



# UNION PACIFIC'S 2022 We Are One Report

# Table of Contents

## We Are One Team

Together, We're Driving Change for the Better . . . . .	3
Union Pacific's Approach to Our People . . . . .	4
United in Diverse and Engaging Leadership . . . . .	5

## Our People

We Are Union Pacific . . . . .	8
Our Award-winning Team . . . . .	9
Our Award-winning Programs . . . . .	10

## Our Culture

On Our Watch, We ALL Go Home Safely . . . . .	11
The How Matters: Building America with Integrity . . . . .	13
National Negotiations Deliver Historic Wage Increases . . . . .	14

## Diversity, Equity and Inclusion (DE&I)

We Are One . . . . .	15
Better Reflecting Our Communities . . . . .	16
Perfect Score: Union Pacific the Only Railroad to Earn 100% on Corporate Equality Index . . . . .	18
Employee Resource Groups are Driving Success From the Ground Up . . . . .	19
Tackling Tough Topics by Making it Personal: Mental Health, Stereotyping and Racism . . . . .	20

## The Employee Journey

Employee Journey Map . . . . .	22
Exceeding Hiring Goals with Innovative Recruiting . . . . .	23
Upskilling Tomorrow's Leaders: 300+ Real-world Internships, Community Partnerships . . . . .	26
Developing Potential: More Than 1.5 Million Hours of Best-in-class Training . . . . .	28
U.S. Women Estimated to Reach Pay Parity in 2059: At Union Pacific, We're Already There . . . . .	31
Evolving Our Benefits . . . . .	32
Feedback in Action: Free College Tuition, More Development and Cleaner Cabs . . . . .	35
Caring for Our Whole Selves: Expert-led Webinars, Peer Networks . . . . .	37
Building Vibrant Communities: Providing \$24+ Million in Giving, Serving on 120+ Boards . . . . .	38
Celebrating Retirement 'With Rights Over All Trains' . . . . .	39

## Appendix: Sustainability Metrics

Employees . . . . .	40
Workforce Diversity . . . . .	41
New Hires . . . . .	42
Management Promotions, Veterans, Diversity Targets . . . . .	43
Employee Development, Training, State-specific Data . . . . .	44

# We Are One Team

## Together, We're Driving Change for the Better



At Union Pacific, we remain steadfast in our vision of building America while also recognizing the importance of building our own community. Our people are the single largest driver of our success, which is why we're committed to providing an inclusive environment where they feel valued, engaged and inspired.

We held tightly to this promise as we navigated 2022's challenging landscape – from continuing to work in a pandemic-impacted environment, to recovering our railroad's service product, to preventing further disruption to the nation's already struggling supply

chain by concluding a protracted round of national negotiations that ultimately required Congressional intervention.

We persevered, and I'm proud to say we emerged a stronger and better team for it. Together, we're securing our position as an attractive workplace that inspires current employees to build fulfilling careers and future ones to aspire to join.

**Historic Wage Increases.** After concluding national negotiations, our craft professionals received a 24% pay boost pushing average railroad salaries to \$110,000 a year by 2025. Work remains to make our jobs attractive to today's employees – especially the unscheduled, 'on call' jobs – and we're committed to working together with the dedicated team at the very heart of our operations to improve their quality of life.

**Bringing on New Talent.** We accelerated recruitment efforts, exceeding our hiring goals. Recruiting and retaining talent is essential – it plays a critical role in our railroad's fluidity. We must continue evolving our recruiting practices, including expanding our industry-leading Second Chance Hiring Program, to achieve our hiring and 2030 diversity goals of reaching 11% women and 40% people of color representation.

**Equal Pay for Women and People of Color.** We expect our team members to exemplify our values at work, and they expect us to do the same by providing a level playing field. In 2022, a third-party compensation expert validated equal pay at Union Pacific – there is statistically no significant difference in pay across gender or race. With U.S. Census data<sup>1</sup> still reporting full-time working women earn 83 cents to every dollar earned by men, we're proud to demonstrate equality for all.

**Creating a Culture of Feedback.** We made a concerted effort to listen to our team's ideas on improving our workplace, and then we took purposeful steps to act on it. We expanded our recognition program, broadened free educational assistance to include an associate degree and started addressing field employee quality of life through attendance policy changes. Our Employee Engagement Survey's record-breaking 88% participation rate is a testament to our employees' belief that they have the power to drive real change.

The past year was challenging. At times, it was downright hard. But through it all, we remained true to our values while building a railroad we'll be proud to pass on to the next generation.

**Beth Whited**  
Executive Vice President-Sustainability and Strategy, and Chief Human Resource Officer



<sup>1</sup>United States Census Bureau ["What is the Gender Wage Gap in Your State?"](#)

## Union Pacific's Approach to Our People

For 160 years, Union Pacific's people have moved the essential goods fueling our nation's economy. Our famous yellow locomotives might attract the attention, but the true heroes are inside the cab, dispatching the trains, repairing the track and equipment, and building customer relationships and innovative tech solutions.

Our goal is to help these team members develop skill sets enabling them to grow and develop in new positions across the company and become experts in their roles. We know that to do that, we must be committed to fostering a diverse and inclusive environment that reflects the diverse markets and communities we serve.

This commitment is formalized within our 2030 Building a Sustainable Future strategy, a comprehensive approach to Environmental, Social and Governance (ESG) issues – one of its key tenants is Investing in Our Workforce.

Our approach is rooted in:

### Our People

Our award-winning, multigenerational workforce includes talented people from all walks of life, in many stages of life. Made up of management and craft professionals, we are focused on attracting, retaining and developing talent across the entire company.

### Our Culture

At Union Pacific, the How Matters – high ethical standards guide the decisions we make and actions we take to protect our employees, communities and customers. Our passion for performance drives our safety, customer experience and financial results while we work as a team to embrace diversity and create opportunity for all.

### Diversity, Equity and Inclusion

We can't achieve our goals without a talented, engaged and diverse workforce. Union Pacific creates an inclusive environment for its diverse team, which enhances our ability to execute the company's vision and strategy.

### The Employee Journey

From recruitment to retirement and milestones in between, we are relentlessly focused on supporting and engaging employees throughout their Union Pacific journey. It is imperative we invest in our employees with meaningful benefit offerings, development experiences and career opportunities.



# United in Diverse and Engaging Leadership

Our leadership team – from our Board of Directors to the C-suite to our front-line managers – embodies our railroad’s values to lead by example.

People leaders play a critical role in employee retention and engagement, making manager effectiveness critically important. Our 2022 Employee Engagement Survey results revealed our managerial effectiveness score increased by two points to 64% favorable, demonstrating our leaders’ efforts to effectively manage the work and their teams, as well as provide balanced feedback and model our values.

## A Leader in Class 1 Railroad Board Diversity

We’re proud to continue evolving our representation as a company – and it starts at the top. We’ve taken deliberate steps to increase the diversity of our Board of Directors to more closely reflect our stakeholder population. In 2022, for the first time, our board’s representation leaned majority diverse at 60%.

### 2022 DIRECTOR COMPOSITION

Number	10
Average Age	66.5 years
Female	4
People of Color	3
Average Tenure	6.7 years



Union Pacific’s 2022 Board of Directors. From left: Jose Villarreal, David Dillon, Christopher Williams, Michael McCarthy, Sheri Edison, Deborah Hopkins, Lance Fritz, William DeLaney, Jane Lute and Teresa Finley.

## Inclusive Leadership Starts at the Top

Creating an environment where our employees feel valued and safe to bring their authentic self requires constant effort – it's not a one-and-done task. Our executive leadership team, many of whom serve as executive sponsors for an Employee Resource Group (ERG), takes seriously its role cultivating our railroad's culture.

We asked them each to weigh in: **How do you drive an inclusive culture where employees feel valued, engaged, inspired and rewarded?**



Inclusion is about being valued as you are, feeling like you belong, and feeling like your voice is heard and matters. All of those are responses to personal interactions – as we engage with one another, we lay that inclusive foundation by being present, respectful and responsive.

**Lance Fritz** – Chairman, President and Chief Executive Officer



It starts with being present and authentic: ask questions and listen to the answers. There's no cookie cutter approach, people want different things – as leaders, we need to be open and meet people where they are. I used to think following the 'golden rule' was the answer, but I've learned it's really the platinum rule that's needed!

**Jennifer Hamann** – EVP and Chief Financial Officer  
LEAD ERG Executive Sponsor



The key is having a basic recognition that every team is made up of individuals with different backgrounds, ways of thinking and motivations. When we take time to harness the power of those differences, I've seen it lead to far better outcomes.

**Printz Bolin** – VP-External Relations



It takes an authentic approach to a people-first culture where our employees know the work they're doing matters; can connect that work with our company mission; and feel listened to and recognized for their contributions. Inclusion is a never-ending journey that requires a near-constant focus on keeping principles of diversity front and center.

**Rahul Jalali** – Senior Vice President-Tech and Chief Information Officer  
UP TIES ERG Executive Sponsor



The most important elements driving an inclusive culture are care and safety. In Operating, we start each day knowing it's our responsibility to make sure everyone goes home safely to their families – that's the ultimate level of caring.

**Eric Gehringer** – EVP-Operations  
BEN ERG Executive Sponsor



Listening to all points of view helps us better understand what we each can do to make Union Pacific a welcoming place that allows every team member to bring their best self to work. After listening, taking action based on employees' feedback helps team members feel heard and valued.

**Scott Moore** – SVP-Corporate Relations and Chief Administrative Officer  
AERO ERG Executive Sponsor



I have meaningful and transparent roundtables with every employee on my team multiple times per year. I push these roundtables to be a “safe zone” where any and all questions and comments are welcomed. I also use these opportunities to recognize the outstanding work being done by the team.

**Clark Ponthier** – SVP-Supply Chain and Continuous Improvement  
BRIDGES ERG Executive Sponsor



People want to be trusted, empowered and celebrated. When we take the time to listen to our teammates, give them the top cover to take risk and then get out of their way – we’ve created a winning culture.

**Kenny Rocker** – EVP-Marketing and Sales  
LEN ERG Executive Sponsor



Trust, confidence and shared values drive an inclusive culture. When everyone is included, we can fully engage and boldly inspire our team to achieve new heights.

**Craig Richardson** – EVP, Chief Legal Officer and Corporate Secretary  
EASE ERG Executive Sponsor



Employees feel valued, engaged, inspired and rewarded for a variety of individual reasons. It’s imperative we create an environment where people can bring their whole selves to work knowing they’ll be welcomed, included, listened to and compensated for their time and efforts. It takes intentional effort from every leader, every day, to make that happen.

**Beth Whited** – EVP-Sustainability and Strategy, and Chief Human Resource Officer

# Our People

## We Are Union Pacific

Data reflects Union Pacific's workforce as of Dec. 31, 2022, and comprises all employees, including interns, and subsidiary and international employees.

### WORKFORCE



**33,359**

ACTIVE EMPLOYEES

### MANAGEMENT NEW HIRES



**42%**

PEOPLE OF COLOR

**33%**

FEMALE

### MANAGEMENT PROMOTIONS



**28%**

PEOPLE OF COLOR

**19%**

FEMALE

### CRAFT PROFESSIONAL NEW HIRES



**53%**

PEOPLE OF COLOR

**6%**

FEMALE

### WORKFORCE DIVERSITY\*



**38%**

OF OVERALL  
WORKFORCE

\*calculated as the  
percentage of males of  
color and all females

### RETENTION RATE

**90%**

OVERALL



**88%**

PEOPLE OF COLOR

**88%**

FEMALE

### UNION REPRESENTATION



**83%**

CRAFT  
PROFESSIONALS

**17%**

MANAGEMENT  
EMPLOYEES

### AVERAGE AGE & YEARS OF SERVICE

**46.5**

AVERAGE AGE

**15.8**

YEARS OF SERVICE

### VETERAN STATUS

**6,073**

VETERANS

**18%**

OF THE WORKFORCE

### FIVE GENERATIONS OF OUR WORKFORCE



**<1%** TRADITIONALISTS (born before 1946)

**14%** BABY BOOMERS (born 1946-1964)

**56%** GENERATION X (born 1965-1981)

**27%** MILLENNIALS (born 1982-1997)

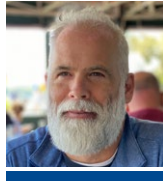
**3%** GENERATION Z (born after 1998)



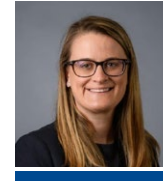
## Our Award-winning Team



**Tonya Conley**, senior counsel, Law, received a Diverse Lawyers Making a Difference Award from Profiles in Diversity Journal.



