the inside or confidential information is obtained while working at Union Pacific.
- Engage in hedging activities that affect any decrease in the market value of Union Pacific stock (such as buying, selling or writing puts, calls or options related to Union Pacific stock).

What is material nonpublic information?

Material nonpublic information is information not available to the public that a reasonable investor would consider important when deciding to buy or sell a security, such as Union Pacific stock.

What is insider trading?

Insider trading occurs when a person is aware of material nonpublic information when he or she buys or sells securities or shares this information with someone else that buys or sells securities.

Penalties:

- Criminal fines up to \$5 million
- Jail time up to 20 years
- Disciplinary action from Union Pacific
- Potential civil penalties

INSIDER TRADING

Q: I happen to know about a deal Union Pacific will announce soon. If I tell my brother about this and he buys Union Pacific stock based on what I told him, could that be considered insider trading?

A: Yes. The rules on insider trading apply if you buy or sell stock, or if you give information to someone else who buys or sells stock. Discussing confidential company business with someone else is also a violation of the [Confidentiality and Insider Trading Policy](#).

Q: A number of my friends and relatives work at Union Pacific. At a recent party, we began to talk about Union Pacific and someone asked me about an upcoming land deal I know about. Is it OK to discuss the deal in this type of setting?

A: No. Even though some of the people at the party were Union Pacific employees, this information should not necessarily be shared with them. As a general rule, employees should not discuss this kind of company information in a public setting.

RECORD KEEPING AND FINANCIAL REPORTING

Union Pacific is committed to providing complete, accurate and timely information in all material respects about its financial condition and business results.

Securities laws require the company to maintain records that accurately and fairly reflect all transactions, and report financial information according to generally accepted accounting principles and the company's internal control requirements.

Employees with concerns about questionable accounting or auditing matters should contact either the Union Pacific Values Line at 800-998-2000 or the company's General Auditor.

Employees must:

- Prepare and maintain all reports, vouchers, bills, invoices, payroll and service records, business measurement and performance records, and other essential data with care and honesty.
- Ensure public disclosures, including filings with regulatory authorities such as the Surface Transportation Board and the U.S. Securities and Exchange Commission, are complete, fair, accurate, timely and understandable.

Employees may not disguise or incorrectly characterize the true nature or monetary impact of any financial transaction in a financial report.

Failure to comply with laws and regulations subjects Union Pacific to fines, penalties and negative publicity.

RECORD KEEPING AND FINANCIAL REPORTING

Q: I saw a co-worker sign off on an inspection report when he had not actually completed the inspection. Can I ignore this?

A: No. Falsifying records is never appropriate. You should report this immediately to your supervisor or by calling the Union Pacific Values Line at 800-998-2000.

THEFT, FRAUD, WASTE, MISAPPROPRIATION, ALTERATION AND DAMAGE TO COMPANY ASSETS

Personal use of company assets is prohibited unless the use is specifically addressed in other corporate policies. If there is an occasion where assets are used for personal benefit beyond prescribed policy limits you must contact the General Director of Payroll Operations for reimbursement to the Company for the value received. Policy violations must be reported to the Chief Compliance Officer.

Employees should be aware of and report any situations or incidents that could lead to the loss, waste, misuse or theft of company property, resources or funds.

Incidents of theft or fraud should be reported to the Union Pacific Police Department by calling the Response Management Communications Center (RMCC) at 888-877-7267. All other incidents of waste, misappropriation, alteration or damage to company assets should be reported by calling to the Union Pacific Values Line at 800-998-2000.

INFORMATION GOVERNANCE

The Company is committed to the efficient management of its business information through the entire data lifecycle in compliance with legal and business requirements, and to the protection of business information from accidental or deliberate misuse through unauthorized disclosure, alteration or destruction.

Union Pacific's Information Governance Policy and standards address how we protect, create, share and use business information in compliance with legal and business requirements

EMPLOYEE REQUIREMENTS AND RESPONSIBILITIES

The Company's computer and communications systems, including equipment, software, internet and intranet systems, are provided for business use to achieve Company goals. Although some limited personal use is authorized, the Company's computer and communications systems should be used primarily for business-related purposes.

Use of Company computer and communications systems, and all authorized devices, must be consistent with associated rules and policies and must not detract from safety, productivity or work responsibilities. All creation, use, communication and exchanges of information should be accurate, clear and professional, consistent with applicable laws.

