



VALUING
DIVERSITY & INCLUSION



BUILDING AMERICA[®]

From the Chairman and CEO



Union Pacific's commitment to diversity and inclusion is based on our desire to create an environment where people can be their best, personally and professionally. From an employee's perspective, a diverse culture increases engagement, improves morale and supports safety. From a business perspective, diversity improves the company's decision making, problem solving, and strategic thinking, which translates into a competitive advantage with bottom-line results.

Founded by Abraham Lincoln more than 150 years ago, Union Pacific understands that to remain an innovative, industry-leading company, we must draw upon the expertise and experiences of people from all backgrounds. The company relies on Employee Resource Groups (ERGs) – representing minorities, veterans and women – to help the company attract, engage and develop a diverse workforce. Additionally, these ERGs extend themselves into the many diverse communities we serve through recruiting and volunteer service activities.

Our mission, "Dedicated to Serve," unites Union Pacific's employees as we work for the good of our customers, shareholders, communities and one another. Fostering a culture of inclusiveness is critical to position Union Pacific for the next 150 years.

A handwritten signature in black ink that reads "Lance M. Fritz". The signature is stylized and cursive.

Lance M. Fritz, Chairman and CEO

OUR MISSION

The Men and Women
of Union Pacific
are Dedicated to Serve

OUR VALUES

Focus on Performance
Ensure High
Ethical Standards
Work as a Team

Talent Management



CoreConnect is Union Pacific's talent management program focusing on employee growth and development. Every employee's career path is unique.

CoreConnect includes a defined set of competencies focusing on how the work is done, as well as the goals and results. These are the expectations employees have of each other.

Through the core competencies, a culture of performance and growth is created that supports the company's mission and values.

Diversity & Inclusion

Treating everyone fairly, valuing differences, actively engaging employees and maintaining a supportive environment is Union Pacific's commitment to diversity and inclusion. This includes:

- Acting with respect for all employees.
- Developing employees by building on their strengths through coaching and training.
- Promoting and rewarding managers for their leadership as well as their technical knowledge and abilities.

Each and every Union Pacific employee plays a role in the company's success. With diverse experiences, capabilities and viewpoints, employees at all levels bring unique ideas to the organization.



When employees do their best and work together with customer focus, Union Pacific is successful. Teamwork is strengthened as the company recognizes and values employees' differences, their varying work and life experiences, and their individual contributions.

Affirming Diversity and Inclusion



Union Pacific's Equal Opportunity Policy is the first step toward an environment that values diversity and inclusion. It provides equal opportunity to employees and applicants for employment without regard to race, religion, gender, national origin, age, sexual orientation, gender identity, disability, genetic information or veteran status. The policy exceeds the EEO requirements established under federal and various state laws, and applies to terms and conditions of employment. This includes, but is not limited to,

hiring, placement, promotion, demotion, termination, transfer, leaves of absence, compensation and training. Union Pacific is committed to affirmative action for women and minorities at all levels and in all segments of its workforce.

Union Pacific and its operating companies communicate this commitment through the Statement of Policy Concerning Business Conduct. Employees are required to read and sign the policy statement annually and are required to abide by the policy and uphold the corporation's commitment.

Although this policy builds the foundation for equal opportunity, the company believes that defining diversity and inclusion goes beyond the legal definitions of protected classes under existing laws. In addition to differences of race, gender and age, diversity encompasses marital status, family status, political affiliations, educational background, socioeconomic status, lifestyle, sexual orientation, disabilities and other non-job-related factors.

Annually, Union Pacific's EEO and diversity personnel meet with each department to discuss their successes and initiatives relative to diversity and inclusion. Mentorships, professional development, departmental meetings and employee recognition are tools available to ensure inclusion and build awareness.

Diversity and Inclusion Training

“Valuing Diversity and Inclusion” training is Union Pacific’s initiative to ensure managers and employees develop cultural competencies – a greater sensitivity to and an appreciation for cultural differences and what diversity and inclusion means. Strengthening behaviors that demonstrate respect and inclusion of culturally different employees is an ethical standard at Union Pacific.