**Brett Hiscock**, general director, Tech, earned an Employer Support of the Guard and Reserve Patriot Award for affirming Union Pacific's military friendly workplace culture.



**Grace Olsen**, general director- Locomotive Engineering and Quality, Mechanical, was included among Diversity Journal's Women Worth Watching.



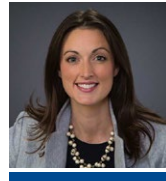
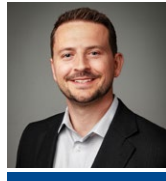
**Tony Dowling**, general director- Planning and Budgets, Finance, was recognized among International Railway Journal's Young Leaders in Rail.



**Rahul Jalali**, senior vice president and chief information officer, Tech, earned a spot on the Forbes CIO Next List and was named one of Railway Age magazine's Most Influential Leaders.



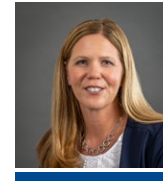
**Kenny Rocker**, executive vice president, Marketing and Sales, received a Black Leadership Award from Profiles in Diversity Journal.



**Clifton Ellis**, general director, Marketing and Sales; **Lee Sorrnick**, principal consultant, Tech; and **Sarah Yrkoski**, general director, Workforce Resources, were named as Progressive Railroading's Rising Stars.



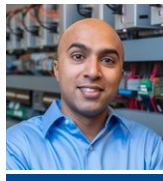
**Ken Kuwamura**, manager-Talent Acquisition, Workforce Resources, was recognized by CommunityCares Awards as an Outstanding Community Leader in Denver.



**Katie Sanders**, assistant vice president, Tech, was recognized among the Women in Rail by Railway Age magazine.



**Cassie Gouger**, senior director- Design, Engineering, was recognized in Railway Track and Structures magazine's Women in Engineering feature.



**Joshy Madathil**, senior director, Tech, was named one of Midlands Business Journal's 40 Under 40.



**Debra Schramper**, assistant vice president and chief diversity officer, Workforce Resources, was honored with a Women in Rail Award from International Railway Journal.



**Polly Harris**, vice president-Human Resources, Workforce Resources, was recognized on Diversity Woman magazine's Power 100 list.



**Omar Monge**, director-Track Maintenance, Engineering, was named one of Railway Track and Structures magazine's 10 Under 40.



**Wendy Whalen**, assistant vice president-Strategic Sourcing, Supply Chain, was named a Women in Supply Chain Award winner by Supply & Demand Chain Executive.

# Our Award-winning Programs



Union Pacific earned kudos from Training magazine with a **Training APEX Award**. Union Pacific ranked No. 54 out of 100, up four spots from last year's No. 58 ranking.



The railroad was named a **DiversityInc Noteworthy Company** for diversity. Union Pacific also landed on several DiversityInc Top 50 specialty lists, ranking among the top companies for veterans, employee resource groups and talent acquisition for women of color.



Union Pacific earned top marks – and a top spot – on the **Human Rights Campaign's Best Places to Work list for LGBTQ+ Equality**. Union Pacific was the only railroad on the list earning a 100% ranking.



LATINA Style Inc. named Union Pacific one of the **50 Best Companies for Latinas to Work For**, recognizing the railroad's efforts to train, retain and promote Latinas.

LATINA *Style* Inc.

Union Pacific's Latino Employee Network, the railroad's Employee Resource Group focused on recruiting, retaining and developing Latino employees, was recognized by LATINA Style Inc. among the **Top 15 Employee Resource Groups of the Year**.



Union Pacific landed on Fortune magazine's **World's Most Admired Companies** list and was the highest ranked railroad in the Trucking, Transportation and Logistics category.



Union Pacific was recognized among the **Top 50 Inspiring Workplaces in North America** by Inspiring Workplaces.



Women's Choice Award named Union Pacific one of the **Best Companies to Work For** across all three categories: Women, Diversity and Millennials.



Vault ranked Union Pacific No. 25 on its list for **Best Finance Internships**.



Vault recognized Union Pacific's internship program as a top ranked **Best Internships by Role** in five categories, including 5th Best Summer Internship in the Transportation Industry; 5th Best Year-round Internship in Human Resources; and 15th Best Year-round Internship in Information Technology.



Union Pacific was named among Diversity MBA's **50 Out Front: Best Places to Work for Women and Diverse Managers**.



Disability:IN recognized Union Pacific as a **Best Place to Work for Disability Inclusion**. The railroad earned 90% on its Disability Equality Index, a benchmarking tool that helps companies build a roadmap of measurable, tangible actions they can take to achieve disability inclusion and equality.



Union Pacific was recognized as a **Best for Vets: Employer** by the Military Times.



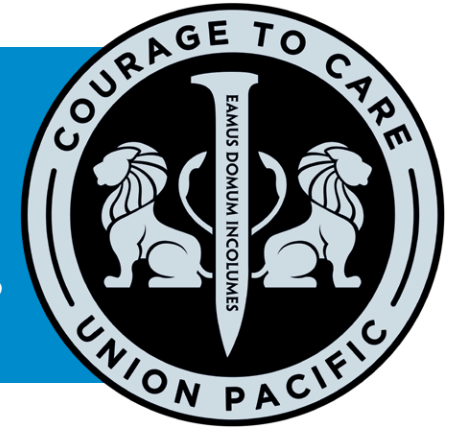
Ragan Communications recognized Union Pacific's We Are One video series with a **Platinum HR Award honorable mention** in its Diversity, Equity and Inclusion category.

Visit our [Awards and Accolades page](#) to view the full list.

# Our Culture

## On Our Watch, We ALL Go 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 coworkers, 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.*



At Union Pacific, we take this pledge to heart. Five team members did not return home last year, prompting our entire systemwide team – across every location and department – to ‘stand down’ for safety, stopping all work to recommit to our Courage to Care pledge.

Our 2022 reportable personal injury rate was 0.80, an 18% improvement from 2021. Management is committed to a safety-focused culture with zero injuries by recognizing risks, taking action to mitigate those risks and empowering our employees to speak up if they see an unsafe situation. All employees are engaged to drive our safety culture via our COMMIT activities, safety process analytics, Courage to Care commitment and local engagement activities like Total Safety Culture, as well as compliance with safety regulations. Company leadership constantly reviews safety performance, and safety results are reviewed monthly by our Board of Directors.

Learn more about our companywide safety efforts below and in our [Building America Report](#).

**Courage to Care.** Launched in 2012, Courage to Care is a voluntary commitment made by Union Pacific employees that empowers each person to look out for their peers and stop the line on any operation that could result in an incident. We encourage employees to have candid safety discussions and share experiences to learn from each other.

**Total Safety Culture.** Total Safety Culture (TSC) complements our Courage to Care efforts. The employee-owned, voluntary process includes training, observations and feedback. Employees from all crafts and unions recognize each other for safe behaviors while intervening in a positive way to address at-risk actions. In 2022, employees submitted nearly 100,000 observation cards to our more than 20 TSC teams, which worked hand-in-hand with local leadership to address potential concerns.

**COMMIT.** Our modernized field testing program focuses on results-based, in-person coaching and engagement interactions instead of discipline. COMMIT, standing for Coaching, Observing, Mentoring and Motivating, promotes positive employee and manager relationships while focusing on the critical rules that will help our railroad achieve the ultimate goal of zero incidents.

**J.C. Kenefick Safety Award.** Every year, an excellent employee who exemplifies Union Pacific's commitment to safety is recognized with our highest safety honor. The employee is honored locally in front of peers, in companywide publications, on external channels and at our annual Leadership Conference.



“I’m proud of the safety culture we continue building at Union Pacific. The most powerful tool we possess is caring for each other, and that’s what living our Courage to Care commitment is all about – working together, across work groups, to ensure every member of our team goes home safely to their family.”

**Connie Roseberry**, Chief Safety Officer, Omaha, Nebraska



“I’ve never done CPR on anyone before – when it happened, everything I was taught came back into my mind right then and there. I just did what I was taught to do to protect a fellow employee.”

**Jose Zuazua**, Track Supervisor, Engineering, Marysville, California



**EMPLOYEE SPOTLIGHT: LAKISH VANZANT**

Lakish Vanzant, Chicago track supervisor, works hard to make every encounter at Union Pacific a positive one.

“Progress is better than perfection,” Vanzant said. “You have to find a way to connect.”

Also known as ‘LV,’ she works as a rules and safety trainer, conducting field audits and exercises across the railroad. Those that know her best say her positive demeanor allows her to connect with employees in a meaningful way. That, in turn, helps them better understand both the how and the why behind safety protocols.

“I see incidents, and I just want to prevent them,” she said. “I want to be a part of that process.”

Vanzant started her career in Dolton, Illinois, in 2013, and has always viewed safety as a top priority.

For example, in Engineering, craft professionals facilitate Managing Agreement Professionals for Success (MAPS) classes. MAPS provides a consistent standard for addressing rules violations while reinforcing safe conduct through learning opportunities such as coaching and training. Vanzant has been a leader in this process,

guiding more than 50 employees through MAPS training since July 2020. She’s also led the Southern Region’s Engineering Safety Process Accountability Review (ESPAR) audits, helping teams prepare and prevent unforeseen violations through correction action training.

“Culture change is a major deal on any career level,” Vanzant said. “As long as we try to work together and adapt as fast as the times we live in, we won’t be left behind and we can win as one.”

For her efforts, Vanzant was recognized with Union Pacific’s highest individual honor, the J.C. Kenefick Safety Award. She is the second Engineering employee to accept the honor.

“It means everything to me,” Vanzant said. “I feel J.C. Kenefick was about closing the gap. That’s what I want to be a part of.”

Vanzant said she is honored but wants to remain grounded as she looks to improve on the railroad’s safety standards.

“My goal is always just to do better,” Vanzant said. “Union Pacific is my other family, so if I care about my family and what we do at home, then I definitely want to care about what we do at work.”

## The How Matters: Building America with Integrity

The work our employees perform is critical to the nation's economy – but HOW we do that work is just as important. As our employees strive to model our railroad's values, we provide resources to guide them.

It starts with The How Matters, our policy on ethics and business conduct that serves as our roadmap for ethical behavior. In 2022, 99% of employees completed this annual refresher training on what it means to be part of our team. In a nutshell: honesty, fairness, integrity, respect, loyalty, accountability, adherence to the law and policy compliance.

Additionally, we provide employees with training on anti-corruption and Equal Employment Opportunity.

Training is only one touchpoint; our approach also includes monthly ethics bulletins that anonymously detail real-life scenarios. Our overarching goal is education and coaching.

These efforts build a culture of trust and transparency, empowering employees to report possible policy violations to their supervisor, department head or through the Union Pacific Values Line.

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The Values Line received 1,342 reports in 2022, including concerns focused on Workplace Respect (48%), Equal Employment Opportunity (29%) and Business Integrity (7%). Our substantiation rate was 27% – outcomes included coaching, education and disciplinary action, including termination.

Union Pacific has a strict anti-retaliation policy for employees engaging in good-faith reporting. Additionally, we protect the integrity of our reporting process by using a third-party intake vendor. From there, a check-and-balance system, which includes independent investigation teams, ensures the process remains objective and unbiased. Employees who have concerns also have the option to report anonymously.

In 2022, we transitioned to a new case management platform to intake Values Line submissions, driving better data analytics, reporting and benchmarking – an important step in gauging our cultural health. Recent trends surfacing include workplace civility, Family Medical Leave Act usage and taking time to explain the 'why' behind decisions – information that will help tailor and focus our educational outreach efforts.

We also moved our Compliance program under our new Chief Accounting, Risk and Compliance Officer, aligning its oversight under the same leadership as our Enterprise Risk Management program. As our most valuable asset, there's a direct intersection between our people and risk and compliance.

Employees are our first line of defense against enterprise risks such as regulatory compliance, environmental, hazardous materials and cybersecurity. Ongoing training and education are critical, especially taking into account the nearly 8,000 phishing emails Union Pacific receives each week.

In 2022, 100% of Union Pacific's management employees completed mandatory anti-phishing training. Additionally, our Tech team deployed over 14,000 simulated phishing attack emails to 11,200 employees, alerting employees who failed the simulated attack.



