

# The How Matters



Statement of Policy on Ethics and Business Conduct  
Nonagreement and ARASA Employees



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# CEO's Letter



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

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

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

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

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

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

Sincerely,

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

**Lance Fritz**, Chairman, President and CEO

# We Strive for Excellence

## COMPANY VISION

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

## MISSION

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

## VALUES

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

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

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

# The Value Strategy

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

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

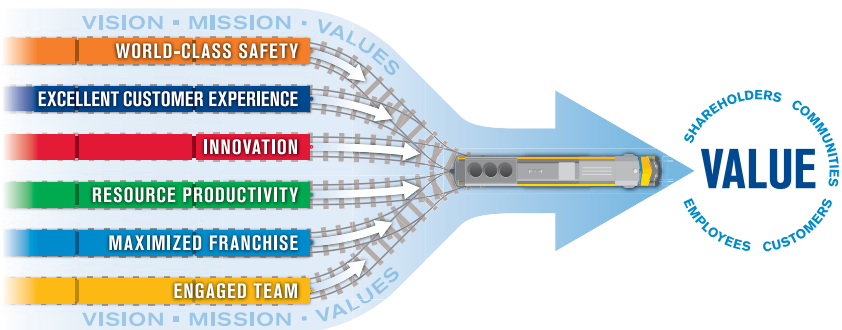
**Excellent Customer Experience.** More than the service product, the customer experience is about anticipating needs, quickly responding, keeping commitments and offering solutions. Every employee impacts our customers' businesses and success.

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

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

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

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



# CoreConnect

Every employee's career path is unique. Union Pacific supports those unique paths through a talent management initiative called CoreConnect.

CoreConnect includes a defined set of competencies focusing on how the work is done as well as the goals and results. Through the core competencies, we create a culture of performance and growth that supports the company's mission, vision and values.

## CORE COMPETENCIES

### BUILDS RELATIONSHIPS AND INFLUENCES OTHERS

Presents a positive disposition and demonstrates compassion and empathy. Maintains constructive interpersonal relationships. Collaborates and influences by listening objectively and identifying optimal solutions. Effectively builds working partnerships across the organization and embraces diversity.

### HANDLES ADVERSITY

When facing setbacks and adversity, maintains focus, intensity, and emotional control. Recovers quickly and remains optimistic and persistent. Balances work demands with the needs of others. Effectively responds to challenges and competing demands/objectives.

### CONFRONTS PROBLEMS WITH COURAGE

Identifies potential problems and proactively confronts them in a constructive manner, even when doing so leads to conflict. Values the opportunity to engage in informed debate and learn new perspectives. Encourages diverse viewpoints and passionate discussion in order to achieve the best possible outcomes.

### EMBRACES CHANGE

Effectively manages unexpected and/or novel situations, including major changes in responsibility, work tasks, or work environments. Adjusts to new work structures, processes, requirements, or cultures. Leads change efforts: anticipates issues, challenges the status quo, communicates organizational changes, creates buy-in, support others, and establishes systems and processes to support change.

## LEADS TEAMS

Develops and leads high performing work teams. Develops and communicates business plans and objectives consistent with broader organizational goals. Establishes high professional standards, and ensures that accountabilities and roles are understood. Ensures that team members receive feedback, coaching, and developmental experiences. Involves and engages team members and delegates authority effectively. Develops, communicates, and leads organizational improvement.

## MAKES EFFECTIVE DECISIONS

Develops a positive decision making environment by focusing on the organizational dimensions of a decision and being aware of the potential for cognitive bias. Analyzes problems, generates multiple solutions, and makes connections between seemingly unrelated information. Makes high quality decisions even under time pressure, and is willing to move forward even in the face of uncertainty.

## ACTS STRATEGICALLY

Develops long-range objectives consistent with the big picture. Anticipates the future, based on broader organizational and market factors. Understands risk, key global trends, and Union Pacific's position within the global environment. Generates and supports innovation. Manages resources so that work objectives are accomplished on time and within budget. Establishes priorities based on time urgency, perceived value, ease of completion, importance, and political/organizational factors.