Union Pacific affirms diversity and inclusion through its efforts to ensure that the company recruits talent from resources where diverse populations are represented. The company recognizes that its future successes depend on a business strategy that values diversity and inclusion in talent and culture.

POLICY AND PRACTICES

A discrimination-free workplace and fair treatment are fundamental rights of Union Pacific employees. The work environment always must be one that respects and values differences. These employment practices are the foundation for an environment that encourages employees to contribute to their fullest potential.

HARASSMENT

Union Pacific is committed to providing a work environment free from offensive behavior directed at a person’s race, color, national origin, religion, gender, sexual orientation, age, gender identity, veteran status or disability. This includes offensive behavior directed at other employees, customers and visitors to company facilities, as well as others with whom employees may come in contact during the normal course of work or while representing the company.



Community Connections

Union Pacific believes in presenting an important corporate image in the communities we serve. Because the franchise operates in 23 states and hundreds of locations – many having a strong mix of diverse cultures – the company supports local initiatives.

Union Pacific serves as a major sponsor of the annual Heartland Latino Leadership Conference held in Omaha. Additionally, the company is represented on the Board of Directors of the sponsoring organization.

Beginning in 2009, Union Pacific spearheaded Omaha Diversity Week – a first of its kind – where local companies come together to celebrate cultural differences.

Union Pacific enjoys a strong relationship with the local Urban League, supporting the organization with an annual corporate donation. The company also has representation on the league's board of directors.



Supplier Diversity

Mission

Union Pacific is committed to using minority- and women-owned businesses. The company strives to develop, cultivate and promote these businesses while providing customers with the highest quality materials and services at the lowest cost, thereby impacting the economic growth and development of the communities where we operate.

Program

Union Pacific implemented its Supplier Diversity program in 1982, and was the first among Class I railroads to establish a formal, companywide Minority- and Woman-owned Business Enterprise (M/WBE) purchasing program. In the program's inaugural year, Union Pacific invested \$10 million with M/WBEs. Since then, the company's M/WBE spend has grown to more than \$500 million.

Union Pacific's policy is to offer women- and minority-owned businesses the maximum opportunity to compete with other suppliers and contractors in the marketplace. The company assists in developing these business relationships by maintaining active efforts to seek, identify and encourage their participation in Union Pacific's procurement processes.*

Other program goals include:

- Increasing total spend and partnerships with minority- and women-owned businesses.
- Designing programs that will assist minority- and women-owned businesses with growth and development.
- Offering assistance to help educate and expand business networks for long-term stability and success.

Becoming a Valuable Supplier

It's important that suppliers wanting to do business with Union Pacific first register at www.up.com, then click "Suppliers." Additional information about becoming a valuable supplier also is available on this website.

**While Union Pacific does not provide preferential treatment to minority- or woman-owned businesses, which could result in unfair competitive advantages, internal controls are in place, supporting diverse supplier goals for inclusion.*



Top Company for Diversity

Union Pacific has earned several awards recognizing the company's commitment to diversity and inclusion.


2014

- G.I. Jobs: A top military-friendly company
- *Profiles in Diversity Journal*: One of 25 most influential companies for veteran hiring

2013

- *Diversity Careers in Engineering*: A best diversity company
- *U.S. Veterans Magazine*: A top veteran-friendly company

2012

- Wisconsin Iowa and Central Illinois Minority Supplier Development Council: Minority Business Exchange Award for Excellence
 - *Military Times EDGE*: Top employer for veterans
- 

Valuing Diversity and Inclusion

Union Pacific's Employee Resource Groups (ERGs) partner with leadership to help achieve business goals and bring to management's attention issues particular to their groups and to the company's welfare. ERGs also enable like-minded and interested employees to explore ideas on celebrating and sharing cultural differences with fellow employees.



Asian Employee Resource Organization (AERO)

AERO began in Omaha in 2012 with a mission to recruit, engage and advance Asian employees to leadership at Union Pacific, as well as build awareness of the rich and diverse Asian culture through engagement in the company and the community.