“Union Pacific’s commitment to high ethical standards is the foundation for our success. Throughout our over 160-year history, honesty, fairness, integrity and respect have guided how we engage with our employees, customers and communities to build America. We expect the same from our employees, who are an important reflection of Union Pacific – our reputation is shaped by their high ethical standards, passion for performance and teamwork, which are all critical to our success.”

**Todd Rynaski**, Senior Vice President-Chief Accounting, Risk and Compliance Officer, Omaha, Nebraska

## National Negotiations Deliver Historic Wage Increases

Union Pacific works with 13 major rail unions, representing approximately 83% of our roughly 33,300 full-time employees.

In January 2020, the National Railway Labor Conference (NRLC) and its members, including the nation's largest freight railroads, launched a new bargaining round representing nearly 125,000 unionized employees industrywide. Key issues on the table included quality of life and sick leave, reflecting rapidly changing workforce expectations and bringing their concerns to the forefront of public discourse.

We successfully concluded negotiations in December 2022, but it was a tough round that required President Biden to sign an executive order establishing Presidential Emergency Board (PEB) 250. The PEB conducted hearings over a 30-day period before issuing a report with its recommendations.

Nine of 13 agreements were ratified based on PEB 250's recommended framework, which includes the largest wage increases in nearly five decades – a 24% pay boost pushing average railroad salaries to \$110,000 a year by 2025 while maintaining employees' platinum-level healthcare coverage. The remaining agreements were imposed as a result of legislative action.

President Biden resoundingly endorsed the agreements as a “win for tens of thousands of rail workers.”

With the protracted round behind us, we're turning our focus to rebuilding relationships with our unions and craft professionals so we can partner to address quality of life and sick leave. It's critical we work together toward a collective bargaining environment that supports the changing demands of our workforce while allowing our railroad to improve its service product.



# Diversity, Equity and Inclusion (DE&I)

## We Are One

At Union Pacific, we believe diversity, equity and inclusion is not the job of the DE&I department, nor Workforce Resources. It is the responsibility of every Union Pacific employee.

Team members systemwide are getting involved and delivering results: They're helping drive gains in our women and people of color workforce percentages while engaging in conversations around mental well-being. They're successfully launching a program to hire those formally incarcerated while taking time to tackle stereotypes and better understand microaggressions. They're seeking diverse suppliers and increasing outreach to marginalized communities – and these are just a few examples.

As a matter of fact, Union Pacific received more than 15,000 comments in our 2022 Employee Engagement Survey on DE&I alone. The overall tone: keep up the good work, and don't lose momentum. With help from our employees, we plan to gain more momentum going forward.

Union Pacific will continue its investment in our four critical DE&I pillars: People, Practices, Philanthropy and Procurement. This creates a positive impact on our employees as well as the communities where they live and work. After 160 years of railroading, Union Pacific's vision remains to Build America. Our DE&I work helps foster a diverse and equitable America.



**Debra Schramper**  
Assistant Vice President and Chief Diversity Officer

## Our Focus

### VISION

#### We Are One

- Our Diverse Heritage – Compels us to stand for opportunity.
- Our Desired Future – Demands we stand for equity.
- Our Shared Humanity – Implores us to stand for justice.

### MISSION

As America's railroad, Union Pacific has an innate responsibility to speak out against all forms of discrimination while creating an environment where all can see themselves belonging and succeeding.

### STRATEGY

Permeate Union Pacific's four pillars – People, Practices, Philanthropy, Procurement – with the best Diversity and Inclusion thinking of the day. Each day, we start anew to ever-evolve what we do and ever-educate why we're doing it.



## Better Reflecting Our Communities

To further our mission of better reflecting the diverse communities we serve, Union Pacific set aggressive diversity goals in 2020: increase our people of color population from 29.4% to 40% and double our female population to 11% by 2030.

We made steady progress in 2022, battling the competitive labor market to increase our people of color representation by 1.5 percentage points. Progress toward our female representation goal remains more challenging – we gained 0.2 percentage points, driven primarily by increased hiring along with improved retention.

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We made steady progress in 2022, battling the competitive labor market to increase our people of color representation by 1.5 percentage points.

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Our biggest opportunity to move the needle is in our craft professional workforce. To do so means recognizing key craft positions do not always align with work-life balance demands for family caregivers, which is why we're building a more inclusive work culture to help close the gap – and we're doing it with help from those who know us best.

Strategic initiatives include our **UpLift sponsorship program**, pairing high-potential employees from underrepresented groups with executives to mobilize their careers; a **new hire feedback loop**, unearthing valuable insight from fresh perspectives; **Women in Tech** initiatives, showcasing female leaders driving innovation into our railroad; and **Women on Wheels**, bringing together our female Mechanical managers to drive connection while providing a collaborative space to identify and discuss challenges.

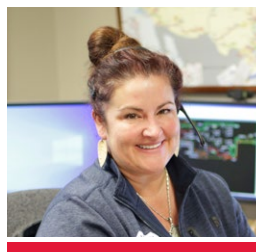
We plan to continue accomplishing our goals by:

- Reviewing historical attrition rates by department.
- Developing candidate pools that reflect broader market availability.
- Removing predispositions from the hiring process.
- Creating an environment of belonging, so we do not erode our diversity through attrition.
- Engaging department leadership, helping them understand their specific goals and progress indicators so they can execute individualized diversity action plans.



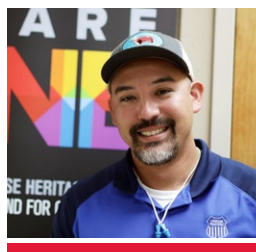
**Michelle Hollingshead**, Locomotive Engineer, Transportation, North Platte, Nebraska

“It’s challenging and rewarding to be in my line of work. On the locomotives I operate, it says ‘Building America,’ and it makes me think we’re also building inclusion. It’s important everyone feels there’s a space for them, and we’re all accepted.”



**Kari Sachs**, Senior Manager-Train Operations, Transportation, North Little Rock, Arkansas

“No matter the role, the job is fun – it keeps you on your toes and is unlike any other job out there. As a child, I remember visiting the tower where my father worked as a yard controller. When people would ask what I wanted to do when I grew up, I said ‘work for the railroad.’”



**Michael Soriano**, Manager-Safety Field Operations, Transportation, San Antonio, Texas

“I enjoy the challenge of being a railroader – what it takes to help make the business move in the right direction, and the people you meet along the way. We’re all family out here.”





## EMPLOYEE SPOTLIGHT: SHELLY HARRINGTON

Possessing a desire to see different places while riding a train down the tracks led Shelly Harrington to seek a role as a Union Pacific conductor.

"I want to be out there and see it all," said Harrington while training at Bailey Yard in North Platte, Nebraska.

Harrington previously lived in Ohio, where she was a nurse for 15 years and operated heavy machinery for 10 years. When a loved one told her about conductor openings with the railroad, Harrington decided to look into it.

And while she believes societal norms have made people think railroad work, or other types of skilled labor, isn't for women, Harrington says it doesn't have to be that way.

"I just don't think women are exposed enough to these kinds of jobs," Harrington said. "This isn't just a man's world; this is everybody's world. I want to be that person who shows the next generation they can do this, too. They just need to take the limits off themselves and go for it."

Harrington has two grown daughters and said the ability to secure a future for herself is what gets her up each morning. It's a powerful drive, she said.

"When you work for a company like Union Pacific, you have a huge amount of power in your hands because you're in control of your destiny," she said. "It's a great opportunity."

Harrington appreciates the railroad's 11% by 2030 initiative, describing it as incredible. She notes how she would like to become a locomotive engineer someday and work her way up to a management role. She said she also looks forward to becoming involved with Total Safety Culture and Employee Resource Groups once she gets into a routine with her work.

## Perfect Score: Union Pacific the Only Railroad to Earn 100% on Corporate Equality Index

Union Pacific earned top marks – and a top spot – on the Human Rights Campaign's 2022 Best Places to Work list for LGBTQ+ Equality. We were the only railroad on the list earning a 100% ranking, our first perfect score.

The Human Rights Campaign Foundation's Corporate Equality Index is the national benchmarking tool on corporate policies, practices and benefits pertinent to lesbian, gay, bisexual, transgender and queer employees. To earn top ratings, employers must take concrete steps to establish and implement comprehensive policies, benefits and practices ensuring greater equity for LGBTQ+ workers and their families.

Our 100% score reflects the hard work we've undertaken to better align our policies and programs with our railroad's values. We broadened our benefit offerings to be more inclusive to LGBTQ+ employees, created an environment of belonging with strategic and sustained programming, and empowered our systems with gender-neutral optionality.

With one in five Gen Z adults identifying as part of the LGBTQ+ community,<sup>2</sup> we're proud to be recognized for our progressive efforts to create a safe environment where our employees can bring their whole selves to work.



Union Pacific's LGBTQ+ community and allies celebrate the railroad's perfect score on the Human Rights Campaign's Corporate Equality Index.



Chairman, CEO and President Lance Fritz demonstrates allyship.

<sup>2</sup>Gallup "[LGBT Identification in U.S. Ticks Up to 7.1%](#)"

# Employee Resource Groups are Driving Success From the Ground Up

Union Pacific hosts nine Employee Resource Groups (ERG) and one Business Resource Group (BRG). These nurturing networks are designed to promote a diverse environment where everyone does their best work. Our more than 3,400 members – which increased 49% this past year and includes all executives – are spread throughout our system.

Our flagship ERG – Black Employee Network (BEN) – is more than 40 years old. In 2022, BEN more than doubled its membership to 1,853 employees.

Each resource group has individual bylaws; votes in its leadership team; produces programming to recruit, develop and retain employees focused on their affinity; and teaches the importance of allyship. The railroad provides funding, executive sponsors and advisory panels – as well as painted a multimillion-dollar locomotive honoring their efforts.

Our ERGs hosted nearly 140 networking activities, education programs and outreach efforts in 2022. This was in addition to local field chapter activities, which included Girl Scout site visits hosted by LEAD; American Legion Flag Drives to respectfully retire American flags hosted by UPVETS; Lutheran Family Services partnerships to help resettle refugee families hosted by AERO; classroom story time hosted by BEN; community park clean-ups hosted by Planet Tracks; and an EASE partnership with the American Council for the Blind to help conference attendees navigate a new city.

To create shared experiences and ideas, Union Pacific hosts an all-ERG Conference every other year. On the off years, ERGs host individual conferences.

## UNION PACIFIC'S RESOURCE GROUPS

Asian Employee Resource Organization (AERO)

Black Employee Network (BEN)

LGBT+ Employee Network (BRIDGES)

Council of Native American Heritage (CONAH)

Disability Awareness and Inclusion (EASE)

A Women's Initiative: Lead, Educate, Achieve, Develop (LEAD)

Latino Employee Network (LEN)

Emerging Professionals Network (UP Ties)

Veterans Network (UPVETS)

Improving Business Performance Through Sustainable Innovation (Planet Tracks)



*BEN members and local leaders speak to students at a McReynolds Middle School career day in Houston, Texas.*



“ERGs are where community happens at Union Pacific – they foster a greater sense of belonging, purpose and employee engagement. Effective and empowered ERGs also contribute to better retention and recruitment, a key factor in today’s competitive talent market. Being able to share my culture with my co-workers makes me feel more inclusive and enables me to bring my whole self to work. I’m proud to be an Indian American, and I feel like I can be both and not have to choose one over the other.”

**Ravneet Gill**, Senior Director-Legal Operations, Law, Omaha, Nebraska, and AERO President

## Tackling Tough Topics by Making it Personal: Mental Health, Stereotyping and Racism

Nothing is quite as impactful as hearing someone else's story. Union Pacific completed its third season of **We Are One** videos, which continue to be among the most popular communication series offered. Topics included overcoming racism; supporting family members coming out as gay; navigating life in the U.S. as a Muslim; and finding stability and happiness as a caregiver. This raw, authentic approach drives empathy and understanding, allowing Union Pacific to thoughtfully engage with social issues.

Every other month, the chief executive officer and chief human resource officer host a themed **Listening Session**. The participant panel is led by an outside expert and supported by additional executives willing to share personal stories. To date, 38% of Union Pacific's executives have participated as panelists. Topics for the virtual programs, commonly attended by about 500 employees, included:

- Are You Okay? Destigmatizing Mental Health
- Neutralizing the Gender Divide
- Science Behind Stereotyping
- Second Chance Hiring
- Generational Divide

To extend our education and drive casual conversation, the DE&I team joins with ERGs to offer **monthly documentaries** followed by expert-led discussions over lunch. This creates impact through high-end production value paired with Union Pacific-specific dialogue.