## FOCUSES ON THE CUSTOMER

Evaluates situations from the customer's perspective. Anticipates and responds to internal and external customer needs by seeking and acting on their feedback. Ensures that all team members value the customer's perspective. Develops, communicates, and leads organizational improvements, resulting in improved customer service.

# Living Our Credo

## DO THE RIGHT THING

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

Employees can personally commit to these high standards through:

- **Honesty** – being truthful when dealing with customers, suppliers, shareholders and fellow employees
- **Fairness** – treating everyone fairly
- **Integrity** – voicing concerns when we believe our company or colleagues are not acting ethically or complying with the law
- **Respect** – maintaining a foundation of trust and respect with colleagues, customers, regulators, suppliers and other stakeholders
- **Loyalty** – ensuring no employee is, or appears to be, subject to influences, interests or relationships that conflict with the best interests of the company
- **Accountability** – holding yourself, your peers and our customers to our company's high standards
- **Adherence to the law** – complying with all laws
- **Compliance with policies** – complying with the letter and spirit of company policies

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

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



Then,

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

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

Examples of violations that require action include:

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

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

# Diversity and Respect in Our Workplace

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



## WE UPHOLD THIS DIVERSITY AND RESPECT THROUGH:

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

## EQUAL EMPLOYMENT OPPORTUNITY (EEO) POLICY

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

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

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

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

### PROHIBITED BEHAVIORS INCLUDE:

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

## ADDITIONAL PROTECTIONS THROUGH THE EEO POLICY

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

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

## REPORTING PROHIBITED BEHAVIORS

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

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

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

## EQUAL EMPLOYMENT OPPORTUNITY POLICY

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

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

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

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

**Q: A co-worker voluntarily shared her salary with me. That co-worker has retired and her position is posted. A friend of mine is applying for that position. Can I tell my friend what my retired co-worker was paid?**

A: Yes. Under new pay transparency laws Union Pacific will not discharge or in any other manner discriminate against employees because they have openly discussed their own pay or the pay of another employee or applicant, as long as access to that information was not part of their essential job function. Once a person voluntarily discloses their salary others are free to share that information.



## EQUAL EMPLOYMENT OPPORTUNITY POLICY *(continued)*

**Q: I have access to compensation information for all employees in my department. A friend is applying for a job in my department and wants to know what the person who held that job previously was paid. Can I tell her?**

**A:** No. In this situation the employee who has access to the compensation information cannot disclose the pay of other employees.

## NEPOTISM POLICY

### ENSURING INTEGRITY IN THE HIRING PROCESS

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

#### **The company's Nepotism Policy states:**

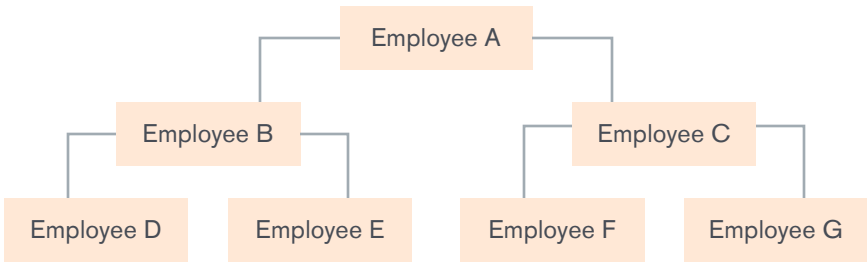
- Union Pacific hires on the basis of merit and job-related qualifications.
- Union Pacific does not guarantee an interview or employment to applicants who are relatives of employees.
- Relatives of employees may be hired only if they will not work directly for or supervise a relative and also will not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

## DIRECT AND INDIRECT REPORTING RELATIONSHIPS

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

### Supervision Defined

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



#### Direct Supervision

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

#### Indirect Supervision

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

## CHANGE IN JOB STATUS

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

### **Nonagreement Employees:**

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

### **Right of Selection Employees:**

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

### **Other Agreement Employees:**

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

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



## NEPOTISM POLICY

**Q: Three nonagreement managers all report to the same director. One of the managers has a brother, who is currently not a Union Pacific employee, who has applied for a nonagreement position working under one of the other managers. Would hiring the manager's brother be in conflict with the [Nepotism Policy](#)?**

A: Yes. Because the three managers collaboratively discuss performance and influence decisions related to ratings and merit, hiring this individual would be a violation of the Nepotism Policy.

