



UNION PACIFIC CORPORATION

March 2021



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, 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 and the Company's Quarterly Report on Form 10-Q which was filed with the SEC on July 23, 2020. 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.

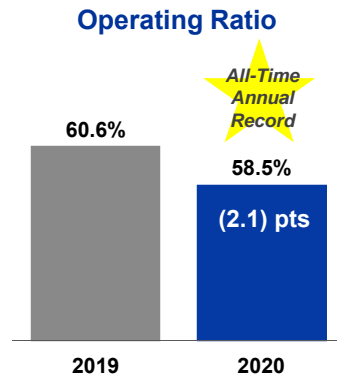
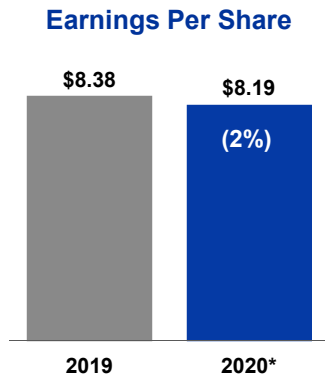


CURRENT OVERVIEW / BUSINESS UPDATE

March 2021



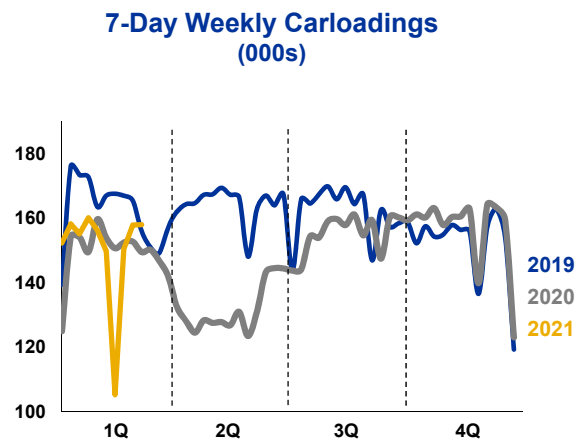
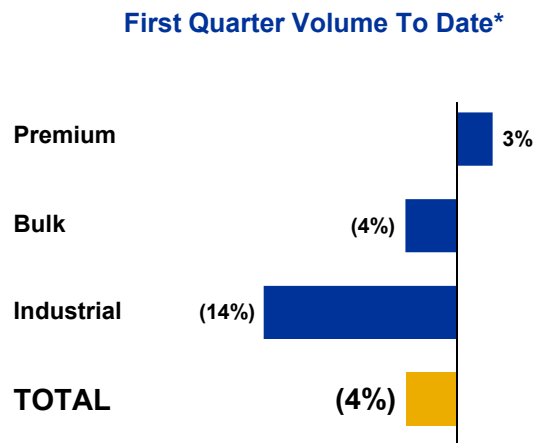
2020 Financial Results



4 *2020 excludes Brazos non-cash impairment charge. See Union Pacific website under Investors for a reconciliation to GAAP.



First Quarter Volume & Outlook



5 * Volume through March 11

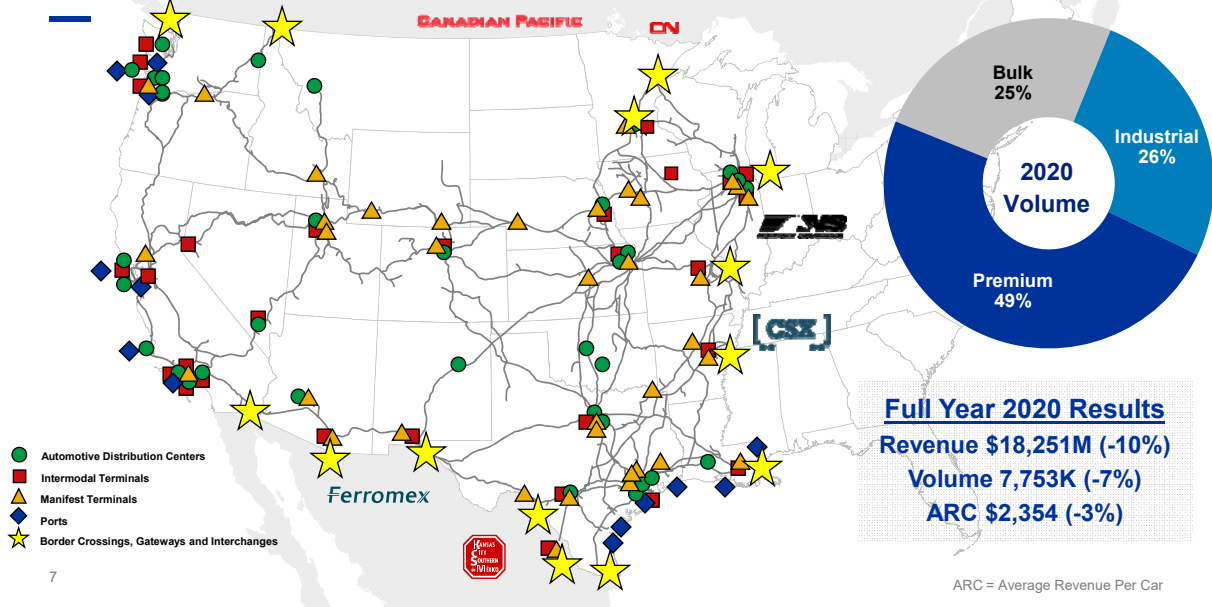


BUSINESS TEAM REVIEW

March 2021



Diverse Portfolio of Business



Economic Indicators



	Industrial Production	GDP	Housing Starts (MM)	Light Vehicle Sales (MM)	Imports of Goods	Exports of Goods
2020	(6.6%)	(3.5%)	1.40	14.4	(9.3%)	(13.0%)
2021	7.4%	5.7%	1.56	16.2	14.9%	7.4%
2022	4.1%	4.1%	1.38	16.5	5.5%	7.0%

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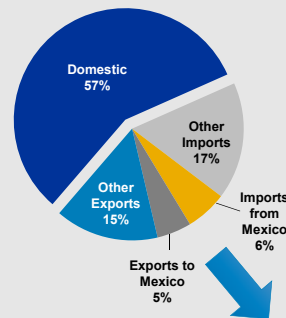
Source: IHS Markit U.S. Economic Outlook, March 2021



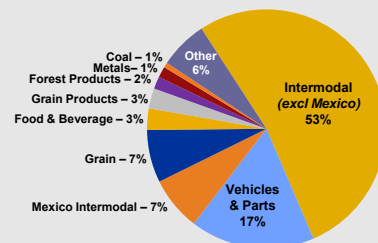
International Trade

- Diverse franchise creates opportunity
- Off-shoring/near-shoring of U.S. manufacturing
- Demand for grain and food

2020 Freight Volumes



International Volumes



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Foundation to Grow With Customers