As we continue evolving our culture, Union Pacific's annual **Count Me In** campaign encourages employees to show up as their authentic selves and be counted. Accessibility was front and center in 2022's campaign, which kicked off with a video highlighting how employees experiencing color blindness or utilizing audio page readers interact with websites. The effort led to an increase in employees voluntarily identifying in a variety of ways, including as an individual with a disability or as a member of the LGBT+ community.

### LISTENING SESSION FEEDBACK

"WOW, thank you for the powerful and uplifting session today. I'm so proud to be part of a team that can be vulnerable and real about mental health."

"I want to start off by giving the team a big THANK YOU for having that session yesterday. It is very timely while we temporarily work from home again, and the isolation, fear and lack of socialization becomes a reality again for many of us."

"Really enjoyed the perspective and advice on self-identification; testimonials are sincere and strong message."

"This is helping ... looking at how different generations communicate. It's important as we continue looking at the workforce and hiring and being competitive in this environment."

"As a former probation and parole officer for close to 20 years, this topic is important to me. I completely understand the importance, both to the formally incarcerated person as well as the employer, of hiring this population."

While DE&I is foundational for all onboarding and personnel training, focused content also is required for different levels of leadership. Beyond that, Union Pacific offers two specific programs:

- **Personal Trust Builder.** About 100 employees participated in small, half-day training sessions focusing on DE&I education for field leaders and employees having challenges understanding our inclusion efforts. Participants are shown the experiences of others and exposed to the advantages they have versus others. A DE&I team member follows up with each employee, providing an opportunity to share learnings, clear up any confusion and discuss their self-identified assignments.
- **UpLift Sponsorship Program.** This two-year program selects about 40 high-potential employees from underrepresented groups and pairs them with executive sponsors. The goal is to create career mobility, expand networking circles and offer executive leadership training. It's working: 64% of participants in their second cohort year and 30% of participants in their first were promoted or made development moves, and 92% believe the company is investing in their future.



“My executive sponsor, Beth Whited, has given me great perspective on what it means to lead teams and people. She’s played an instrumental role helping me build confidence, trust my gut and do the right thing for the business. I have started and will continue to pay it forward by advocating for women the way Beth has for me.”

**Abby Zach**, General Manager, Alton & Southern Railway, East St. Louis, Illinois, and UpLift Sponsee



*Union Pacific's Interfaith Prayer and Meditation Room in Omaha.*

“As a Muslim, we’ve been committed to pray five daily prayers. My supervisor has been very accommodating, and I’m surrounded by really nice people who respect my time to pray. I’m very proud to work at Union Pacific because of its inclusiveness.”

**Mubashir Shaik**, Systems Engineer, Tech, Omaha, Nebraska



“I plan to be the same type of mentor Kenny Rocker is to me. Learning about people personally and professionally pays dividends – spending time, giving advice and imputing knowledge is an invaluable part of building relationships. This is how we create an inclusive environment, making others feel a sense of belonging.”

**Cerwin Fleming**, Superintendent-Train Operations, Transportation, Houston, Texas, and UpLift Sponsee

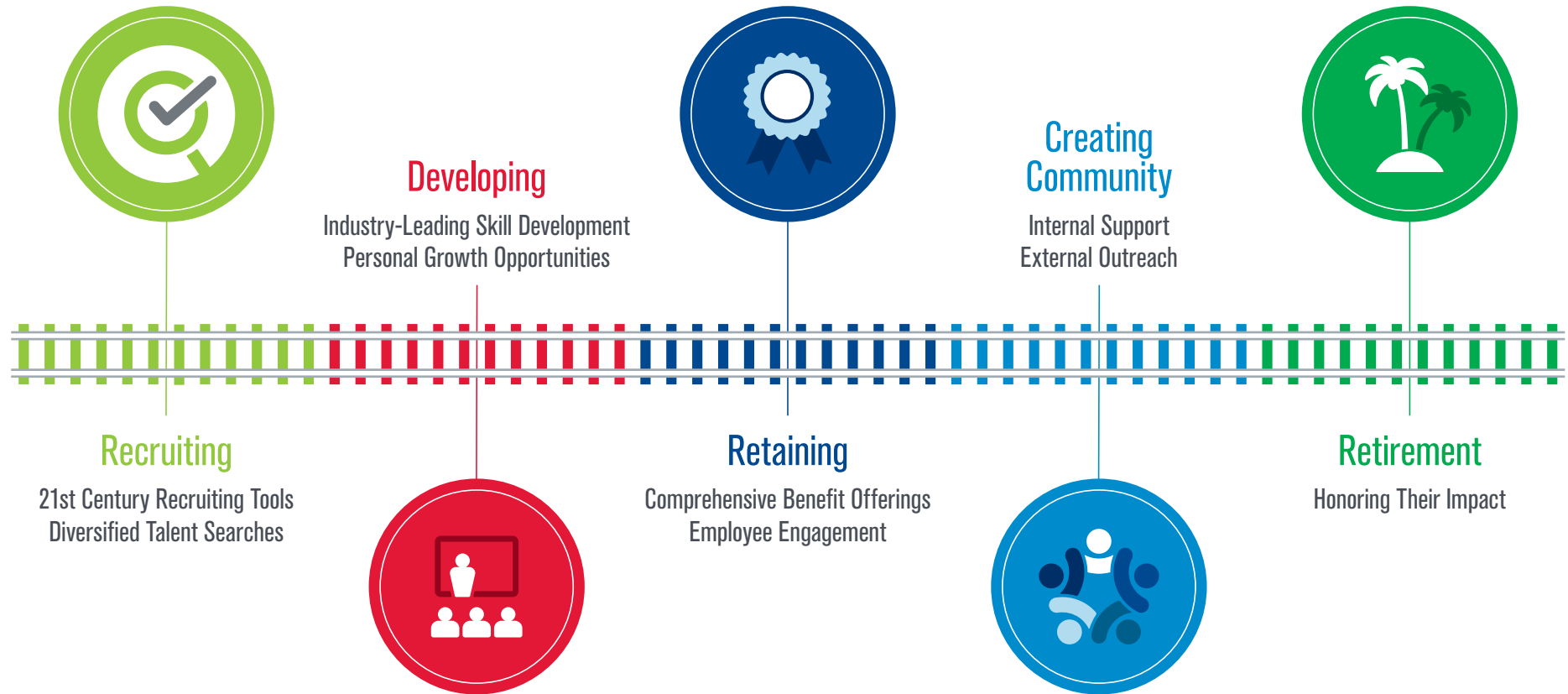
# The Employee Journey

Union Pacific is committed to providing our employees a world-class experience. As they help fulfill our vision to build America, we want them to feel valued, engaged and inspired.

The process begins with recruiting talented and diverse employees to join our team. We then focus on training and development, which includes programs designed to recognize potential and help our employees grow so we can retain our talent and prepare them for future roles. The final stage is providing our team members with the tools to achieve a successful and fulfilling retirement.

We can see the influence of the DE&I work we're doing to connect our workforce to each other and to our purpose in our recent hiring, promotion and retention performance.

Follow a Union Pacific employee's career journey and learn more about the steps we take along the way.



## Exceeding Hiring Goals with Innovative Recruiting

Amid a tight labor market, a prominent message resounds from all corners of American industry: “We’re hiring!” Winning the war for talent is critical – our ability to recruit and retain employees is directly tied to our railroad’s fluidity. Without team members to dispatch or operate trains, our network struggles to provide customers efficient, reliable service.

We accelerated recruitment efforts in 2022, exceeding our goal of hiring nearly 4,000 new employees. The hard-won victory required us to evolve our hiring practices, incorporate innovative strategies and tap into those who know us best.

### Evolving HOW We Hire

We implemented robust virtual recruiting tools in 2022 to meet candidates where they are and provide an efficient, user-friendly experience through every phase of the recruitment process. From virtual career fairs to pre-recorded video interviews, all changes are geared toward casting the widest net possible to find the best talent and make it easier than ever for them to engage with us.

We’ve also been aggressive in how we compete to attract talent in the marketplace. In particularly hard-to-fill jobs and locations, we offered hiring incentives up to \$30,000. These incentives are a mix of travel allowances and relocation bonuses, as well as local hiring bonuses to attract applicants already residing in the communities we serve.

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In particularly hard-to-fill jobs and locations, we offered hiring incentives up to \$30,000.

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We continue driving inclusivity into our hiring process. In 2022, over 95% of new employees were hired using gender-neutral job postings. We’re providing video demonstrations and visual cues during physical abilities tests, as well as offering pre-recorded video interviews so applicants with nontraditional schedules can participate at a time that works best for them.

### OUR PERFORMANCE: HIRING, PROMOTION AND RETENTION

Data reflects Union Pacific's workforce.	METRIC	2019	2020	2021	2022
Hiring – Total	#	953	310	1,322	4,170
Hiring – People of Color	%	41%	35%	48%	51%
Hiring – Female	%	12%	17%	13%	10%
Management Promotions - Total	#	1,095	1,168	994	1,155
Management Promotions – People of Color	%	28%	24%	30%	28%
Management Promotions – Female	%	23%	16%	20%	19%
Retention - Total	%	90%	89%	89%	90%
Retention – People of Color	%	90%	89%	89%	88%
Retention – Female	%	86%	87%	88%	88%



Union Pacific employees recruit future railroaders at the Society of Women Engineers' Conference in Houston, Texas. From left: Alexandria Oak, senior engineer-Signal Design, Engineering; Madelyn Serefko, senior recruiter, Workforce Resources; and Melissa Price, senior manager-Talent Acquisition, Workforce Resources.

## Evolving WHO We Hire

We're proud to lead the industry with our inclusionary hiring practices. We partnered in 2022 with The Manufacturing Institute to grow our successful Second Chance Hiring Program, which provides job opportunities for people who were previously incarcerated.

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Second chance hiring provides an opportunity to fill employment gaps while lifting up our communities.

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Together, we launched a pilot program in Houston connecting candidates with community support and resources. In its first three months, the program brought in nearly 100 new applications. By the end of the year, we expanded the program to 16 locations within Arkansas, California, Colorado, Illinois, Iowa, Louisiana, Minnesota, Missouri, Nebraska, Oregon, Texas and Washington – and hired nearly 100 second chance candidates.

Collaborating with high-quality community partners is key to our program's success – it provides second chance candidates who are prepared, trained and supported throughout their Union Pacific employment.

Second chance hiring provides an opportunity to fill employment gaps while lifting up our communities. Employed individuals have lower recidivism rates: two years after release, they're twice as likely to have avoided arrest as their unemployed counterparts.<sup>3</sup>

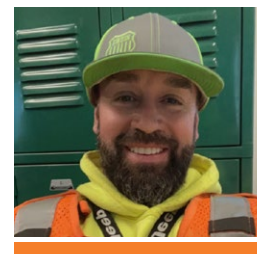
**Union Pacific partners on second chance hiring with more than 170 community organizations across 16 locations.**

Chicago  
San Francisco  
Portland  
Twin Cities  
ST. LOUIS  
Omaha  
Oakland  
NEW ORLEANS  
Des Moines  
DALLAS  
San Antonio/Austin  
NORTH LITTLE ROCK  
HOUSTON  
Denver  
LOS ANGELES  
CHEYENNE

<sup>3</sup>U.S. Chamber of Commerce "[The Business Case for Criminal Justice Reform: Second Chance Hiring](#)"

## Great People Know Great People

Referrals play an important role building our team – no one knows the characteristics it takes to succeed on the railroad better than our own employees. To support our hiring efforts, we launched the Great People Know Great People employee referral program, offering a net \$500 incentive for each referral hired. Our team delivered – in 2022, we hired more than 1,250 referred employees and paid more than \$629,000 in referral incentives.



"Every family gathering, my two nephews would ask me what it's like to work for the railroad. Now it's their opportunity, and they're having the time of their life. It's a great thing, viewing the world from the tracks – that's not something everyone gets to experience."

**Robert Simpson, Conductor, Transportation, Stockton, California**





## EMPLOYEE SPOTLIGHT: SECOND CHANCE HIRING

Four years ago, I was having trouble providing for myself and my two daughters. I was working in a beauty shop making \$10 an hour. Since I didn't have my license, I was paid as a cleaner even though I was styling hair. If I was lucky, I would get 30 hours of work a week.

Trying to provide for three people on less than \$300 a week was tough. Many times, we would not have enough money for food by the end of the week. I tried to make sure my daughters went to school every day looking like the other kids, even if they had slept in the car the night before. But times got hard, and I needed to find a better job or another job that would allow me to make more money quickly.