Individuals have no expectation of privacy when using the Company's computer and communications systems, including software, internet, or mobile devices. The Company may monitor usage and collect content on such systems without prior notice. The Company archives email and instant messages sent or received through the Company's systems.

Did You Know? Deleting a message from your personal mailbox will not delete the message from the archive system. It is important to be professional in your communications.

INFORMATION SECURITY

- All employees must ensure that the Company's business information and computer systems are protected against unauthorized use, including unauthorized personal use.
- The Company issues computer security credentials (user id and password) that identify the same person on all Company computer systems. You are personally accountable for all activity that is associated with your user id. Do not loan out use of your user id, and do not share your password with others.
- Access to information should be limited to persons who need it to conduct authorized business.

Immediately report any of the following to the Response Management Communication Center (RMCC) at 1-888-877-7267:

- Suspected compromise of Company computer systems
- Detection of unlawful or destructive activities involving Company computer systems
- Lost or stolen computer equipment, mobile devices, or removable media.

You can guard against unauthorized use, disclosure or alteration of Union Pacific's data by:

- Never sharing your password with others.
- Using only a company-approved, encrypted USB flash drive to store company information.
- Selecting a password that is a minimum of six characters, a mix of alpha and numeric characters and would not easily be guessed.
- Memorizing your password instead of writing it down or storing it in scripts, batch files or macros.
- Locking or logging off of your terminal or networked device when leaving your work area.
- Immediately changing your password and notifying your supervisor or IATeam@up.com if you think your user id and password have been compromised.

RECORDS MANAGEMENT

- Employees must manage records consistent with the [Master Records Retention Schedule](#) and data classification guidelines. The custodian has primary responsibility for maintaining a record on behalf of the Company. All employees are responsible for appropriate disposal of transient records and copies in their possession promptly upon expiration of any business value.
- Employees must comply with any legal hold order or tax hold order requiring ongoing preservation of Records, even if the information ordinarily could be disposed of under the Company's Master Record Retention Schedule.
- Employees must not generate, copy, or store the Company's records outside the Company's facilities and computer systems, except as specifically approved. If records will be generated or stored outside the Company's computer systems, employees must take appropriate steps to protect the records.

Who is the Custodian?

The creator of the record generally is considered the custodian of the record.

For records received from a third party, the receiving employee generally is the custodian responsible for retention.

For records stored in a structured environment, the business owner of the system may be the custodian responsible for retention.

OWNERSHIP OF INFORMATION

All business information that the Company acquires and produces, in any form, constitutes a Company asset. As with other Company assets, the ownership, usage, and dissemination rights associated with the Company's business information belong exclusively to the Company.

An employee may not divert to his or her personal benefit any invention, know-how, technology or computer program that the employee developed or learned of in the course of his or her employment. This is more fully explained in the [Information Governance Policy](#).

CONFIDENTIALITY AND PRIVACY

- Employees must maintain confidentiality of the Company's trade secret, confidential, and attorney-client privileged information.
- Employees should not discuss or identify a customer or supplier without specific, prior permission. Remember that many Company business relationships include non-disclosure and confidentiality commitments.
- Employees must take appropriate steps to protect the privacy of employees and other individuals. Do not disclose personally identifiable information without specific, prior permission.

The company has additional rules regarding appropriate use and acquisition of mobile devices, removable media, workplace recording systems and social media. For more information refer to the [Information Governance Policy](#).

Q&A INFORMATION GOVERNANCE

Q: I am working on a project to analyze a large amount of company data. I found a really great vendor to help me with data processing. Can I go ahead and send the data to Dropbox?

A: No. Records should not be originated, copied or stored outside the Company's computer network, file systems, and authorized devices or locations. If you have a proposal to use an external provider that stores UP data outside our environment you must obtain approval in compliance with the [Information Governance Policy](#).

Q: While at work, I invented a great new device that helps me get my work equipment on and off the truck more safely. Can I sell this device design to another company?

A: No. All such developments are the exclusive property of Company, and all right, title, and interest to developments automatically vests in Company, including all intellectual property rights therein (including, copyrights and copyright applications, trademark, patents and patent applications, trade secrets, design rights and the like).

Q: I manage the ABC Yard and to help with training I would like to install cameras to record yard activity. Can I purchase cameras from my local electronics store and have them installed?