Reduced Complexity

=



Consistent Service

&



Lower Cost



Consistent Service

+



Lower Cost

=

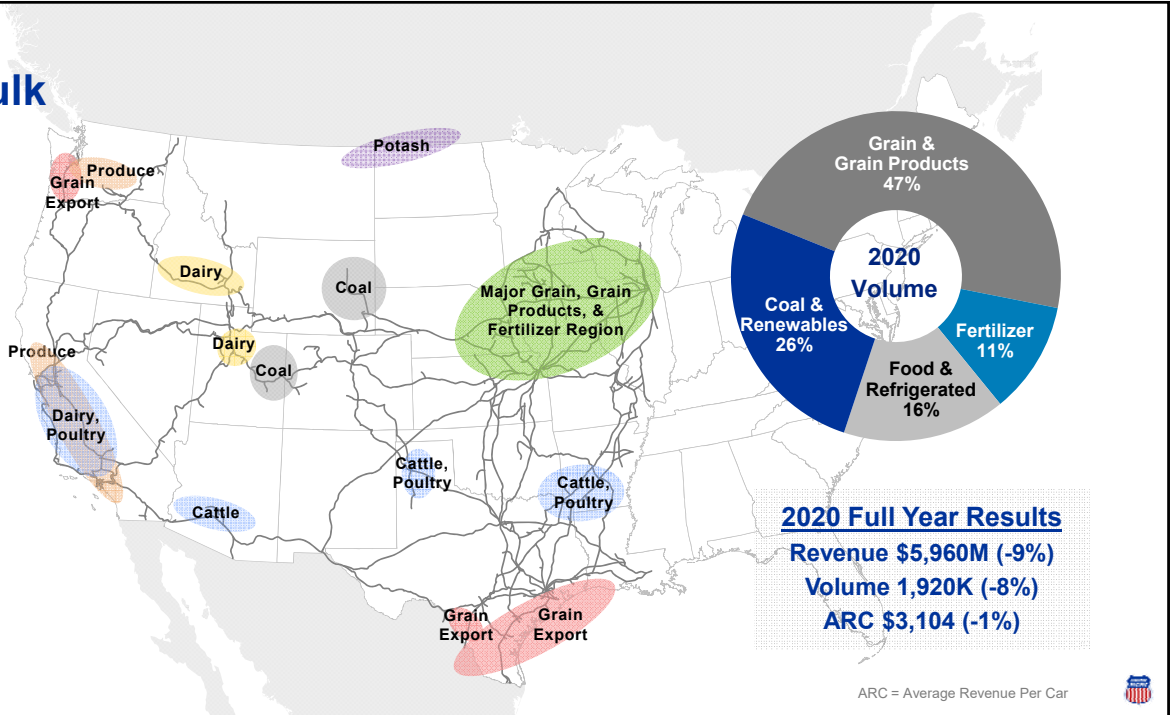


Open New Markets

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Bulk



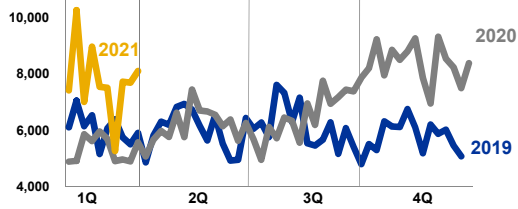
11

Grain

- Volume drivers
 - Grain inventory management
 - Export market fundamentals
 - Food & beverage shipment demand



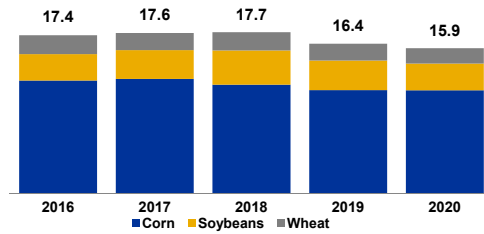
UNP Weekly Grain Carloads*
(As reported to the AAR)



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*Through March 13, 2021

U.S. Grain Stocks**
(Bushels in Billions)



**Source: USDA; As of December 1, 2020

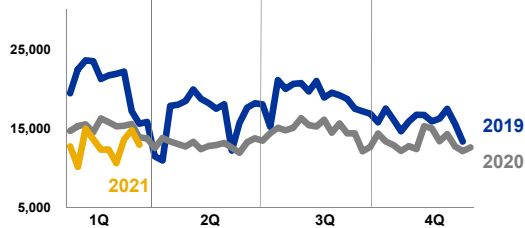


Coal

- Volume Drivers
 - Weather impacts demand
 - Natural gas prices
 - Coal inventory levels



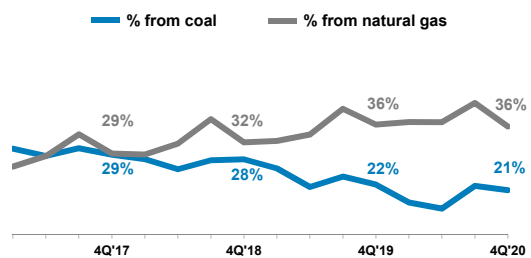
UNP Weekly Coal Carloads*
(As reported to the AAR)