So, I asked one of my co-workers' friends about making some extra money. They had a friend who needed someone to just make deliveries. He said it was like being a UPS driver delivering packages and I could make \$200 a day just making a couple deliveries.

I knew it was drugs I would be delivering, but I needed the cash. The first week went by fast and I made \$1,000 for just a couple of hours work. The second week I got greedy and asked for more deliveries because I wanted to get an apartment close to the girls' school. Thinking back, I now know that the more risks you take, the more you can lose.

On a Tuesday afternoon, I picked up my daughters from school and had one delivery. I thought I would save time and just do it while the girls were with me. I drove to the house to deliver the package, and as I got out of the car, I was pulled out by two police officers. Within seconds, police surrounded my car.

As I lay on hood of the car, I could see the other police officers taking my daughters out of the backseat and placing them in a police car. To this day, I still hear them crying and screaming for me. It was the biggest mistake I ever made in my life. As I sat in a cell, I thought about that day over and over. I promised myself that if I ever got out, I would do good by my kids and spend the rest of my life making up for my mistake.

When I transferred to a state facility to finish the last two years of my sentence, I started a program that provides training in skills and prepares you to re-enter the workforce. I received certificates in customer service, basic math and OSHA training.

After I was released, I was turned away everywhere I applied after I told the employer I had served four years. My probation officer told me about a community agency that works with employers willing to take a chance on people in my situation. They asked if I would be interested in a train crew job at Union Pacific Railroad.

A Union Pacific employee explained the job and the work environment. I applied that evening, and the next day I tested and passed. I knew it was a long shot, but I also knew this opportunity would change my life. Two days later I interviewed, and the following day I received a job offer.

I started my train crew job four months ago, and I love it. I am so happy, and I have seen my life change. All I needed was someone to believe in me. People make mistakes when they are desperate. I am grateful to Union Pacific for believing in me.

*Name withheld to protect employee privacy*

# Upskilling Tomorrow's Leaders: 300+ Real-world Internships, Community Partnerships

If our interns are any indication, our railroad can count on a bright future. Union Pacific employed nearly 330 year-round, summer and hybrid interns in 2022, providing fresh perspectives on teams ranging from Operating, Tech and Supply Chain to Marketing and Sales, Finance, Workforce Resources and Law.

While gaining firsthand experience from a Fortune 150 company, which included field trips to North Platte, Nebraska, to see the world's largest classification yard in action, our **summer interns** also squeezed in a College World Series game; a visit to the Union Pacific museum; and breakfast with our chief executive officer. And, for the first time, interns partnered with resource groups to build and accompany floats for three Omaha parades: Heartland Pride, Cinco De Mayo and Juneteenth.

Our **hybrid internship program**, an extension of the internship program, allows college students to continue working for us remotely while school is in session. The program advances students' learning experience while enabling us to continue our relationship with prospective employees.

After all, this next generation of leaders will play an important role shaping our railroad's future. In 2022, upon completion of their internship, 80% of eligible senior collegiate interns were offered a full-time position.



Cinco De Mayo Parade



Juneteenth Parade



Pride Parade



Union Pacific welcomed 72 summer interns from colleges and universities across the country to its Omaha headquarters.

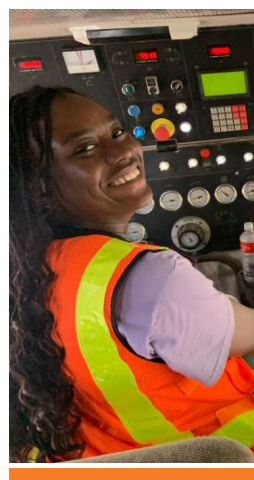
Universities are a key component of our hiring strategy. We moved to a school agnostic **university recruiting** approach in 2022, broadening our reach nationwide via online platforms like Handshake, Simplicity and LinkedIn to allow equitable access to our positions for all students, regardless of school. Paired with this are select target schools, which aim to fill three key pipelines: local schools, minority-serving institutions, and rail engineering and tech schools. During fall university recruiting, we engaged with nearly 6,500 students, received over 1,000 applications and extended more than 170 job offers.

To broaden our pipeline for employees trained in welding, electrical, mechanical and other trade fields, we partner with **community colleges** and **high schools** to set up industrial technology scholarships totaling \$180,000. Last year, the 36 students who received scholarships met with our recruiting team once per semester to learn about our job opportunities.

We're also proud to partner with the **National Association of Manufacturers'** workforce development and education partner on a \$3 million, three-year joint initiative called Careers on Track. The program seeks to inspire young women and youth to pursue modern industrial careers through workforce development initiatives like digital STEM curriculum, a virtual 3D STEM experience, a STEM micro-grant program and a digital campaign showcasing industry careers – allowing Union Pacific to close the gender gap by building awareness of jobs in the field.



*Union Pacific team members helped lead a 'Hiring and Retaining a Military Workforce' event at the 2022 Women MAKE America Initiative in Portland, Oregon, hosted by The Manufacturing Institute – a workforce development division of the National Association of Manufacturers.*



“I hadn’t considered a railroad career until my college’s career fair – I was captivated by the idea of exploring different places and getting a hands-on summer experience that included learning firsthand how America’s leading railroad moves goods. My internship was better than I imagined. I gained meaningful work experience, enhanced my organizational and communication skills, made friends and mentors across different states and, more importantly, had a summer of fun with the Public Projects team!”

**Mariam Okunubi, Summer Intern, Engineering, Spring, Texas**



“I want to build my career at companies where I feel safe and empowered, and the DE&I support at Union Pacific has done this for me – I feel so lucky for this! As a queer, Asian-American woman, feeling valued for these parts of my identity and safe to bring them to work with me makes a huge difference in my happiness at work. I’ve met other interns part of the LGBT+ community through BRIDGES events, which truly transformed my experience and helped me feel like I was part of a family.”

**Evie Kay, Hybrid Year-round Intern, Continuous Improvement, Los Angeles, California**

## Developing Potential: More Than 1.5 Million Hours of Best-in-class Training

Union Pacific's employees are unique individuals whose needs evolve as they grow in their careers with us. Our training centers around their development, providing resources and support to meet them at every stage of their journey – from honing current skills and building leadership qualities to preparing them to take the next step in their journey, we're there to support. In 2022, we averaged nearly 47 hours of training per employee – a 62% year-over-year increase due to our robust hiring efforts.

It starts with the heart of our workforce: our craft professionals. From day No. 1 to day No. 1,000 – and every day in between – we ensure our team has the tools and skills needed to keep the nation's supply chain moving:

**Train, Engine and Yard New Hire Training.** New employees spend 14 weeks learning railroad safety and operating basics – including the cycle of a car, from customer order to final destination, as well as how to effectively manage critical resources and safely apply rules – before taking final exams.

In 2022, we introduced quizzes to our testing format to increase repetition of core training content. We also increased exam attempts from two to three to those scoring within six points of a passing grade. Together, these changes reduced our year-over-year exam failure rate from 8% to 1%.

**Ongoing Technical Training for Craft Professionals.** In 2022, we successfully completed relocation of our former Salt Lake City, Utah, training center to Omaha, centralizing locomotive engineer, signal and telecommunication technical training for 1,800 Operating employees annually.

To help our craft professionals grow their skill sets and become experts in their craft, we offer a wide variety of skill enhancement courses. In 2022, team members completed about 10,000 courses on topics such as CPR, welding, ballast tamping, track inspection and locomotive maintenance. Additionally, to improve backhoe safety and mechanical upkeep, we developed a new backhoe operator training course. Students learn how to correctly maintain equipment, as well as demonstrate proper techniques while completing common railroad work practices.

### 2022 Ongoing Technical Training Per Craft Professional

TRAIN, ENGINE and YARD: 58.5 HOURS  
ENGINEERING: 41.8 HOURS  
MECHANICAL: 36.5 HOURS

For those interested in building a career with our management team, we offer pathways and training for our employees to grow and succeed:

**Operations and Field Management Training Programs (OMT and FMT).** OMT, for external and management candidates, and FMT, for craft professional candidates, provide required training for all new Operating managers. Curriculum includes professional development, strategic continuous improvement and decision making training, and technical skills associated with applications and systems Operating managers use daily.

**Operating Excellence.** In 2022, we hosted six Operating Excellence training sessions in San Antonio, Texas, for 798 Operating managers. This two-day training brings together managers from all teams – Transportation, Engineering and Mechanical – for a general session before breaking out into craft-specific training. New in 2022, we partnered with Martin Marietta to utilize a track to create defects based on real-life scenarios. More than 600 Engineering learners had the opportunity to better visualize curve geometry, turnout alignment and continuous welding in a training environment observed and validated as 'best-in-class' by an outside agency.

**Inclusive Leadership.** This required training helps employees better understand unconscious bias and the impact it can have, teaching them to lead by example and demonstrate inclusive behavior at work and in their communities. In 2022, 82% of the employees eligible to take this training completed it.

**Empowering Our Differences.** In 2022, 924 employees completed the course and learned how to understand their advantages, have empathy for others and help build an environment where every team member can come to work feeling safe in who they are.

**Managers On Track.** This program supports employees in their first management role, helping them understand expectations and providing resources to coach and develop teams.

### 2022 Average Hours of Career- or Skills-Related Training Taken

MANAGEMENT: 40.5 HOURS  
CRAFT PROFESSIONALS: 47.7 HOURS

**Emerging Leaders.** This learning experience inspires employees early in their career by investing in their development and positioning them for career progression. The program helps participants develop organizational leadership skills while defining their career motivations.

**Strong Leaders, Strong Teams.** This four-week program promotes continued learning and enhances the performance of our managers. Participants gain advanced management skills, including how to own their messages, develop a strategic mindset, improve decision-making and promote a culture of empowerment.



“My favorite aspect of the program is that it’s both hands-on and self-paced. This allowed time for self-reflection of our own leadership styles while receiving tools and strategies to correct unintentional behaviors so the future leaders I develop can multiply their strengths.”

**Gary Davis, Senior Manager-Train Operations, Transportation, Portland, Oregon, and Strong Leaders, Strong Teams Graduate**

**Leadership Development Program.** This multi-session program provides high-potential managers with the resources necessary to develop a personal leadership style that reflects Union Pacific’s vision, purpose and values. Learning activities are centered around the railroad’s four stakeholders, with a focus on managers building the company’s talent pipeline.

**New Executive Transition Program.** A new addition to our training curriculum, this four-month program provides a knowledge and leadership foundation for new executives. Through blended learning experiences, cohort coaching and network building, participants realize the meaning of executive leadership, create a customized development plan, and strengthen their position and network as a company leader.

**Cross-functional Experience (CFX).** This development program builds employees’ networks and skill sets by enabling them to swap jobs with someone outside their department. The program, launched in 2019, initially targeted potential critical role successors. After a successful 2022 pilot that opened the experience to employees earlier in their career journey, we plan to officially scale the program to include more employees in 2023. This action is a direct result of Employee Engagement Survey feedback, with more team members looking for experiences to continue growing professionally.



“I enjoyed merging my practical railroad knowledge and legal training together in a unique way through the CFX program – it helped me recognize I have a real passion for advocating on behalf of Union Pacific. Now, I’m eager to develop my own leadership skills so I can influence other employees in the beginning stages of their careers, just like others did for me. The knowledge, experience and personal connections I made will enable me to make greater contributions to the company as a whole.”

**Sydney Richards, Assistant General Attorney, Law, Omaha, Nebraska, and CFX Participant**



*Strong Leaders, Strong Teams graduates gain advanced management skills while strategically working on personal growth opportunities.*

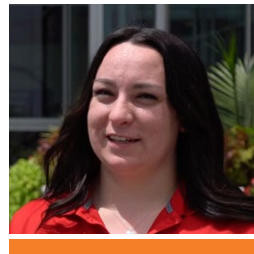
We also offer additional training opportunities for employees interested in pursuing personal development and growth:

**Individual Development Plans.** In 2022, 94% of management employees completed an individual development plan to self-start their career development. The plans are integrated into Union Pacific's performance management system, ensuring managers and employees prioritize development. It's easy to get caught up in the work – incorporating continuous improvement goals into the day-to-day jobs of our employees drives a personal sense of accomplishment, improving engagement and productivity.

**Educational Assistance Program.** By partnering with the University of Nebraska at Omaha (UNO), Union Pacific offers all employees free, unlimited tuition to this nationally ranked university. In fall of 2022, as a direct result of employee feedback, we expanded the program to include an online associate degree from Metropolitan Community College.