**Q: Nonagreement Employee C indirectly supervises nonagreement Employee D. Employee C and D, both of whom are Band B employees, decide to marry. What needs to happen?**

A: Both employees must inform their manager and HRCS Director. The manager and [HRCS Director](#) will work with the [Compliance Team](#) to determine if appropriate controls can be put in place or if one of the employees needs to move to a different position.

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

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

## SAFE AND INJURY-FREE WORKPLACE

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

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

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

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

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

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

## TOTAL SAFETY CULTURE

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

### Four primary characteristics of TSC:

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

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



### COURAGE TO CARE

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



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

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

# How to Do Business with Integrity

## DISCLOSE CONFLICTS OF INTEREST

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

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

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

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

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

Financial interest may be stock, a note or other equity or creditor interest, employment or other affiliation, or other relationships providing remuneration. A financial interest generally does not include ownership of securities in publicly traded companies, and employees are not required to disclose such ownership unless both of the following conditions exist: the employee's ownership represents more than one percent of the stock of the organization in question and the employee's ownership of that organization's stock represents more than 5 percent of his or her own net worth.

Employees who believe they are involved in, or are aware of, any situation that could result in a conflict of interest, should disclose it to their supervisor, and update their conflict of interest statement. Employees can access their statement on the [Ethics and Business Conduct](#) page by clicking on "Complete or Update Your Report to the Chief Executive Officer."



## CONFLICTS OF INTEREST

**Q: Is it OK to own or acquire stock or invest in a competitor (e.g., another railroad, trucking company) or in a major vendor/customer, or do I have to sell my interests when I become an employee?**

A: You do not have to sell the stock or investment unless a conflict of interest clearly exists and there is no way to address the conflict except through divestiture of the stock or investment. A conflict would exist if the significance of the investment or stock would influence your decision-making process at Union Pacific. Generally, owning fewer than 1,000 shares in a publicly traded company would not be considered significant, whereas owning 10,000 shares may be.

**Q: A 20-year friend was hired as a supplier. I am a purchasing agent. Our families are close and we go on trips together. Do I need to report this?**

A: Yes. The appearance of a conflict of interest may be just as bad as having an actual conflict. You should disclose the relationship right away to your superiors and update your Report to the CEO.



## CONFLICTS OF INTEREST

**Q: I have a very large extended family and am worried that a relative could create an actual or potential conflict of interest for me without my knowledge.**

A: Generally, you are not responsible for learning about the activities of family members who do not live with you. You need to be concerned only with circumstances you know about.

## UNDERSTAND GIFTS AND ENTERTAINMENT

Employees are allowed to accept occasional or non-recurring gifts worth up to \$100, or entertainment with a value less than \$250 in any single day (or \$500 annually) from an establishment or individual without notifying the company.

When gifts or entertainment valued more than these amounts are received, pertinent information must be reported in the [company's Gifts and Entertainment Reporting database](#).

REPORTING REQUIREMENTS	GIFTS	ENTERTAINMENT
No reporting requirement	Up to \$100	Up to \$250/day or \$500/year
Report in gift database	More than \$100	More than \$250/day or \$500/year
Pre-approval from department executive or compliance manager, and documentation in the Gifts and Entertainment Reporting database	More than \$200	More than \$1000
Must be reported	Receipt of gift cards/ cash in any amount	



### **Appropriate gifts:**

- Do not violate any law, policy, regulation, trade organization, etc.
- Comply with the gift and entertainment value threshold
- Are given for a valid business purpose
- Are infrequent and could be reciprocated
- Are not requested and impose no sense of obligation on the giver or recipient
- Do not cast doubt on the integrity of a procurement process
- Are open and transparent, not hidden or secret
- Are recorded appropriately in the company's Gifts and Entertainment Reporting database

Employees should not accept gifts or entertainment from customers, contractors, vendors, suppliers or similarly situated third parties if the gift will influence the employee's decision on whether or how much to use the third party in business. Employees also should not accept the gift if it appears to improperly influence the fairness of Union Pacific's interactions with customers, contractors, vendors, suppliers or others.