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*Through March 13, 2021

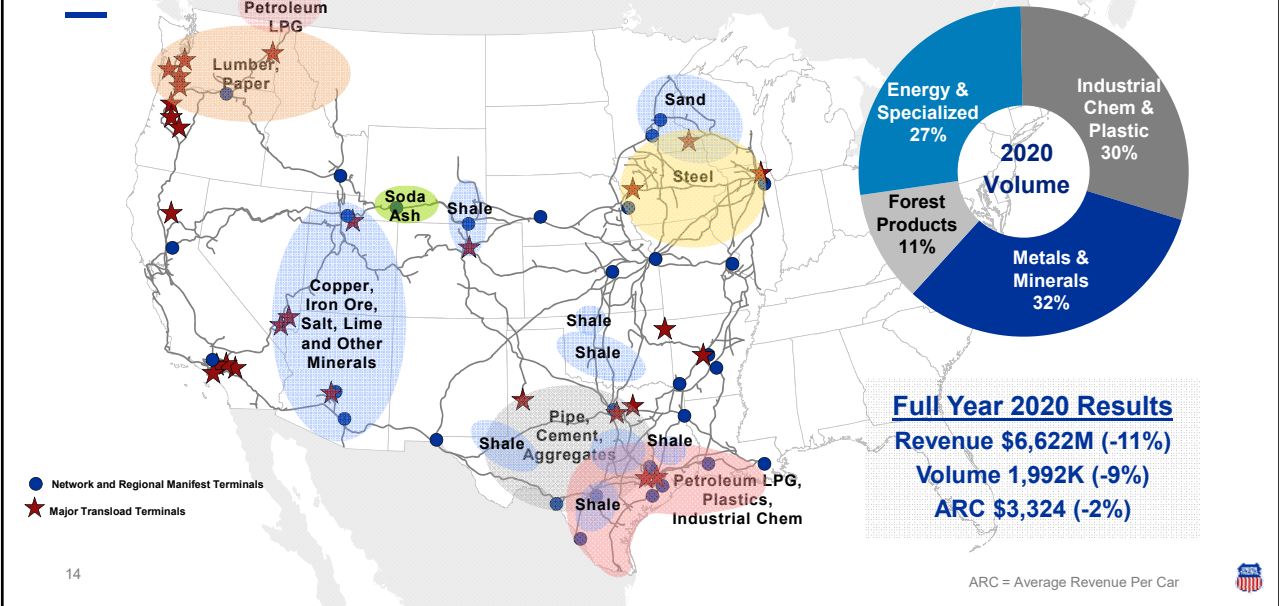
Electricity Generation Market Share**



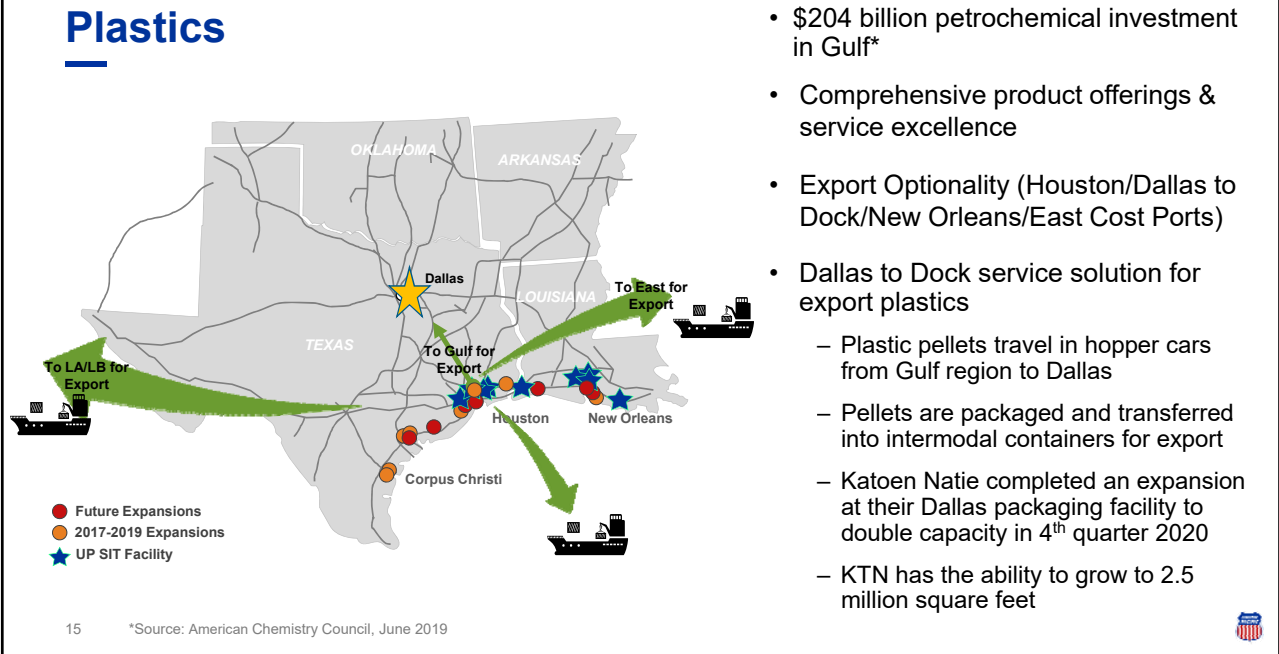
**Source: U.S. Energy Information Administration (EIA)



Industrial



Plastics

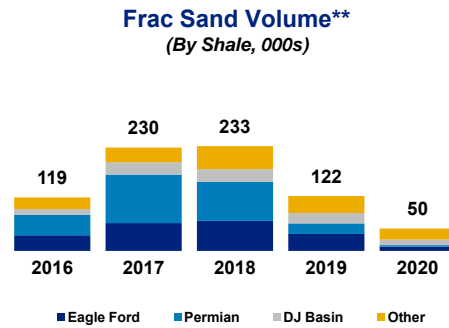
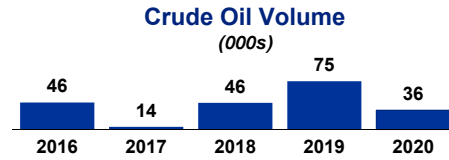


Shale Related Volumes

Full Year 2020	Volume (000s)	% Change (vs 2019)	% of Total UP Volume
Crude	36	(52%)	0.5%
Frac Sand**	50	(59%)	0.6%

* Excludes pipe related to shale activity
 ** Includes Barites

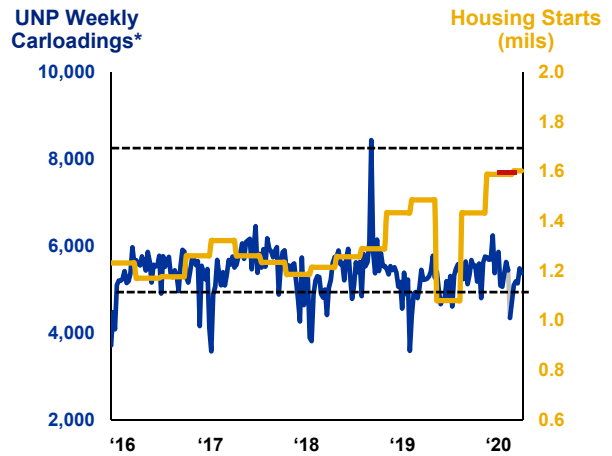
- Crude oil drivers
 - Crude oil price spreads
 - Production & demand
 - Pipeline capacity
- Frac sand drivers
 - Energy prices
 - Rig counts
 - Enhanced fracking technology
 - White / brown sand mix



Housing Trends

- Housing market still well below historical averages
- 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

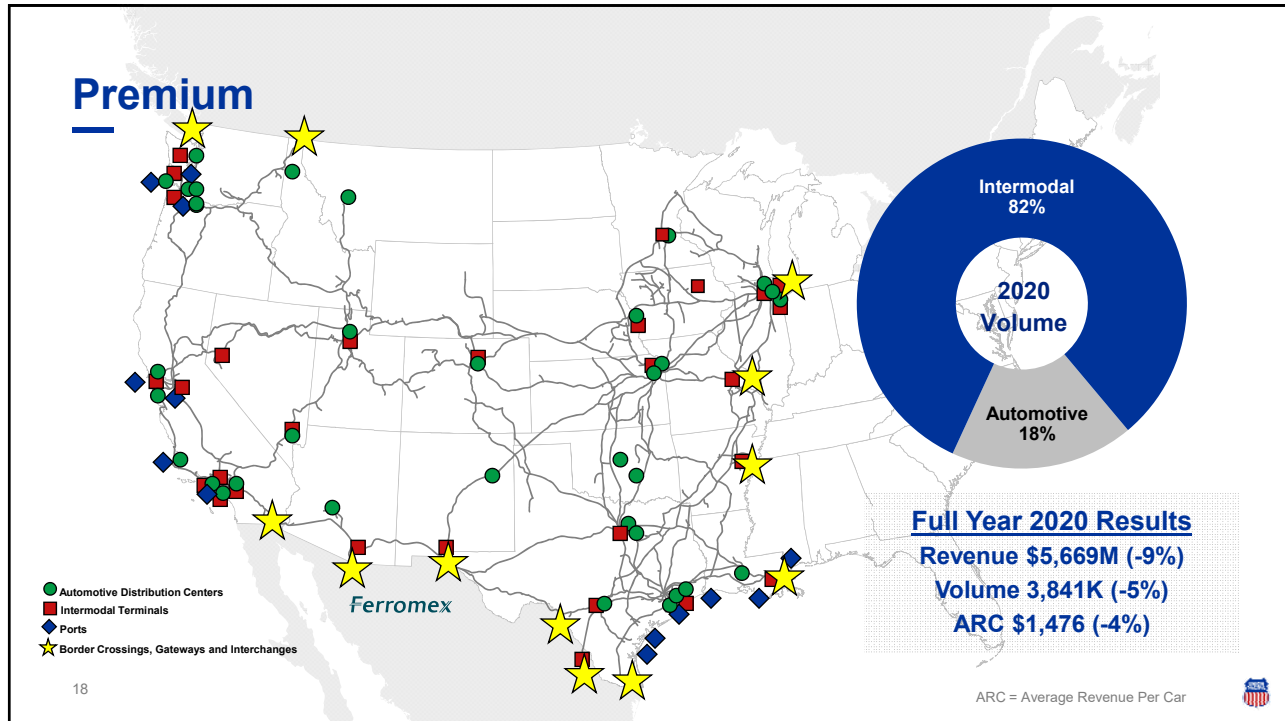


IHS Global Insight forecast

*Through March 13, 2021



Premium

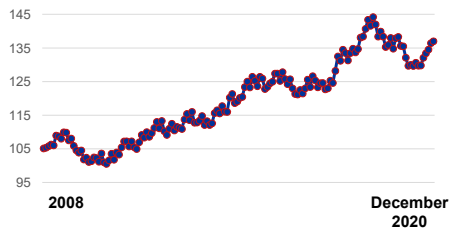


Highway Conversion Growth Opportunities

Transportation Mode
(By Tonnage)