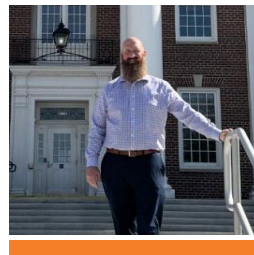
Our UNO partnership removes financial and scheduling barriers that can discourage employees from pursuing higher education, and it's available immediately for new hires. Tuition is paid directly by the company, eliminating the need to seek reimbursement, and all registered employees have access to dedicated academic support resources. All employees across our 23-state system are eligible to enroll, which has contributed to a nine-fold increase in enrollment since the program began. To date, nearly 500 employees have become UNO students.

**Online Voluntary Training Classes.** Union Pacific partners with LinkedIn Learning so all management employees can enroll in personal development courses at a pace and time in line with their schedule. In 2022, 2,771 courses were completed by 2,211 employees. The most popular courses were Communication Foundations, Excel and Avoiding Phishing Scams, as well as leadership behavior classes.



“The program fits within my lifestyle of being a full-time working mom – my daughter and I study together at night. I'm pursuing a bachelor's degree in Business Administration with a minor in Women's and Gender Studies to help propel my career at Union Pacific.”

**Katey Davis**, Support Clerk, Crew Management Services, Omaha, Nebraska, and Educational Assistance Program Participant



“It's never too late to finish what you started. I started taking college classes way back in 1998 – 24 years later, I can now say I am a college graduate. I hope to use my degree and experience to work my way into the supply chain side of the business.”

**Thomas Frey**, Welder, Engineering, Houston, Texas, and Educational Assistance Program Participant



# U.S. Women Estimated to Reach Pay Parity in 2059: At Union Pacific, We're Already There



Tonya Fagan, Yardperson.

We're proud of the many ways we lead our industry, but we're especially proud of this one: pay equity.

In 2022, a third-party compensation expert assessed our pay practices and validated equal pay at Union Pacific. The results showed there is no statistically significant difference in pay across gender or race: men and women, and people of color, are currently paid within 1% of each other.

There is no statistically significant difference in pay across gender or race at Union Pacific: men and women, and people of color, are currently paid within 1% of each other.

This is a significant milestone, especially given the current state of pay equity in the U.S.: Black workers' median earnings represent 64% of white wages, while women working full time earned 83% the wages of their male peers.<sup>4</sup>

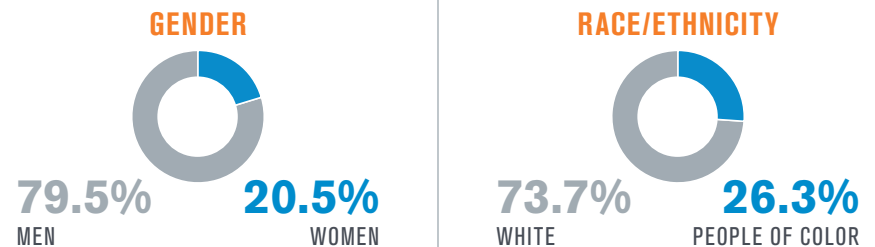
<sup>4</sup>Arjuna Capital / Proxy Impact "[Racial And Gender Pay Scorecard](#)"

**Pay Equity.** Every worker has the right to expect equal pay for equal work regardless of their gender, race, color, religion, national origin, age, disability, sexual orientation or any other status protected by law. Each year, Union Pacific performs a review to identify potential pay equity concerns relative to race and gender for management employees and takes steps to address any concerns.

**Compensation.** Union Pacific participates in market research to compare salaries for specific roles to attract and retain talented employees. We structure our compensation levels to reflect the competitive marketplace for similar positions at comparable companies. This helps provide employees insight into how their salary is determined combined with a comprehensive benefits plan. Additionally, our 27,881 craft professionals are eligible for overtime opportunities.

**Compensation and Benefits Committee.** This committee oversees the company's compensation philosophy and strategy; compensation plans, talent management and development process; and management strategies and policies. This includes diversity, equity and inclusion programs; initiatives, recruitment, development and retention of company employees; and employee effectiveness and engagement.

In 2022, we increased talent management discussions with the Compensation and Benefits Committee – ensuring we're on track to attract and retain talent, as well as upskill our future leaders.



All numbers on the chart are management only.

## Evolving Our Benefits

We offer a comprehensive benefits program that includes medical insurance, Railroad Retirement and a 401(k), as well as niche benefits employees may find useful at various life stages. We're proud of our evolving benefit offerings, as the work schedules required to run our railroad's 24/7 operations can be challenging, and employees may need extra support caring for loved ones. Benefits vary based on the applicable collective bargaining agreement or an employee's management status.

### Benefits for All Employees

Union Pacific provides competitive benefits to all employees, craft professionals and management, including:

- The **Enhanced Family Support Portal** connects employees systemwide with essential, supportive care providers and services, such as center-based and in-home 24/7 childcare, elder care, pet care and housekeeping, as well as tutoring and homework help.
- Union Pacific's **Employee Stock Purchase Plan**, StockUP, allows employees to buy shares of company stock through payroll deductions – last year, 29% of our employees took advantage of this opportunity. Participants receive a 40% company match of up to 5% of their base compensation per pay period. In 2022, as a direct result of their feedback, employees now can contribute up to 15% of their monthly base compensation, up from the original 10%.
- **University of Nebraska at Omaha Educational Assistance Program**, online and in-person options, as described on page 30.
- Union Pacific is dedicated to promoting healthy lifestyles for active employees by providing a **System Health Facility Program** involving local fitness centers and gyms. Union Pacific contracts with numerous fitness centers nationwide so employees across our 23-state network can improve their physical health.
- **Voluntary benefits marketplace** allows all employees and interns to enroll in supplemental benefit options, including auto insurance, home/renters insurance, critical illness insurance, hospital indemnity insurance, identity theft protection and pet insurance.

### Craft Professional Benefits

Craft professional health benefits are governed by the Railroad Employees National Health and Welfare Plan, a multi-employer plan for the railroad industry. Health and welfare benefits are determined through collective bargaining agreements. Benefits offered to our craft professionals include coverage for medical and prescriptions, vision and dental, and life and disability. A subset of Union Pacific's craft professionals receives medical benefits through Iron Road Healthcare, rather than the national plan.

In 2022, after concluding national negotiations, our craft professionals maintained their platinum-level healthcare coverage. Additional health benefits negotiated as part of the plan include:

- Increasing the annual limit for hearing benefits to \$2,000.
- Removing age limits for speech therapy.
- Increasing coverage for treatment of Autism Spectrum Disorder, including speech, occupational and physical therapies; Applied Behavior Analysis; and other medically appropriate intensive behavioral therapies.



“There’s something fun about watching the balance grow. It’s hard to not get a little excited about seeing ‘free’ money. Right now, it’s just a rainy-day fund, but life happens – unexpected expenses happen – and it’s nice knowing I’ll have that nest egg available to me and my family.”

**Michael Byars**, Locomotive Engineer, Transportation, San Antonio, Texas, and StockUP Participant



## Management Benefit Offerings

Union Pacific's management benefit offerings are regularly reviewed to help us maintain a competitive advantage. In 2022, 92% of employees participated in a Union Pacific health care plan.

Core benefits include medical and prescription insurance; dental and vision; and life and disability insurance. We also offer work-from-home flexibility, reduced-hours positions, paid sick time and ancillary benefits such as a Health Savings Account. Recently improved benefit offerings include:

### Expanded Preventive Care



To help promote good health and management of certain chronic conditions, Union Pacific expanded the list of medical services and generic prescription drugs considered preventive, covering them at 100% prior to any deductible being met. This expansion includes covering insulin at 100%.

### Fertility and Family Building Benefits



Employees and family members enrolled in a Union Pacific medical plan are offered a virtual, around-the-clock concierge platform to help them in their family building and fertility journey. Coaching, support and education are provided for: trying to conceive; fertility preservation; fertility treatment; and adoption and surrogacy. Fertility benefits are not restricted by a lifetime maximum and are equally available for the company's LGBT+ population.

### Prescription Drug Savings Assistance



This savings program helps employees and their families save money when filling prescriptions by analyzing prescription drug claims that are paid and proactively notifying them via email of clinically appropriate alternatives at a lower cost. The employee and their doctor may then decide if the alternative is right for them.

### Parental Leave Benefits



The enhanced parental leave benefit provides new parents not qualifying for maternity leave with up to four weeks paid bonding time after the birth or placement of a child with the employee in connection with adoption/foster care.

### Diabetes Services



Union Pacific provides a digital program for diabetes, hypertension and weight management to assist employees and their family members. The program aims to engage members and support good decision-making between doctor visits.

### Adoption/Surrogacy Assistance Program



This program reimburses eligible employees, at up to \$6,000 per event, for certain expenses incurred in the adoption of a child or surrogate parenting arrangement.

### Hearing Aids



Union Pacific added hearing aid coverage within the self-insured medical plan options, providing one pair of hearing aids every 36 months, up to \$5,000.

### Bereavement Leave



The bereavement leave policy was enhanced to increase the number of bereavement days for loss of a spouse or child, and to provide leave to a birth, surrogacy or adoptive parent who experiences a pregnancy loss.

### Paid Time Off



Union Pacific supports management employees with paid-leave programs, including three to five weeks of vacation, depending on years of service; 11 paid holidays; and short- and long-term disability.

## Thinking Boldly: Preparing Today's Leaders for Tomorrow's Success

Union Pacific's success is linked to having the right people in the right roles at the right time – and providing development opportunities to help them fulfill their potential. Our Talent Management team has measures in place to recognize employees with the potential to take on more responsibilities or advance to the next level of their career.

**Core Competencies.** Our talent management strategy is grounded in our four core competencies – **Create Value, Lead Together, Own It** and **Think Boldly**. We established these competencies with help from more than 2,500 employees participating in surveys, focus groups, coalition meetings and change-champion discussions.



The competencies reflect the most important skills and behaviors for our employees to exemplify, helping them understand what it takes to succeed now and in the future. Our people leaders use these competencies to guide conversations during performance reviews, development discussions and Leader Standard Work meetings, helping everyone speak a common language regardless of department, level or location.



**Annual Talent Review.** To spot potential leaders earlier, Union Pacific uses a Talent Matrix to measure performance and potential during the Annual Talent Review. This strategic approach reviews the current state of our workforce's talent, analyzes future needs and builds plans addressing potential gaps.

Employees are rated on the "What" (results and metrics) and the "How" (competencies, behaviors and attitudes, and whether they generate overall success for the individual, team and company), along with their potential to move up in the organization. People managers provide employees continuous feedback throughout the year and formal performance reviews at least once a year. After assessments are completed, managers are encouraged to align consistent development levers to talent designation actions.

This approach brings together two important employee evaluations – performance and potential – to visually represent talent across our railroad. This sets the stage for development opportunities while helping us discern high potential leaders that, with development, can positively impact our company and culture.

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Senior staff members conduct daylong discussions twice yearly to ensure a talent pipeline is established and development is progressing for all successors.

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**Critical Role Succession Planning.** Critical roles are executive positions identified as having strategic or long-term impact on the company and its value. Senior staff members conduct daylong discussions twice yearly to ensure a talent pipeline is established and development is progressing for all successors. When a potential successor is nominated, the team conducts an executive assessment to pinpoint strengths and development opportunities. A robust development action plan is then created with leadership and the employee to accelerate their readiness. While most critical role successors are selected within the company, external talent searches are sometimes necessary to bring in external perspectives and specialized skill sets.

## Feedback in Action: Free College Tuition, More Development and Cleaner Cabs

Our employees' feedback has the power to drive real change: it led to the first-of-its kind partnership between the University of Nebraska at Omaha and Metropolitan Community College, providing our team free tuition toward an associate degree, and it expanded our recognition program to include craft professionals.

We've worked hard to establish a culture of feedback and actively engage with our employees to help us improve our workplace.

### Employee Engagement Survey



It all starts here – Union Pacific administers an annual engagement survey, providing our team an opportunity to share candid feedback. The survey measures the employee engagement index, managerial effectiveness, performance enablement, diversity and inclusion, collaboration and general company sentiment. It also includes questions allowing for comments.

Feedback remains confidential. Results are synthesized and shared with senior leadership and people managers, who are charged with creating action plans to address trending opportunities.

Our 2022 Employee Engagement Survey results showed significant areas of both opportunity and strength. The survey had an all-time high participation rate of 88%, including more than 72,000 comments.

