



2021 Investor Day

SERVE

Driving Operational Excellence to Create Safer, More Reliable and Efficient Service Product

What you need to know:

PSR initiatives driving significant service product and efficiency improvements

Implementing new technologies to improve customer experience and optimize their businesses

Improving fuel efficiency and reducing carbon footprint

Improving Safety

- Ever evolving programs
- Empowering team to identify and mitigate risks
- Leveraging technology to reduce risks and incidents

Simplifying Our Network

- Flexible transportation plans to **adjust to evolving customer needs**
- Repurposing infrastructure to **meet market demand** and **enter new markets**

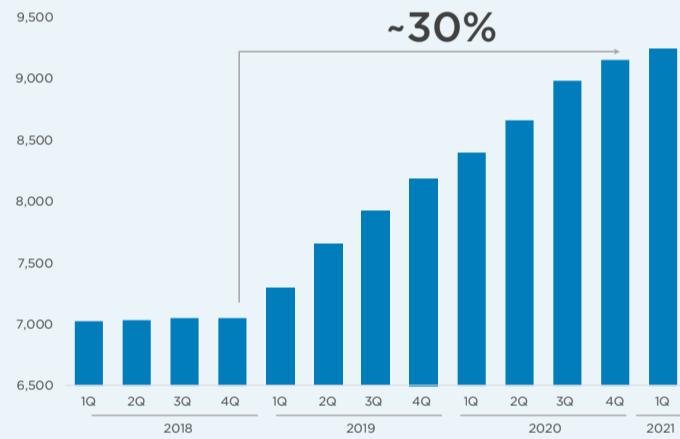
Increasing Capital Efficiency

Improving processes and implementing technology to reduce total cost of ownership by:

- Modernizing locomotive fleet
- Increasing equipment reliability
- Leveraging data to work smarter

Growing Train Length

(Max on Route, in Feet)



PSR Efficiency Gains¹



¹ Full year 2018 compared to first quarter 2021

Implementing Next Generation Technology

UP programs:

- Mobile Work Order
- Train Builder software
- Sensing technology
- AI based optimization
- NetControl logistics platform
- Automated processes

- Efficient and employee-friendly processes
- Tracks infrastructure health
- Reduces manual tasks and improves asset management
- Faster solutions for customers
- Lower operational costs
- Adapt to future requirements

TOGETHER

Reducing Fuel Consumption and Participating in Energy Transition

Energy Management System

Maximizing fuel efficiency and PTC integration

Rail Cleaner Technology

Improving traction to reduce average locomotives per train

Exploring New Locomotive Technologies

Alternative energy locomotives to further reduce carbon footprint





GROW

Harnessing the Potential of the Strongest Network in the Industry



What you need to know:

Growing with PSR — moving cars faster and using assets more efficiently

Strategically expanding reach to serve new markets and industries

Supporting environmental and sustainability efforts

Growing with PSR

- **Lower cost structure** to compete more effectively
- **Manifest service** provides customers more optionality
- **Increasing e-commerce** business by improving frequency of departures

Advancing Customer Experience

- **Tailoring solutions** based on pain points
- **Integrating APIs** with customers' supply chain; **~40 APIs** to date
- **Leveraging technology** to deliver greater capacity, service quality and growth

Transforming Sales Culture

People:

- Lean structure **improves response time** and **simplifies customer support**

Technology:

- Innovative tools improve price quotes speed by **-30%**
- Integrating data analytics gives **360-degree** view of customers

Processes:

- Targeting **new customers** in **new markets**
- New sales **incentive program**

Expanding Network Reach

- **New facilities** and **expanded access** to target growing industries
- Loup - **growing in the auto sector**
- Constructed **200 track projects** to support **325,000 annual carloads** since 2018
- Invested **\$1.8 billion** to support commercial facilities over last 10 years — **60%** has been in **intermodal**

Strongest Franchise in North America

23 States	32k+ Route Miles	10k+ Shippers
7k+ Locomotives	52k+ Freight Cars	



TOGETHER

Growing Toward a Sustainable Future

455M → 4.5B

End-to-end supply chain for renewable diesel fuel

455M gallons in 2021 → 4.5B gallons in 2025

Unparalleled network of soybean oil production, ethanol plants and other feedstock sources

+40%

Supporting growth of new supply chains for recycled products

Grew cullet shipments >40% in 2020

~9.6K → +31K

Expanding industry leading electric vehicle supply networks

~9,600 trucks off the highway in 2020 → >31,000 in 2021





WIN

PSR Strategy Driving Strong Financial Performance and Enabling Significant Shareholder Returns



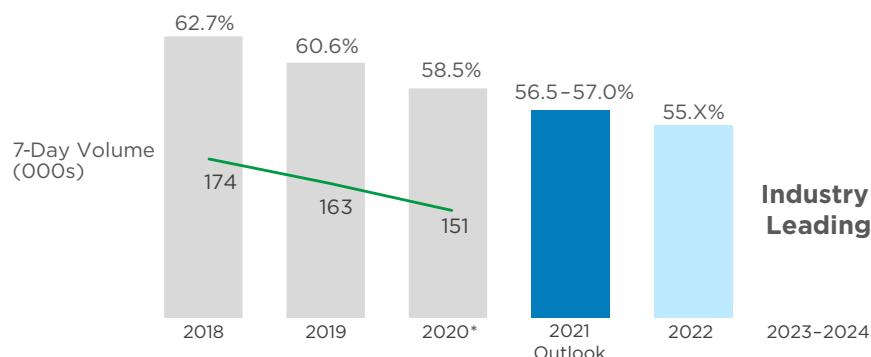
What you need to know:

Expect to deliver 55.X% OR in 2022

Capital efficiency initiatives driving continued improvements in ROIC

Executing balanced capital allocation strategy

Clear Path to Deliver Industry Leading Operating Ratio



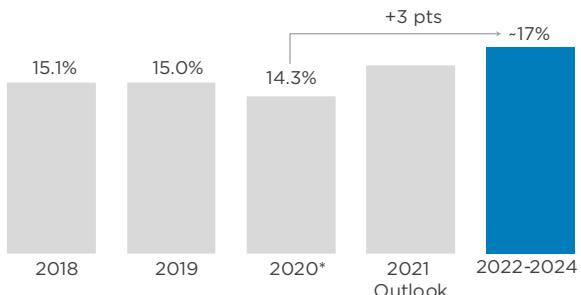
Revenue Growth Expectations 2022 – 2024

- Volume exceeding industry production at **-3% CAGR**
- Core pricing gains **above inflation dollars**

Driving Low Capital Intensity Growth



Growing Return on Invested Capital*



*See Union Pacific website under Investors for a reconciliation to GAAP.
2020 results exclude Brazos impairment.

Capital Allocation Priorities

Reinvest in growth initiatives

Commitment to dividend

Opportunistically repurchase shares

Profitability Expectations

2022 – 2024

Mid to high 60% incremental margins

Low double digit EPS growth CAGR

Building on Track Record of Significant Shareholder Returns

2018 – 2020 Shareholder Return Highlights

\$25.2B

Cash returned to shareholders

56%

Increased annual dividend per share

100%

Cash conversion rate

\$18 – 19B

Share repurchases

114M

Shares repurchased (15% of average market cap)

Net income return to shareholders

45%

Dividend payout ratio

2022 – 2024 Shareholder Return Expectations

Cautionary Information

This communication 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, its results of operations, and potential impacts of the COVID-19 pandemic. 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 2020, which was filed with the SEC on February 5, 2021. 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).

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