Cass Truckload Linehaul Index



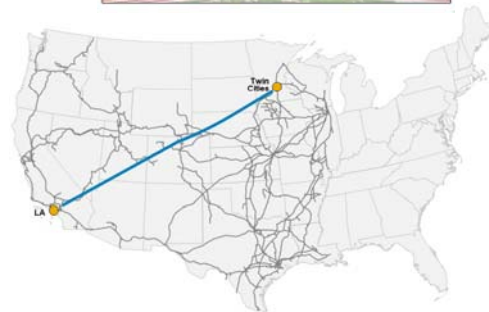
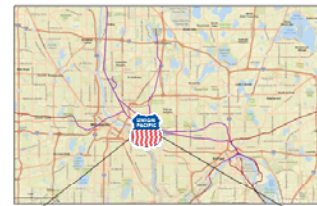
- Highway conversion opportunities in all business groups
- High insurance costs
- Drug & alcohol testing
- Truck capacity
- LOUP



Expanding Market Reach for Growth

- Opened Twin Cities Intermodal Terminal in January 2021
- Strategically Located in Heart of the Twin Cities Metropolitan Area
- Intermodal Service Between Twin Cities and Los Angeles
- Expands Customer Reach to Key Upper Midwest Markets
- Gives Customers in the Twin Cities Metro Efficient Access to Union Pacific's Intermodal Network

TCIT, MN Location & Schematic

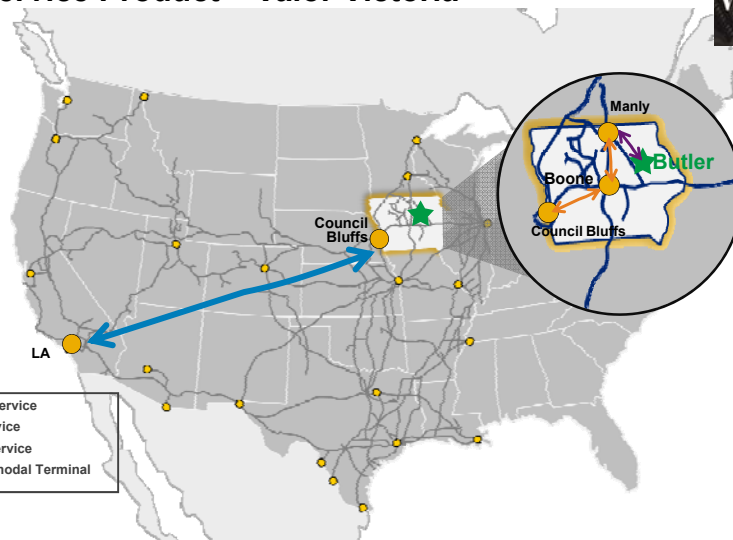


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Butler Intermodal Terminal

Hybrid Service Product – Valor Victoria



- Intermodal Service
- Manifest Service
- Short Line Service
- ★ Private Intermodal Terminal

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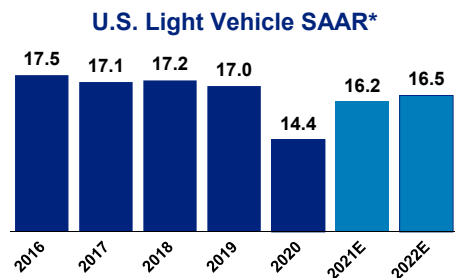
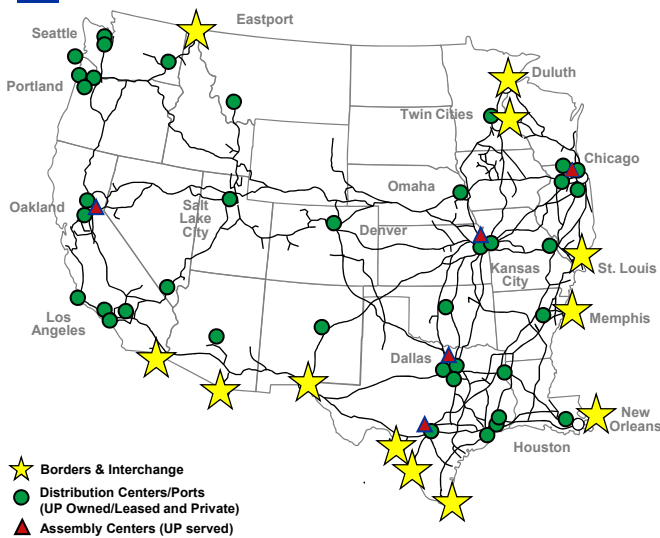


Full-Service Expertise For Almost Any Commodity

Loup Total Supply Chain Logistics



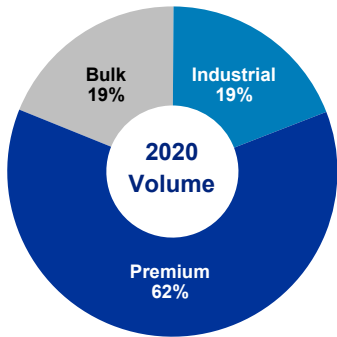
Finished Vehicles



*Source: Global Insight



Mexico



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ARC = Average Revenue Per Car



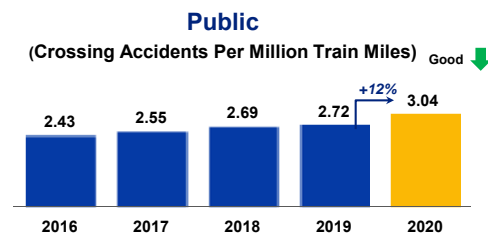
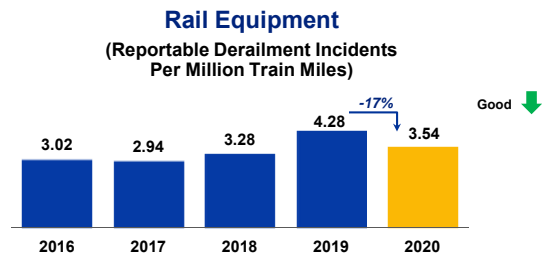
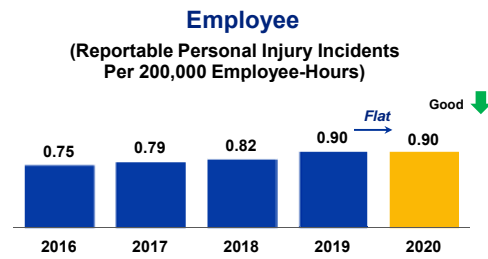
OPERATIONS OVERVIEW