While overall managerial effectiveness scores increased by two points year-over-year to 64%, our companywide employee engagement index decreased by six points to a 49% favorability rating. This primarily was driven by sentiment within our craft professional workforce amid a protracted round of labor negotiations, as our management score saw a slight uptick.

Although early comment themes uncovered several strengths, such as the railroad's diversity and inclusion initiatives, they also indicated opportunities to address quality of life and balancing the work. We've worked hard to establish a culture of feedback, and we remain committed to taking action to address our survey results.

Employee Engagement is one of the key metrics included on the strategic scorecard reviewed monthly by our Board of Directors.

### You Said, We Did

Throughout 2022, we highlighted actions taken by Union Pacific leadership – both at the company and team level – to respond to employee feedback received from the engagement survey, candid discussions and other communication channels. Examples include additional **development opportunities for craft professionals**; simplifying our **business and travel expense policy**; streamlining our **hotel feedback reporting process**; **expanding free college tuition** to include associate degrees; and standardizing our **locomotive cleaning process**.



*Mechanical team member Larry Dostal in Council Bluffs, Iowa, is one of the mechanical service operators helping ensure train crews have a clean work environment through the new Cab Excellence initiative.*

## Field Employee Quality of Life

The work we do building America is important, but it also can be hard – often outdoors, in all kinds of weather, under strict deadlines and at all hours of the day. We're committed to working with our craft professionals to improve their quality of life, specifically those in unscheduled jobs.

We conducted a Quality of Life Pulse Survey in July 2022, which received more than 13,000 comments from our craft professionals. The biggest themes included the attendance policy, unscheduled work and compensated days off.

A cross-functional team leveraged this feedback to create a strategy focused on four pillars: Workforce Structure; Total Rewards; Scheduled Work; and Access to Time Off. Workstreams tackling each pillar are well underway, and we're proud of our early progress: by October, we implemented two attendance policy changes, and by November, we introduced attendance policy holiday recognition credits.

Much work remains, and we look forward to continuing to partner with labor leaders and craft professionals to drive meaningful change.



## Thanking Our People 40,000+ Times

A simple 'thank you' for a job well done can go a long way toward building morale, camaraderie and pride. When team members feel appreciated, they go above and beyond to do their best work – and they stick around, too.

### Employee Recognition Program

Driven by employee feedback, we expanded our recognition program in January 2022 to include our craft professionals. The program encourages employees to recognize one another – whether it be a manager recognizing an employee or peers recognizing peers – for going above and beyond their daily job responsibilities.

Recognition ties to one of four core competencies and is awarded with points redeemable for a variety of items, including Union Pacific-branded merchandise. More than 40,000 points-based monetary awards were approved and 4,400 non-monetary 'Quick Thanks' were given.

### Retention Stock

Union Pacific awards management employees shares of Union Pacific common stock to promote and closely align the interests of employees and shareholders by providing stock-based compensation that vests over time. Retention shares are intended to attract and retain outstanding employees, increase employee stock ownership and strengthen our ability to drive performance.

Our average employee retention rate has remained steady at nearly 90% for the past four years. That rate is reflected by the multiple generations of family railroaders at Union Pacific, including families with hundreds of years of combined service.



**“It’s kind of amazing to think five generations of us have worked for the railroad. I’ve enjoyed this career – the railroad has provided a great life for me and my family.”**

**Jeff Maxfield, Manager-Field Operations Support, Transportation, Denver, Colorado**

## Caring for Our Whole Selves: Expert-led Webinars, Peer Networks

We care for the well-being of our employees – and it doesn't stop when they're off the clock. We provide our team with resources and support to tackle life's biggest challenges, at work AND home.

We launched the Family and Foundations campaign in 2022, a year-long effort focusing on all components of mental health: emotional, social, financial and physical. Along with providing educational materials and resources, we partnered with nonprofit The Wellbeing Partners to host four Q&A webinars for employees and their families: Fostering Emotional Connection; Child Development and Discipline Strategies; Happy Mealtimes for Family; and Play and the Brain. The recorded sessions were posted to our external campaign site, providing access for any unable to join.



**Employee Assistance Program.** This 24/7 program provides confidential support to all employees and their families facing problems relating to mental health, substance abuse, work-life balance and workplace challenges. Management employees and their families are provided six free visits with a licensed, master's-level therapist or psychologist, after which medical plan coverage kicks in. Craft professionals and their families covered by a Union Pacific health plan are provided mental health and substance abuse services at a low-cost copay. In 2022, Union Pacific opened 3,600 Employee Assistance cases for employees and their dependents.



Employee Assistance Program team members raise awareness about mental health by participating in the American Foundation for Suicide Prevention's 'Out of the Darkness' Community Walk in Omaha, Nebraska.

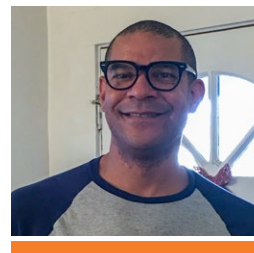
**Peer Support.** Through Union Pacific's Peer Support networks, trained employees offer confidential advice and guidance to their colleagues. This strengthens bonds and builds a sense of community, providing support from those with an inherent understanding of the rail industry.



Friend to Friend Network volunteers accept a donation from Workforce Resources team members Amanda Treiber, director-Organizational Development, and Tonya Eggspuehler, assistant vice president-Talent Management.

**Friend to Friend Network.** This nonprofit is run by our employee-volunteers and retirees, providing financial aid to railroaders and their families impacted by health or home-related hardships. Every day, the network helps an average of five railroad families in need – using funds donated directly by their peers. Last year, the Friend to Friend Network directed more than \$842,400 in aid to 1,400 Union Pacific families.

In 2022, to thank employees for taking the Employee Engagement Survey, Union Pacific pledged to donate \$5,000 for every 10% reached in participation – thanks to a record-breaking 88% survey participation, this amounted to a \$44,000 Friend to Friend Network donation.



"The Friend to Friend Network check came at the exact right time and was just enough to make a real difference. I was very thankful. It's not just the financial support, it's also the gesture – knowing people care and you are not alone helps you stay strong and keep moving forward."

**Marcus Dunn, Machinist, Mechanical, Roseville, California**

## Building Vibrant Communities: Providing \$24+ Million in Giving, Serving on 120+ Boards

We grew up together – literally. As the dream of a transcontinental railroad became reality, new and existing towns along our tracks flourished, creating an inextricable bond. Now, 160 years later, we're proud our company and employees continue giving back to our communities.

**Community Ties Giving Program.** Our charitable giving programs have helped thousands of nonprofits achieve their missions since 1956. Funding allocated by the Community Ties Giving Program ranges from \$2,500-\$25,000 for organizations receiving local grants, and up to \$3 million for multiyear key partnerships focused on four key areas: Safety, Workforce Development, Community Spaces and, new last year, Environmental Sustainability. In 2022, we contributed more than \$24 million to more than 2,500 organizations.



*Union Pacific honors 2022 Community Ties Giving Program local grant recipients in Houston, Texas.*

**United Way.** It's an annual tradition – each fall, our team rallies to raise funds for more than 150 local United Way chapters throughout our 23 states. In 2022, we raised more than \$1 million, exceeding our campaign goal by more than \$50,000.



*Union Pacific employees volunteer at 2022 United Way events in Omaha, Nebraska.*

**Nonprofit Board Representation.** We proudly support team members choosing to spend their time serving others. In 2022, 128 employees reported serving on a nonprofit board, including the United Way of the Midlands, the Heartland affiliate of the American Heart Association and the Nebraska Chapter of the March of Dimes.

**GivePLUS Program.** Union Pacific supports employees' contributions to nonprofits in their communities through our MoneyPLUS and TimePLUS programs.

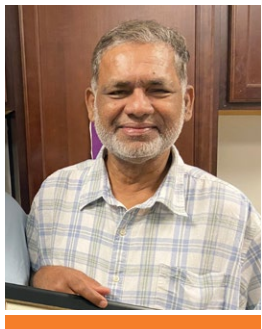
- **MoneyPLUS** supports and extends employees' financial contributions to qualified public charities by providing a 2:1 match to qualified educational institutions and a 1:1 match to qualified nonprofit 501(c)3 public charities or governmental entities. In 2022, Union Pacific provided more than \$2.1 million in matching donations.
- **TimePLUS** honors employees' volunteer efforts to qualified public charities by awarding a \$250 gift to eligible organizations where our employees provided 40 or more hours of service on personal time within a calendar year. In 2022, Union Pacific employees volunteered nearly 4,000 hours of service that added up to more than \$28,000 worth of gifts.

## Celebrating Retirement ‘With Rights Over All Trains’

On a crew member’s final “run,” a dispatcher may wish them well by giving “last train orders.” This sacred tradition includes the phrase “with rights over all trains” – the highest form of authority granted to any train, allowing them to operate at top speed from origin to destination with no restrictions.

As our employees prepare to take their final run, we provide resources to help plan for this important step in their journey with us. And perhaps most importantly: we take time to honor and celebrate their dedicated service.

**Navigating the Next Step.** We offer our employees a variety of resources to prepare for retirement, including a retirement planning calculator; checklist; and virtual presentations with external experts detailing financial wellness and education. We continue to investigate future offerings to help prepare retirees for this important next step.



“Over 23 years, the world changed, but Union Pacific always provided me a safe, secure job that enabled me to raise my four children and help them reach their dreams. I couldn’t have done it without the support of my Union Pacific family – I thank you all for the good times we had together, I never imagined I’d be so lucky to fulfill my American dream.”

**Reaz Ahmed**, Electrician, Mechanical, Chicago, Illinois, and 2022 Retiree

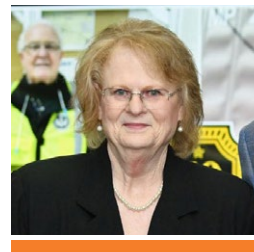
**50-Year Employee Spotlight.** Five decades of service is an impressive milestone deserving special recognition. Each year, we honor our newest members of the 50-year club at our Omaha headquarters with a ceremony highlighting their incredible railroad journeys. Along with commemorative gifts, honorees receive a behind-the-scenes tour of the Union Pacific Railroad Museum.

Union Pacific’s 2022 50-Year Honorees, from left:

- **Francisco “Pancho” C. Daniel**, locomotive engineer, Transportation, Northern California Service Unit.
- **Nancy L. Brice**, clerk-Premium Operations, Transportation, Los Angeles Service Unit.
- **Johnathan “Tuttie” L. Deckard**, lead rail car technician, Mechanical, Palestine, Texas.
- **Greg L. Wahl**, locomotive engineer, Transportation, Los Angeles Service Unit.



**Retirement Watches.** It’s a long-standing tradition to gift employees a retirement watch commemorating their dedicated service. Watches are an integral part of our history – Union Pacific adopted time standardization for accurate schedules and traveler safety, decades before congressional recognition of what are now our standard time zones.



“Through the years I’ve seen a lot of changes in the rail industry, including more female employees working in the transportation and craft sectors. There has been a lot of progress, and I can only imagine what’s in store for the future.”

**Nancy L. Brice**, Clerk-Premium Operations, Transportation, Los Angeles, California, and 50-Year Employee Honoree

# Appendix

## Sustainability Metrics

Data reflects Union Pacific's workforce as of Dec. 31, 2022, and comprises all employees, including subsidiary and international employees.

### EMPLOYEES

WORKFORCE*	UNITS	2018	2019	2020	2021	2022
<b>Total Workforce</b>	# OF EMPLOYEES	44,312	36,855	32,204	32,124	33,359
<b>Craft Professionals</b>	# OF EMPLOYEES	38,279	31,353	26,893	26,835	27,881
<b>Management Employees</b>	# OF EMPLOYEES	6,033	5,502	5,311	5,289	5,478
<b>Average Age</b>	YEARS	44.5	46.1	46.8	46.4	46.5
<b>Average Years of Service</b>	YEARS	13.7	15.4	16.3	15.7	15.8
<b>Employee Turnover Rate</b>	%	9	11	12	12	10.4
<i>Voluntary Turnover Rate**</i>	%	63	68	66	59	58
<b>Retention Rate</b>	%	91	90	89	89	90
<b>Retention Rate – People of Color</b>	%	91	90	89	89	88
<b>Retention Rate – Female</b>	%	87	86	87	88	88

\*Includes interns.

\*\*Voluntary quits and employee retirements.