Black Employee Network (BEN)

BEN began in 1979 with five Omaha employees wanting to partner with company leaders to ensure the benefits of diversity and inclusion were recognized as a business imperative for Union Pacific's long-term success. Since that time, the organization has grown to nearly 1,000 members with 13 chapters in Chicago, Fort Worth, Houston, Kansas City, Los Angeles, North Little Rock, Omaha, New Orleans, Portland, Roseville, San Antonio, Shreveport and St. Louis.

BEN's mission is to help recruit, engage and advance diversity with a focus on black employees. It promotes and facilitates personal and professional growth, and works with senior leadership toward an awareness of diversity issues. BEN chapters provide scholarships to high school and college students and promote and support community initiatives across Union Pacific's network.

Annually, the BEN organization hosts a professional development conference for members and employees. Company leadership plays an integral role through presentations, panel discussions and networking.



BRIDGES

BRIDGES began in 2012 with founding membership spanning several states and representing more than a dozen departments. With a focus on fostering a culture that demonstrates diverse and inclusive values, the LGBT group's goal is to align itself with company objectives in the following ways: help protect and enhance Union Pacific's progressive, innovative reputation; create development opportunities through training, coaching and mentoring; provide a forum for networking; engage local communities, and be a voice and advocate for issues affecting the LGBT community.



Council of Native American Heritage (CONAH)

Beginning in 2006, a group of employees with Native American heritage or an interest in the native culture, came together to celebrate the history and contributions of people indigenous to North America. In 2008, they became the railroad's fifth ERG. CONAH's mission is to assist Union Pacific with the recruitment, engagement and development of Native American employees, and to build bridges to the Native American community.

CONAH plans programming celebrating its culture to coincide with November's Native American Heritage Month. It has built relationships with local and state entities that have special initiatives addressing the needs and concerns of the Native American people.



Latino Employee Network (LEN)

The Latino Employee Network was established to serve as a liaison with management to promote a better understanding of issues and concerns among Latino employees. Similar to other culturally defined ERGs, LEN also endeavors to ensure the full integration of Latinos into the workplace through partnering with the company on recruitment, development and engagement initiatives. LEN also has established strong partnerships with Omaha's Hispanic community through its many social and cultural projects. Founded in 2005, LEN now has a membership with field chapters in Chicago, Denver, North Little Rock and San Antonio. Field growth is anticipated in Houston, Los Angeles Basin, Roseville and the Southwest.



LEAD: A Women's Initiative – Lead Educate Achieve and Develop

The LEAD Mission is to foster an environment that increases opportunities for women to be recruited, engaged and advanced as leaders of Union Pacific. It seeks to make a difference through professional programming, systemwide networking, personal development, mentoring and community involvement.

LEAD was founded in 2003 and hosted its first conference in 2008. Women from across the network attend the annual LEAD Conference, which has strong executive support. While this flagship event is central to LEAD's objective of ensuring professional development opportunities are available to women, the LEAD Planning Council and local chapter chairs host additional educational programs on job performance, investments, environmental stewardship, networking and more. LEAD also celebrates March's Women's History Month, sponsors and participates in many community events, and supports many philanthropic causes.



UP Ties

UP Ties works with the company to ensure that Union Pacific attracts, develops and engages emerging professionals. This effort is seen as critical to the railroad's future success. Membership in UP Ties promotes understanding of the railroad, heightens inter-departmental knowledge, builds leadership and communications skills, and provides the company another "face" in the Omaha community.

UP Ties is widely recognized internally and externally for its ability to build and strengthen networks.



UPVETS

Started in 2013, UPVETS has a mission to recruit, develop and engage military veterans. Because veteran engagement is critical when transitioning into civilian life, UPVETS sponsors a successful mentor program supporting Union Pacific's service men and women.

Living core values such as honor, service and commitment, UPVETS strives to promote career development; support guard/reserve employees and their families; participate in veteran recruiting, and sponsor veteran outreach activities such as the Wounded Warrior Project. With UPVETS' help, Union Pacific has been recognized by national organizations as a top military-friendly company.



BUILDING AMERICA®