March 2021

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Safety



- Continued Focus on Safety
- Goal of Zero Incidents



Unified Plan

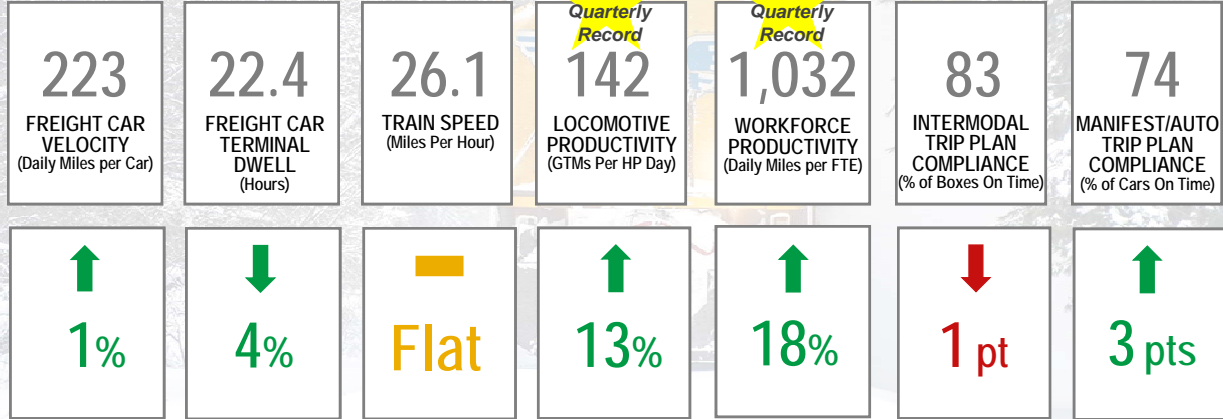
Precision Scheduled Railroading Tenets

- Shifting the focus of operations from moving trains to moving cars
- Minimizing car dwell, car classification events and locomotive requirements
- Utilizing general-purpose trains by blending train services
- Balancing train movements to improve the utilization of crews and rail assets



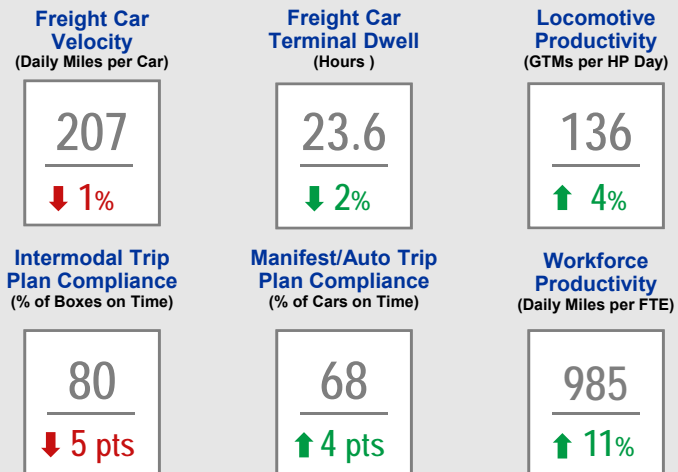
Key Performance Metrics

Fourth Quarter 2020 vs. Fourth Quarter 2019

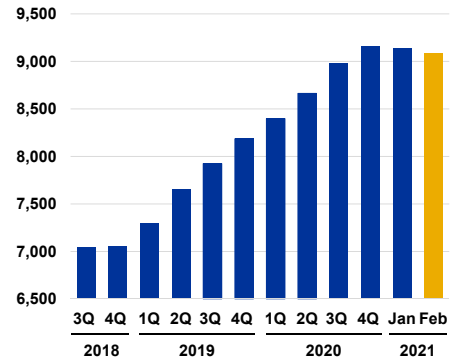


Balancing Service and Efficiency

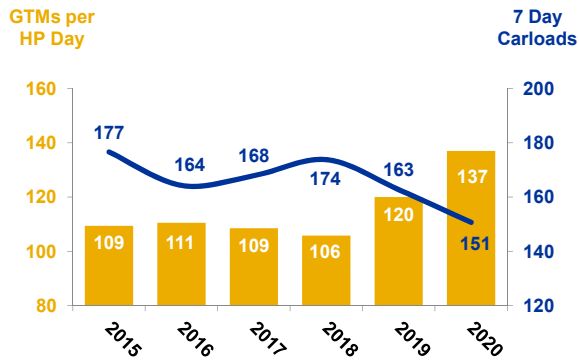
Key Performance Metrics
 February YTD 2021 vs. February YTD 2020



Train Length
 (Max on Route, in Feet)



Locomotive Productivity

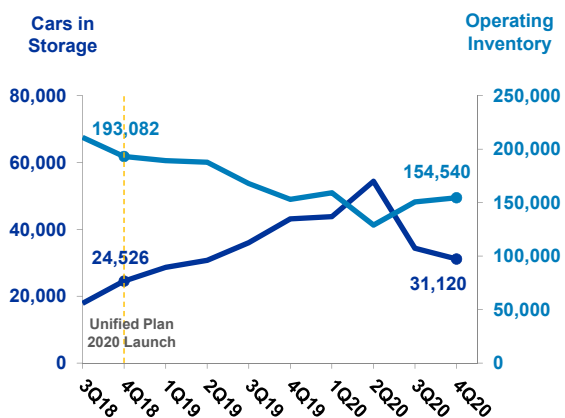


- Result of using the locomotive fleet more efficiently
- 2020 GTMs per horsepower day increased 14% compared to 2019
- Driven by less units, increased train length and reduced dwell

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Inventory Management

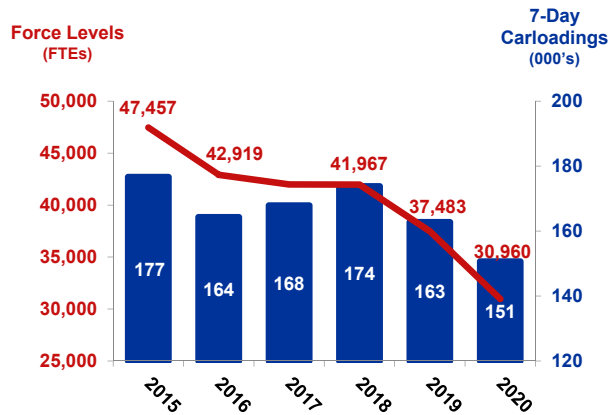


- Operating inventory reduced with Unified Plan 2020
 - Excludes cars in storage and cars placed at customer
 - Change driven by improved freight car velocity and terminal dwell
- Cars in storage on the rise
 - Increased ~30% since fourth quarter 2018

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Employee Force Levels



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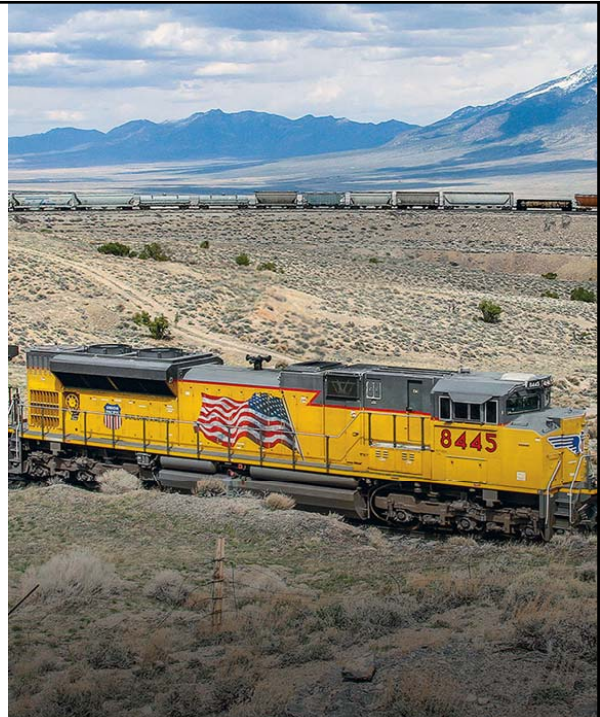
- Significant reduction in FTEs
 - Down ~17% or about 6,500 FTEs in 2020 from 2019
 - Lowest number of FTEs in the last 15 years
 - Driven by asset utilization and process improvements