A: No. The recorded content would be considered Company information and subject to the Information Governance Policy. All Company electronic equipment must be acquired through eComs and is subject to the following rules:

- Employees must ensure Company information in any form is protected against unauthorized use.
- Employees must have appropriate department approval and use approved mobile device management software applications to provide secure access to Company information for either Company-owned or personal devices.
- Discovery of unlicensed or unauthorized software must be reported to the IATeam@up.com.

INFORMATION GOVERNANCE

Q: A group of employees posted offensive messages directed at other Union Pacific team members on social media. These messages included discriminatory and harassing comments toward numerous protected classes including race, color, sex and national origin. Some messages used branding in a way that could cause a viewer to mistakenly think the posts were statements by Union Pacific. Does this violate the Information Governance and EEO policies?

A: Yes. This conduct violates the Social Media Rules incorporated into the Information Governance Policy and the EEO Policy, even if the posts were not made from company property or computer systems. The employees responsible for the offensive posts are subject to discipline up to and including termination.

Q: I stored my Company presentation on an encrypted flash drive as required by the Information Governance Policy. After dinner, I realized I left the flash drive at the restaurant. When I went back to get it, it was gone. What should I do?

A: Any mobile device or removable media used for Company business if lost or stolen must be reported immediately to the RMCC at 888-877-7267. Please indicate what device type was stolen, giving your name, your director's or manager's name, and a short description of any Company information that was contained on the missing device.

Excellence in Society and Our Communities



RESPECTING AND PROTECTING THE ENVIRONMENT

Union Pacific is committed to protecting the environment now and for future generations by continuously improving our management systems and operating efficiency while developing and investing in technology to reduce the company's environmental footprint.

Our employees understand that protecting the environment is part of everyone's job. Union Pacific employees, customers, shareholders and the more than 7,000 communities we serve can expect our compliance with all laws and regulations and the pursuit of continuous improvement in our environmental performance. We are dedicated to providing safe, reliable, fuel-efficient and environmentally responsible freight transportation of the goods American families and businesses need.

PUBLIC SAFETY

Public safety is a shared responsibility within the railroad and the communities we serve. Union Pacific Public Safety provides outreach through community events, media, special agents and employee resource groups. We form strategic partnerships with communities, and we address safety topics unique to each community. The UP Crossing Accident Reduction Education and Safety (UP CARES) initiative educates the public about railroad safety using grade crossing enforcement and education, safety trains and communication blitzes, such as community education and media outreach.

Union Pacific helped found and now collaborates with Operation Lifesaver, an independent nonprofit safety education and outreach organization with the mission of ending collisions, deaths and injuries at rail crossings.

Union Pacific partners with federal, state and local officials to promote public safety at rail crossings. The Public Safety team continues to work toward improving infrastructure and collaborating with local governments and law enforcement personnel to eliminate crossing incidents.

Reporting Unusual or Suspicious Occurrences and Environmental Hazards

Please call 1-888-UPRR COP (877-7267) to report criminal activity, hazardous materials releases, derailments, personal injuries, environmental incidents, crossing accidents, workplace violence or illegal dumping.

MEDIA POLICY

Only employees authorized by the Corporate Communications Department should speak to the media or to an audience that includes media. If contacted by the media, employees should refer them to the appropriate media director in Corporate Communications. Employees should refrain from speaking to the media without a media director present or without pre-approval from Corporate Communications.

This process reduces the risk of improper disclosure of information. Employees addressing the news media without prior approval may be subject to disciplinary action, including termination. Visit the [Media Policy page](#) for more information.

ADMINISTRATION OF THE POLICY

Union Pacific is committed to creating an environment where compliance with the law and this policy is expected. An employee's failure to comply with this policy or any interpretations of this policy can result in severe consequences for the employee. Waivers of this policy will be granted to executive officers only in exceptional circumstances following review and approval by the Board or Audit Committee, with prompt disclosure to the shareholders.

Union Pacific Values Line: A confidential resource for reporting business conduct issues 800-998-2000

The [Compliance Team](#) is available to answer any questions or to discuss any concerns about potential policy violations. Additional resources include:

- Employee Assistance Program Helpline – 800-779-1212
- EEO/Discrimination Hotline – 866-877-3362
- Services Procurement Center – 402-544-0772
- Response Management Communications Center (RMCC) – 888-877-7267
- Information Security – 402-544-5555
- Corporate Communications – 402-544-3529



Approved by the Union Pacific Corporation Board of Directors
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