## MEALS

**Q: Is it ever OK to accept a gift or business courtesy from a customer?**

A: You should never say or do anything to suggest that gifts are necessary for a customer to receive the same excellent service as anyone else. In some cases, routine business courtesies, such as small gifts or meals, may be appropriate.

**Q: Suppose I am offered a gift I feel I should not take, but it would be embarrassing to refuse. What should I do?**

A: Union Pacific gift guidelines call for good judgment and disclosure – each situation can be different. You should always feel free to decline a gift or return it with a thank you note. If you are not sure if the gift is appropriate, seek guidance from your manager or compliance manager.

**Q: I received an expensive basket of fruit from a supplier as a holiday present. I did not solicit the gift. What should I do?**

A: Inform your supervisor that the gift was received and place it in a common area where it can be shared with others. Also, record it in the gift database.

**Q: At a customer- (vendor-, supplier- or contractor-) sponsored event, I won a hole-in-one prize, which is a \$250 gift card to be used in the golf course club house, may I keep the prize?**

A: Yes. Advise your manager and record the gift in the gift database.

**Q: Is it OK to buy a drink for a supplier representative after a meeting at the end of the day?**

A: Yes, you may buy a person a drink if it is after business hours and no other company policies are violated. Never drive a vehicle under the impairment of alcohol.



# FOLLOW THE BUSINESS TRAVEL AND EXPENSE POLICY

The [Business Travel and Expense Policy](#) provides information, guidelines and best practices for travel expenditures while traveling on company business. All travel expenses should be economical and reasonable.

## GENERAL GUIDANCE

Employee paid (out-of-pocket) business-related expenses, including mileage, must be submitted on an expense report within 90 days to be eligible for reimbursement. Expenses submitted after 90 days from the transaction date on the receipt, or date the expense was incurred (mileage), will not be reimbursed.

An original receipt is required for ALL reimbursable expenses for any amount when the BTE or CLC Card is NOT used for the transaction and for all expenses over \$25 when the BTE Card IS used for the transaction.

## TRAVEL ARRANGEMENTS

All travel arrangements should be made using the online [My UPTravel](#) tool. The Visa Business and Travel Card must be used for all purchases when possible. All hotel reservations must be made using My UPTravel, including reservations made through Corporate Lodging Consultants (CLC). Hotel arrangements for group travel for training purposes should be arranged through Travel Services, a third party vendor service.

When spouses accompany employees on business trips, their expenses must be pre-approved by either a vice president or a designated department executive.

Airline tickets must be purchased at least 14 days in advance. Exceptions are permitted for emergencies (e.g. operational, customer, or vendor demands).

The lowest total cost flight option should be selected (taking into consideration baggage fees and any potential hotel or car rental expenses). For example, if your lowest cost flight option is \$300, but there is also a \$350 option that would allow you to avoid an extra hotel stay and day of car rental, then it would be overall cheaper to choose the \$350 flight.

Airline ticket changes/fees must have a valid business reason.

Travel costs for trips to/from the airport in your normal work area (either through a transportation service or in your personal vehicle claiming the IRS mileage rate) are reimbursable when the round trip total is less costly than the airport parking charges that would have been incurred for that business trip. Documentation of your analysis should be included in your expense report.

Rental cars reserved within Omaha are not reimbursable for employees traveling to Omaha for meetings or training at UPC Headquarters or the Harriman Dispatching Center (HDC). Employees should instead choose the lowest cost transportation option (e.g. hotel shuttle or taxi).

Charges for optional features, such as GPS or satellite radio, are not reimbursable.

## MEAL EXPENSES

Alcohol will not be reimbursed while on company business unless entertaining a non-Union Pacific employee (e.g. client, customer, vendor, general chairman, etc.).