WORKFORCE*	UNITS	2020	2021	2022
<b>Retention Rate – People of Color</b>				
<i>Management</i>	%	89	92	92
Asian	%	95	96	91
Black	%	86	90	90
Hispanic	%	91	93	93
Native American	%	94	94	94
2 or More	%	92	92	90
White	%	89	92	92
<i>Craft Professionals</i>	%	89	88	88
Asian	%	87	89	87
Black	%	90	88	86
Hispanic	%	88	88	90
Native American	%	91	92	91
2 or More	%	73	74	78
White	%	88	88	90
<b>Retention Rate – Gender</b>				
<i>Management</i>	%	89	92	92
Male	%	90	93	92
Female	%	87	90	90
<i>Craft Professionals</i>	%	88	88	89
Male	%	89	88	89
Female	%	87	85	86

\*Breakout data was not available until 2020; reported data is self-reported.



## WORKFORCE DIVERSITY

GENDER	UNITS	2018	2019	2020	2021	2022
Total Female	%	5.3	5.5	5.6	5.3	5.5
Total Male	%	94.7	94.5	94.4	94.7	94.5
Females in All Management Positions	%	23	23	21	21	21
Females in Junior Management Positions	%	23	23	21	21	20.9
Females in Top Management Positions	%	21	23	22	28	26.9
Females in Management Positions with Revenue Generating Functions	%	36	38	37	35	34.1
Females in Craft Positions	%	3	3	3	2	2.7
Females in STEM-Related Functions	%	20	18	16	16	15.7

SELF-REPORTED INFORMATION*	UNITS	2018	2019	2020	2021	2022
LGBT+	%	*	*	<1	<1	<1
Individuals with Disabilities	%	*	*	2	<2	<2

\*This data was not reported until 2020; reported data is self-reported.

BOARD DIVERSITY	UNITS	2018	2019	2020	2021	2022
Female	#	2	2	2	3	4
People of Color	#	3	4	4	4	3
Board Size	#	11	12	12*	12**	12***

\*Erroll B. Davis, Jr. retired at the 2020 Annual Meeting.

\*\*Bhavesh Patel completed his term in May 2021. Sheri Edison was elected effective Dec. 1, 2021.

\*\*\*Andrew Card, Jr. and Thomas McLarty III retired at the 2022 Annual Meeting.

GENERATION*	UNITS	2018	2019	2020	2021	2022
Traditionalists (born before 1946)	%	<1	<1	<1	<1	<1
Baby Boomers (born 1946-1964)	%	21	21	19	17	14.1
Generation X (born 1965-1981)	%	52	55	57	58	56.4
Millennials (born 1982-1997)	%	26	23	23	25	27
Generation Z (born after 1998)	%	<1	<1	<1	1	2.6

\*Numbers that do not add up to 100% are due to rounding.

PEOPLE OF COLOR CATEGORIES*	UNITS	2018	2019	2020	2021	2022
Asian	%	2	2	2	2	2
Management	%	5	5	5	5	5
Craft Professionals	%	1	1	1	1	1
Black	%	12	12	12	12	13
Management	%	8	8	8	8	9
Craft Professionals	%	13	12	13	13	14
Hispanic	%	14	14	14	14	15
Management	%	9	9	10	10	10
Craft Professionals	%	15	14	15	15	14
Native American	%	1	1	2	2	1.5
Management	%	<1	<1	<1	<1	<1
Craft Professionals	%	2	2	2	2	2
2 or More	%	**	**	1	1	1.1
Management	%	**	**	1	2	2
Craft Professionals	%	**	**	1	1	1
White	%	71	71	70	69	67
Management	%	76	76	76	75	73
Craft Professionals	%	69	70	69	67	66

\*Reported data is self-reported. Numbers not adding to 100% are due to rounding.

\*\* This data was not reported until 2020

## NEW HIRES

	UNITS	2018	2019	2020	2021	2022
<b>Total Workforce New Hires</b>	#	4,679	953	310	1,314	4,170
Management	#	672	327	181	386	614
Craft Professionals	#	4,007	626	129	928	3,556
Positions Filled by Internal Candidates	#	1,237	690	805	978	1,262
<b>New Hires People of Color</b>	%	43	41	35	48	51
	#	2,002	390	108	630	2,193
Management	%	31	28	33	40	42
	#	207	93	59	156	264
Craft Professionals	%	45	47	37	51	53
	#	1,795	297	49	474	1,929
<b>New Hires Female</b>	%	7	12	17	13	10
	#	332	119	52	176	416
Management	%	31	31	23	35	33
	#	205	101	42	135	202
Craft	%	3	3	8	4	6
	#	127	18	10	41	214
<b>New Hires Male</b>	%	93	88	83	87	90
	#	4,347	834	258	1,146	3,754
Management	%	69	69	77	65	67
	#	467	226	139	252	412
Craft Professionals	%	97	97	92	96	94
	#	3,880	608	119	894	3,342

## NEW HIRES\*

	UNITS	2020	2021	2022
<b>Management</b>				
Asian	%	15	14	10
	#	27	56	64
Black	%	7	10	16
	#	13	40	101
Hispanic	%	10	12	11
	#	19	47	69
Native American	%	0	0	0
	#	0	1	0
2 or More	%	0	3	4
	#	0	11	25
Unknown	%	0	0	1
	#	0	1	5
White	%	67	60	57
	#	122	230	350
<b>Craft Professionals</b>				
Asian	%	1	1	1
	#	1	14	46
Black	%	16	22	25
	#	20	204	886
Hispanic	%	18	23	22
	#	23	216	782
Native American	%	2	1	1
	#	2	6	40
2 or More	%	2	3	4
	#	3	31	128
Unknown	%	0	0	1
	#	0	3	47
White	%	62	49	46
	#	80	454	1,627

\*Breakout data was not available until 2020; reported data is self-reported.

MANAGEMENT PROMOTIONS	UNITS	2018	2019	2020	2021	2022
Number of Promotions	#	1,108	1,095	1,168	993	1,155
People of Color	%	26	28	24	30	28
	#	288	306	284	293	325
Female	%	21	23	16	20	19
	#	233	252	187	199	219
Male	%	79	77	84	80	81
	#	875	843	981	795	936

MANAGEMENT PROMOTIONS*	UNITS	2020	2021	2022
People of Color	#	284	293	325
Asian	%	4	6	3
	#	43	58	32
Black	%	7	10	12
	#	81	102	140
Hispanic	%	11	10	10
	#	132	102	111
Native American	%	0	0	1
	#	5	3	9
2 or More	%	2	3	3
	#	22	28	33
Unknown	%	0	0	0
	#	1	0	0
White	%	76	70	72
	#	884	700	830

\*Breakout data was not available until 2020; reported data is self-reported.

VETERANS	UNITS	2018	2019	2020	2021	2022
Number of Veterans	#	8,628	6,985	6,040	6,038	6,073
Percent of Veterans in Total Workforce	%	20	19	19	19	18

2030 DIVERSITY TARGETS	UNITS	TARGET
People of Color	%	40
Women	%	11

EMPLOYEE DEVELOPMENT	UNITS	2018	2019	2020	2021	2022
Employee Engagement Favorability Index	%	*	54	49	55	49
Total Values Line Reports	#	1,485	1,260	1,271	1,222	1,342
Substantiated Values Line Cases	%	27	29	26	27	27
Management Employees who Receive Formal Performance Reviews	%	99	99	99	99	99
Management Employees with Individual Development Plans	%	13	15	39	93	94
Reported Employee Volunteer Hours**	Hours	9,309	6,532	4,028	3,821	3,907
Employees Involved in Employee Resource Groups	#	2,619	2,499	1,848	2,573	4,375

\*Data collected differently in 2018 and prior years.

\*\*Only reflects employee volunteer hours greater than 40 hours per employee.

TRAINING	UNITS	2018	2019	2020	2021	2022
Average Hours of Training per Employee*	Hours	71	33	23	29	47
Average Hours of Training for Male Employees**	Hours	73	34	23	30	47
Average Hours of Training for Female Employees**	Hours	39	22	14	24	43
Average Hours of Training for Diverse Employees**	Hours	92	36	24	33	59
Ethics Training Participation***	%	21	20	17	98	99
Online Training Courses Completed	#	1,188,360	1,045,872	921,907	860,365	972,252
Average Amount Spent per Employee on Training and Development****	\$	2,205	1,362	696	959	2,037
Diversity & Inclusion Training Covered*****	%	<1	7	85	92	88

\*New hire training efficiencies and reduced skill enhancement training due to the pandemic.

\*\*Reflects varying proportions of craft and management positions.

\*\*\*Reflects changes in workforce during period.

\*\*\*\*Limited new hire training in 2020 with limited travel.

\*\*\*\*\*Revised to total workforce completing D&I Training; reflects changes in workforce during period.

STATE	FULL TIME EQUIVALENT CRAFT PROFESSIONAL & MANAGEMENT EMPLOYEES*	GROSS WAGES (MILLIONS)	TRACK MILES**	CAPITAL INVESTMENT (MILLIONS)
Arizona	921	95	691	80
Arkansas	1,759	181	1,324	203
California	3,096	348	3,362	310
Colorado	653	74	1,504	55
Idaho	692	69.0	873	44
Illinois	2,940	300	2,384	170
Iowa	1,152	115	1,430	90
Kansas	855	95	2,199	82
Louisiana	870	101	1,140	54
Minnesota	312	35	644	39
Missouri	1,436	151	1,541	113
Montana	12	1	125	3
Nebraska	5,927	831	1,098	279
Nevada	413	39	1,193	68
New Mexico	406	41	618	45
Oklahoma	266	30	1,240	41
Oregon	1,002	104	1,073	99
Tennessee	43	4	17	1
Texas	5,647	555	6,447	718
Utah	966	102	1,267	82
Washington	238	21	540	7
Wisconsin	258	32	919	16
Wyoming	729	67	874	55

\*Full Time Equivalents, or FTEs, are primarily calculated based on straight time hours, including vacation and holidays, versus the number of hours worked during a normalized 40 hour work week.

\*\*Track miles refers to UP owned and operated main and branch line, as well as lines operated under lease and trackage rights.

## Cautionary Information

Our 2022 We Are One Report provides additional explanatory information regarding Union Pacific that may not be available, included or directly derived from information in the company's Annual Report. Information included in this document, and any issues identified as important for the purposes of this document, may not be considered material for SEC reporting purposes. Materiality and/or the term "material" in the context of this document is distinct from and should not be confused with, such terms as defined for SEC reporting purposes. This report includes statements and information regarding future expectations, outcomes or results of the company that are not historical facts. These statements and information are forward looking as defined by federal securities laws. Forward looking statements and information can be identified by use of forward-looking terminology (and derivations thereof), such as "believes," "expects," "may," "should," "will," "would," "intends," "plans," "estimates," "anticipates," "strives," "seeks," "aspires," "endeavors," "target," "projects" and other words or phrases of similar intent.

Forward-looking statements and information generally include the following: the company's expectations, goals, forecasts, targets, and aspirations with respect to sustainability and corporate responsibility matters, including related risks and opportunities; demand for the company's rail service; enhancing profitability; volume and revenue growth; efficiency improvements and increasing returns; the effectiveness or growth of new and newer services; management of network volumes; increasing shareholder value; total amount of capital investments;; returns on capital investments; improvements regarding the sustainability, emissions, and safety of our operations and equipment; preserving the environment and communities where the company operates; and effectiveness of plans, programs and initiatives related to our workforce. Forward-looking statements and information 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, targets, goals, or results will be achieved. Forward-looking statements and information are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. Forward-looking statements and information reflect the good faith consideration by management of currently available information and may be based on underlying assumptions believed to be reasonable under the circumstances. However, such information and assumptions (and, therefore, such forward-looking statements and information) are or may be subject to variables or unknown or unforeseeable events or circumstances over which management has little or no influence or control and may be derived from internal controls and processes that continue to evolve and standards are measuring progress that are still developing. Factors that could cause results or outcomes to differ, including the risk factors in Item 1A of the company's Annual Form 10-K, filed February 10, 2023, also could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements and information. This report should be read in consideration of these risk factors. To the extent circumstances require or the company deems it otherwise necessary, the company will update or amend these risk factors in subsequent Annual Reports, periodic reports on Form 10-Q or current reports on Form 8-K.

Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, regardless of any past practice of doing so. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements. Website references and/or hyperlinks have been provided for convenience only, and the contents therein are not incorporated into, nor do they constitute a part of, this document.



TO THE EMPLOYEES OF UNION PACIFIC  
**Thank you!**