Positive Train Control (PTC)

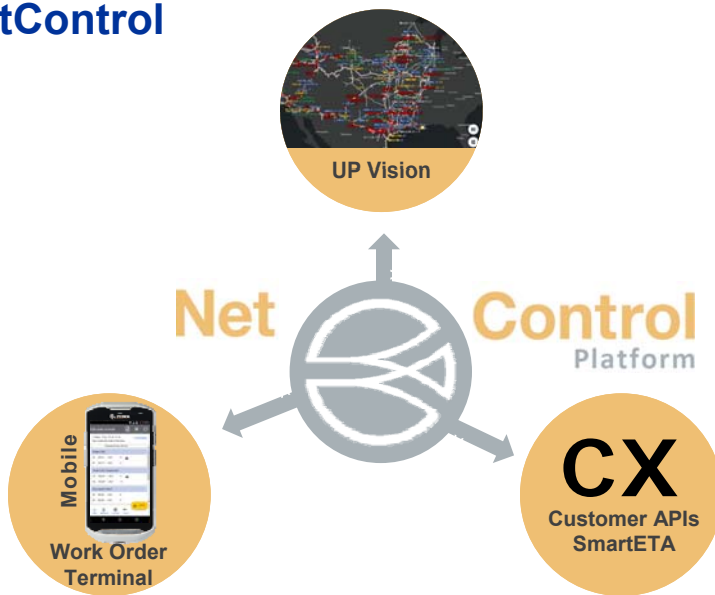
- Approximately \$2.9 billion invested through 2019
- Total estimated investment ~ \$2.9 billion
- Field testing since October 2013
- Installed on 100% of required rail lines
- Implemented on 100% of required rail lines
- Enhancing the Energy Management Systems in 2021

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Enabling New Capabilities

NetControl



Lines of Code



Micro-services



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Safety Is Our Priority

Safety Inspection Fleet

- State-of-the-art equipment to regularly inspect rail lines
- Evaluates track structure wear and tests for defects to help prevent derailments, maintain track health and increase track longevity



Autonomous Boxcar Geometry Measurement System

- Track inspection system housed in a regular boxcar and powered by solar panels
- Attached to a train hauling freight to look for track abnormalities

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Improving the Customer Experience Through APIs

- Launched over 30 external customer APIs since 2019, with more on the way
- Today we have nearly 75,000 subscriptions
- Real-time access to data between applications and devices
- Streamline and automate workflows
- Enables customer to take action on their shipments from their interfaces
- Expands visibility into the supply chain



Shipment
Learn about your shipment(s) including their locations, events, product, status and ETA



Location/Tracks
Display information about tracks at your facility



Order In
Request rail car if you are an *Order In* customer



Release
Identify rail cars to be released to/from an industry track



Equipment
Display details and characteristics of specific equipment IDs



Cases (Service Issues)
Retrieve case (service issue) status, details and responses



Gate Reservation
Provides intermodal specific services, like create and view gate reservations



Accounts/Contacts
Retrieve information associated with your business(es) and people



UPGo - Intermodal
Provides intermodal driver services to expedite the intermodal terminal experience

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ENVIRONMENTAL, SOCIAL, AND GOVERNANCE







March 2021

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Sustainability Development Goals

Union Pacific has a role to play in all of the UN's Sustainability Goals, with a focus on these seven:

-  Quality education
-  Gender equality
-  Decent work and economic growth
-  Industry, innovation and infrastructure
-  Reduced inequalities
-  Sustainable cities and communities
-  Responsible consumption and production



Quality Education



- Innovative new partnership with the University of Nebraska at Omaha, offering employees an opportunity to pursue their degree or a certification.
 - 1,000+ employees in 26 states have expressed interest with more than 400 taking steps to become a student.
- Union Pacific is the largest corporate sponsor of the National Park Foundation's Open Outdoors for Kids program, providing educational activities for students in 400+ national parks.
 - 88% of participants are from Title I schools.
 - Many parks are now offering virtual tours and online content for teachers and students.

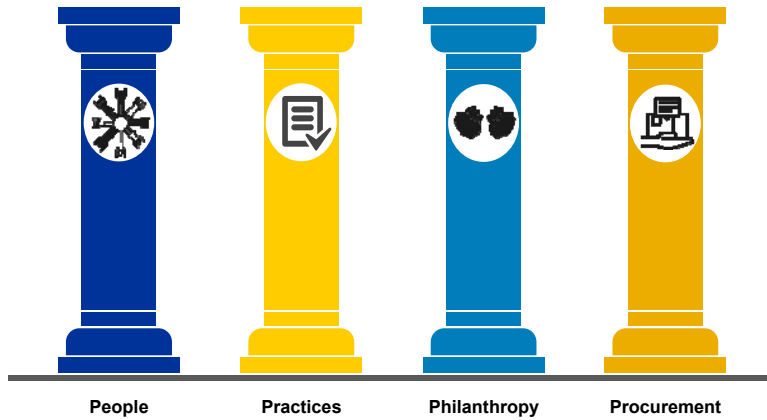




Gender Equality & Reduced Inequalities



Four Pillars of Diversity and Inclusion

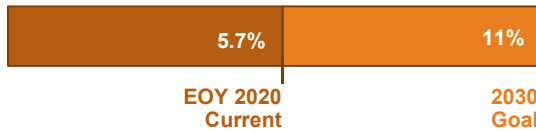


Gender Equality & Reduced Inequalities



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

Minorities = 36% Improvement
(Goal compared to 2019 at 29.4%)





Gender Equality & Reduced Inequalities



Diversity and Inclusion - Practices



**Required Diverse
(Female & Minority)
Interview Panels**



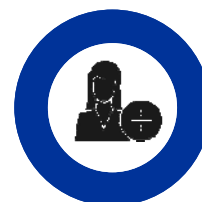
**Robust Pay
Equity
Evaluations**



**Application %
That Supports
Long-term Goals**



**Application-To-Hire
Conversion Rate
Review**



**Developing the
Pipeline and
Supporting the Entire
Employee Journey**



Decent Work & Economic Growth



- One job in the rail sector supports eight other across the economy.
- Union Pacific creates economic opportunities for local communities through direct employment, as well as prosperity created by local employee spending.
 - Employees receive competitive compensation and benefits.
 - In some cases, a college degree or post-high school education is not required.





Industry, Innovation & Infrastructure



- Union Pacific invests approximately \$3 billion annually in its capital investment program.
 - Houston’s Englewood Yard expansion underway to extend capacity and add a third mainline.
 - Completed 28 siding extensions through Sept., allowing longer trains to run in both directions.
- Continually invest in new technologies that enhance safety, efficiency and service for our customers.
 - Upgrading and adding services to our suite of Application Programming Interface (API) services.