The company will pay for reasonable meal expenses incurred by an employee while on company business. Employees are encouraged to take advantage of complimentary meals such as hotel breakfasts. Meals on the day of departure and day of return will be reimbursed only if the trip begins before or ends after the normal meal hour, and the meals are consumed at a location other than the normal work area. The company will reimburse employees for normal and customary tips. Reasonable expenses incurred for entertainment while conducting company business will be paid.

If a meal expense is greater than \$25, an itemized/detailed receipt is required. An itemized/detailed receipt is also required for ALL reimbursable meal expenses for any amount when the BTE Card is NOT used for the transaction. If a tip is given, employees should write the tip amount on the receipt.

## OFF-SITE FUNCTIONS

Any off-site group function (e.g. meeting, recognition, teambuilding event, etc.) with an estimated total spend of \$10,000 or more (excluding travel) must be arranged through Travel and Transport's Meetings Team at (855) 778-9512 or [unionpacificgroups@tandt.com](mailto:unionpacificgroups@tandt.com) as defined by [Supply Chain Procurement Policy](#).

## APPROVERS

Approvers cannot approve charges which they are party to. These charges should be routed to the approver's supervisor for approval. Per policy, the most senior employee in attendance must pay for the expense, but some situations require another employee to pay. For example, an employee uses their Business & Travel Expense Card to pay for a meal their supervisor attends because the supervisor does not have a Business & Travel Expense Card. The supervisor in this case, is not allowed to approve the charge. The charge would be routed to a level above the supervisor for approval.

## TIPS FOR REDUCING TRAVEL COSTS

- Consider virtual meetings
- Ask who really needs to attend
- Plan travel to accomplish multiple objectives if possible
- Consider same-day travel for one-day business trips
- Use preferred vendors for airline, hotel, and rental car reservations
- Utilize shuttles, cabs, or public transportation when more cost effective than renting a car



## BUSINESS AND TRAVEL EXPENSE POLICY

**Q: I am travelling with a fellow employee on a business trip. I would like to have a drink with them before dinner. Will the company reimburse me for that?**

A: No. Alcohol will not be reimbursed while on company business unless entertaining a non-Union Pacific employee (e.g. client, customer, vendor, general chairman, etc.).

**Q: I am submitting an expense report that includes out-of-pocket expenses for meals and mileage for a trip I took six months ago. Will the company reimburse me for that?**

A: No. Employee paid (out-of-pocket) business-related expenses, including mileage, must be submitted on an expense report within 90 days to be eligible for reimbursement. Expenses submitted after 90 days from the transaction date on the receipt, or date the expense was incurred (mileage), will not be reimbursed.



## BUSINESS AND TRAVEL EXPENSE POLICY

**Q: I am submitting an expense report that includes a meal that I paid for with my BTE card that cost \$30.75. Can I use my charge slip for documentation?**

A: No. If a meal expense is greater than \$25, an **itemized/detailed** receipt is required regardless of the method of payment. If a tip is given, employees should write the tip amount on the receipt.

**Q: My transportation cost to/from the airport is \$35.00. If I drive my own car I would need to pay parking charges of \$50.00. Will the company provide for reimbursement of the \$35.00 cost?**

A: Yes. Travel costs for trips to/from the airport in your normal work area (either through a transportation service or in your personal vehicle claiming the IRS mileage rate) are reimbursable when the round trip total is less costly than the airport parking charges that would have been incurred for that business trip. The reimbursable amount is the lesser of the travel costs to/from the airport OR the parking charges, you cannot claim both for the same trip.

**Q: I'm organizing a staff meeting for my department. Last year I worked directly with a local hotel on the meeting arrangements and rooms for out of town attendees. The cost was \$40,000. We had a great experience. Can I just call them directly to set up the same size meeting for this year?**

A: No. Any off-site group function (e.g. meeting, recognition, teambuilding event, etc.) with an estimated total spend of \$10,000 or more (excluding travel) must be arranged through Travel and Transport's Meetings Team at (855) 778-9512 or [unionpacificgroups@tandt.com](mailto:unionpacificgroups@tandt.com) as defined by [Supply Chain Procurement Policy](#).