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Sustainable Cities & Communities



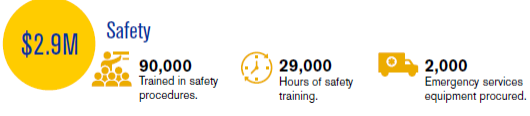
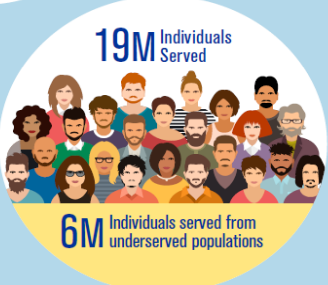
- Union Pacific works with businesses to find solutions that decrease emissions and congestion on America’s already stressed highways and interstates.
 - In 2019, our customers reduced 25M metric tons of GHG emissions by choosing rail over long-haul trucks.
- We generated an estimated 1.4 million tons of waste last year and diverted approximately 67% from landfills.
- The Community Ties Giving Program supports more than 3,000 organizations annually to build safe, prosperous and vibrant communities.
 - Additional \$5M for COVID-19 relief.



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Strengthening Our Communities



Responsible Consumption & Protection



- Our 23-state footprint touches many diverse ecosystems, and we are committed to being a responsible steward of the land we own.
- We're working to improve our resiliency by:
 - Setting science-based targets to save fuel and cut GHG emissions.
 - Conserving water use and implementing Stormwater Pollution Prevention Plans at our facilities.
 - Implementing utility conservation projects.
 - Reduced energy consumption by 2.7 million kWh in 2019, enough to annually power more than 247 U.S. homes.



Protecting the Environment

- We move one ton of freight 444 miles on a single gallon of diesel fuel
- Rail moves 33% of all freight ton miles in U.S. but responsible for 2% of transportation emissions*
- Committed to setting science-based targets to reduce emissions by 2030
- Innovative locomotive software to help save fuel installed on the majority of high-horsepower units



LESS FUEL = CLEANER AIR

48 *Source: EPA Inventory of U.S. Greenhouse Gas Emissions and Sinks 1990-2017; Bureau of Transportation Statistics 2017



Reducing the Impact on the Environment

In 2019

- Union Pacific reduced greenhouse gas (GHG) emissions 1.8M metric tons or 11% due to decreased freight volume and significantly improved operations
- Carbon Emissions Estimator
 - Calculate GHG emissions savings
 - Sending emissions savings estimate to customers since 2013
- Our customers reduced 25M metric tons of GHG emissions by choosing rail over truck transportation

Origin City, State: Destination City, State:

Commodity: Number of Truckloads:

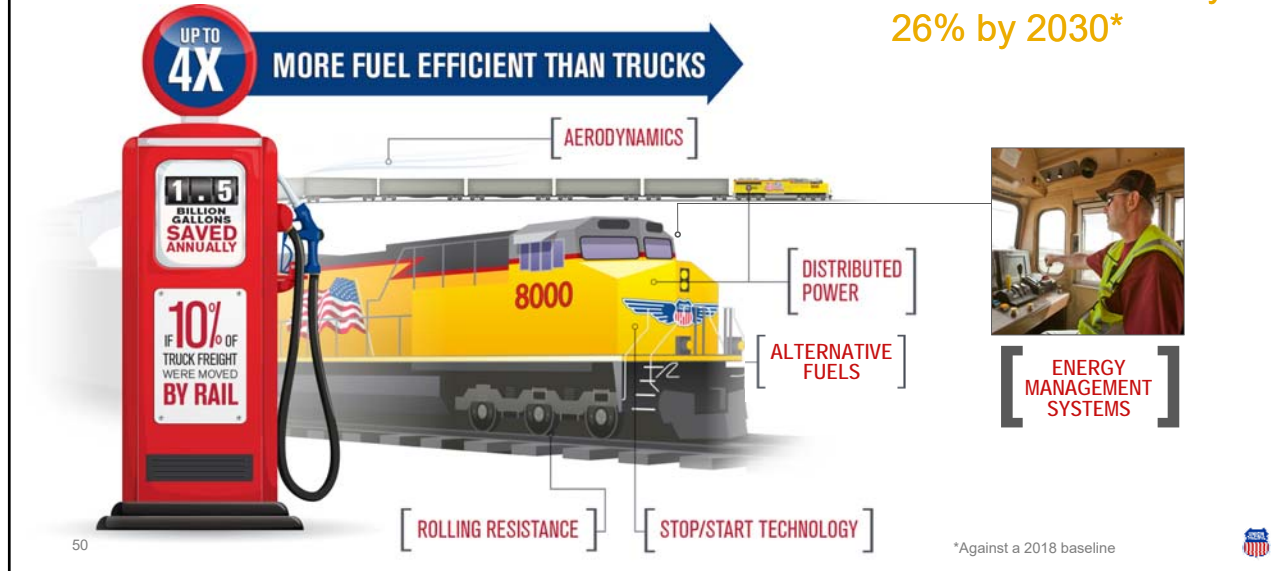
Select a Commodity

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Innovations Conserve Fuel

Science-based target to reduce GHG emissions by 26% by 2030*



FINANCIAL REVIEW

March 2021

2021 Outlook

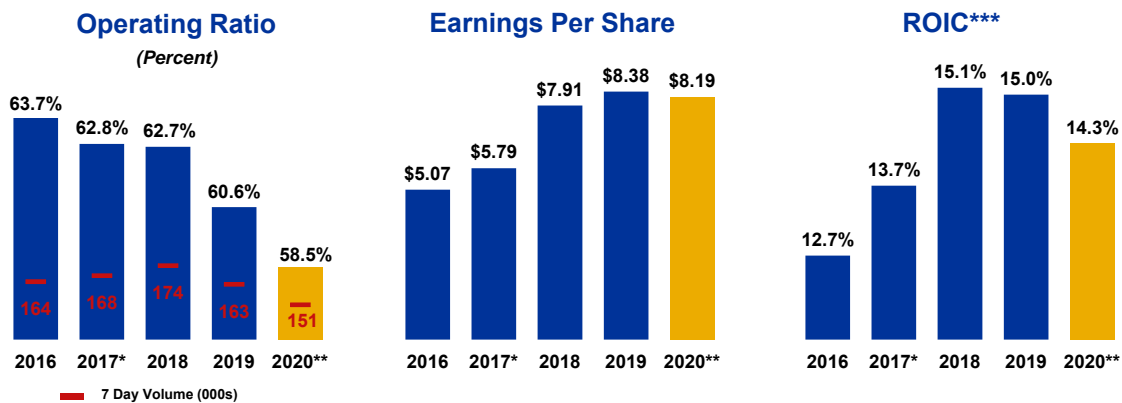
- Full Year Volume Growth of 4-6%
- Business Mix Headwinds Continue
- Pricing Gains in Excess of Inflation Dollars
- \$500 Million of Productivity
- 150-200 Basis Points of Operating Ratio Improvement in 2021
- Capital Allocation:
 - Capital Spending < 15% of Revenue
 - Dividend Target Payout 40-45% of Earnings
 - Strong Share Repurchases



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Financial Performance

Expanding Margins and Driving Returns



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*2017 Adjusted to exclude the impact of Corporate Tax Reform.
 ** 2020 Adjusted to exclude the Brazos non-cash impairment charge.
 *** See Union Pacific website under Investors for a reconciliation to GAAP.

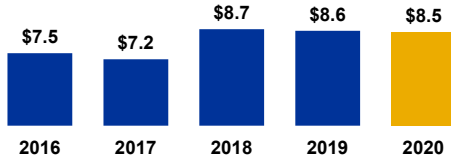


Financial Performance

Growing Cash Flow and Shareholder Returns

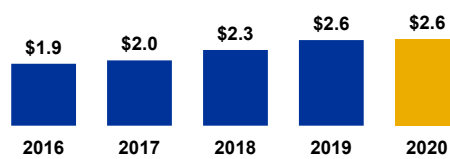
Cash From Ops

(\$ in Billions)



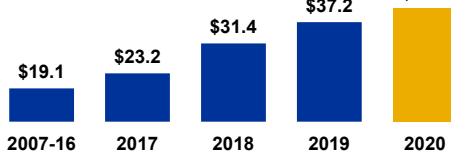
Dividends Paid

(\$ in Billions)



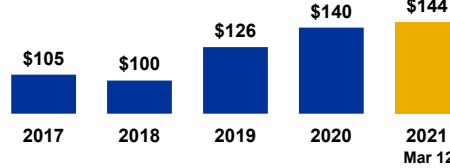
Cumulative Share Repurchases

(\$ in Billions)



Market Cap

(\$ in Billions)



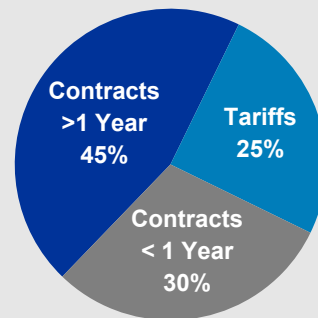
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Pricing Fundamentals

- Unified Plan 2020 service reliability drives cost savings to the customer
- Balanced portfolio provides flexibility for repricing as value grows
- Pricing above inflation

Balanced Revenue Portfolio

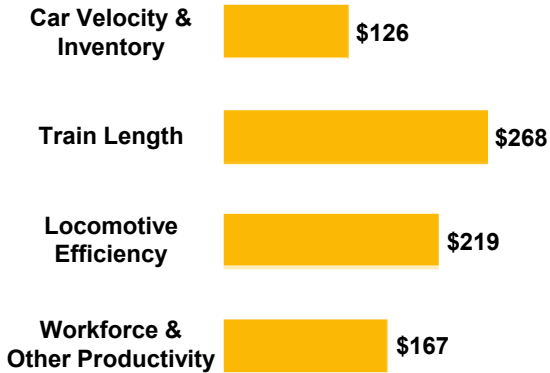


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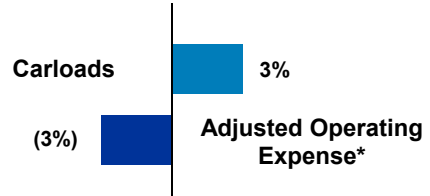
Productivity Results

2020 Net Productivity of \$780 Million

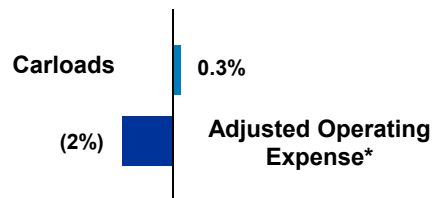


Volume Variability

4Q 2020 vs. 4Q 2019
(Year over Year)



4Q 2020 vs. 3Q 2020
(Sequential)

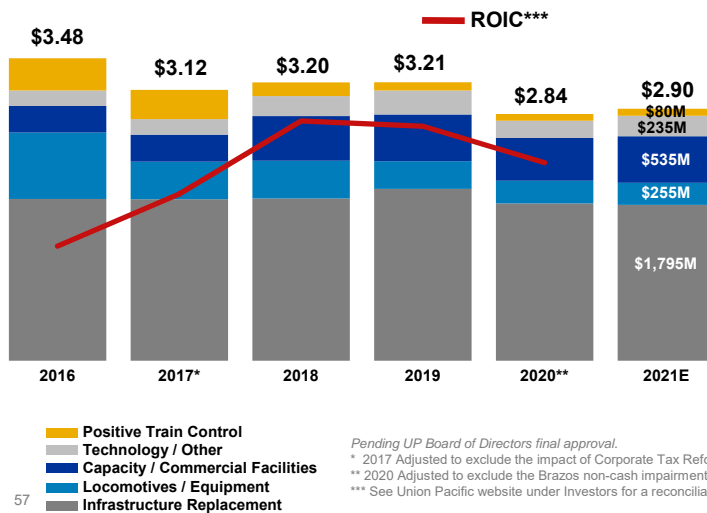


56 * 2020 Adjusted excludes Brazos non-cash impairment charge. See Union Pacific website under Investors for a reconciliation to GAAP.



Strengthening the Franchise

Capital Spending & Returns



- Return-focused capital program
- Productivity through G55+0 initiatives
- Capex less than 15% of revenue longer-term

Pending UP Board of Directors final approval.
 * 2017 Adjusted to exclude the impact of Corporate Tax Reform.
 ** 2020 Adjusted to exclude the Brazos non-cash impairment charge.
 *** See Union Pacific website under Investors for a reconciliation to GAAP.

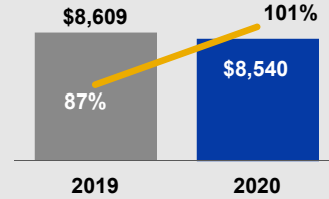


Cash Generation & Shareholder Returns

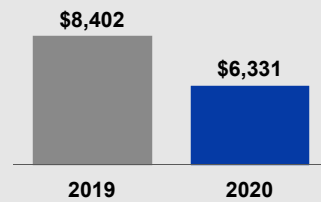
Full Year Results

- Cash from Operations Down 1% as Adjusted Net Income Down 6%
- Comparable Cash Flow Conversion Rate Equal to 101% of Adjusted Net Income*
- Maintained Dividend During Economic Downturn - \$2.6 Billion
- Repurchased 22 Million Shares - \$749 Million in Fourth Quarter

Cash From Operations vs. Cash Conversion (\$ in millions)



Cash to Shareholders (\$ in millions)



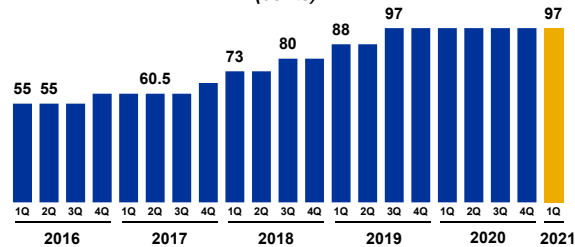
58 * 2020 Adjusted excludes Brazos non-cash impairment charge. See Union Pacific website under Investors for a reconciliation to GAAP.



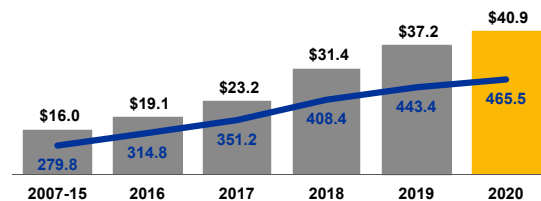
Shareholder Returns

- Dividend payout target of 40% to 45%
- Repurchased ~40% of shares since 2007
- Share repurchase authorization three years beginning April 1, 2019
- Up to 150 million shares
- Resumed share repurchases in October 2020

Declared Dividend Per Share (cents)



Cumulative Share Repurchases (\$ In Billions, Shares in Millions)



59