## COMPLY WITH APPLICABLE LAWS

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

- Employees should never offer or provide gifts, gratuities or entertainment to government officials on behalf of Union Pacific. Federal and state laws prohibit or limit companies from contributing to political candidates or elected officials.
- Employees may not obstruct justice by testifying falsely under oath, refusing to testify, or destroying, altering or falsifying documents or evidence related to legal proceedings or government investigations.

In addition to following laws and regulations, employees are encouraged to participate actively in community, civic and political affairs.

## POLITICAL ACTIVITY AND LOBBYING

Union Pacific operates in 23 states across the western two-thirds of the United States. As a result, decisions made by federal, state and local governments affect the company on a daily basis. Company officials believe it is appropriate for Union Pacific to actively participate in the deliberative policy making and political process. The company takes its role as a good corporate citizen seriously, and places a high priority on fully complying with all federal, state and local requirements associated with participating in this process.

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

All eligible employees may voluntarily contribute to the company's established political action committee (PAC), the Union Pacific Fund for Effective Government (FFEG). FFEG is organized on a strictly voluntary, bipartisan basis and is registered with the Federal Election Commission.

Federal and state laws govern Union Pacific's lobbying activities. These laws require lobbying activities and expenses to be reported regularly and in a prescribed manner. As required by law, these reports disclose the company's lobbying expenditures, describe specific pieces of legislation that were the topic of communication and identify individuals who lobbied on behalf of the company. Only authorized employees may engage in lobbying on behalf of the company.



## COMPLY WITH APPLICABLE LAWS

**Q: My neighbor is running for office in a local election, and asked me to write an endorsement letter that will be included in his campaign materials. I'm sure my letter would have more impact if I used Union Pacific letterhead. Is this OK?**

A: No. While all Union Pacific employees may participate in all aspects of civic life, employees may not represent or imply representation of the company in any way unless they are officially designated to do so.

**Q: A friend is running for political office and has invited me to attend a campaign event this weekend. I would like to participate, but am concerned this is a violation of Union Pacific's policies regarding political involvement. May I attend?**

A: Yes. Your involvement at the event is acceptable as long as your activities occur on your personal time and you do not speak on behalf of Union Pacific.

# ABIDE BY FAIR TRADE PRINCIPLES

## ANTITRUST

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

Antitrust laws prohibit unreasonable anti-competitive behavior and unfair business practices, including price-fixing, customer allocation, boycotts and predatory acts designed to strengthen a dominant company. Antitrust laws apply to interactions with customers, vendors and competitors. In many situations, Union Pacific competes as well as cooperates with customers and other railroads. These relationships may also affect the business of the company's vendors. The interconnected marketplaces in which railroads and their customers operate make it extremely important for employees to vigilantly avoid compromising situations.

### Consequences of Violations

The consequences of violating antitrust laws can be extremely serious for Union Pacific and its employees. Violations can lead to fines and imprisonment for the individuals involved and heavy fines for the company. In addition to criminal prosecution, the company may be subject to very costly civil suits. If there is a question about activities, seek advice from the Law Department. **Ignorance of the law is no excuse.**

### Determining Antitrust Risk

1. Think about antitrust issues and discuss with the Law Department.
2. Compete hard on the merits rather than seeking ways to reduce competition with other railroads.
3. Watch the marketplace, and do not act to reward competitors for their actions or to demonstrate that Union Pacific will "go along" or "support" industry positions as reflected in competitors' similar actions.
4. Avoid inappropriate communications with competitors about topics such as pricing, business plans or customers.
5. Be careful about what you write and what you say.

## ANTI-BRIBERY

Employees must avoid improper payments and corrupt behavior to domestic or foreign government officials.

# COMPLY WITH THE FOREIGN CORRUPT PRACTICES ACT (FCPA)

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

**It is illegal and against Union Pacific policy to give anything of value to a foreign official to gain a business advantage.**

## What is a foreign official?

- an officer, director or employee of a foreign state-owned business
- an officer or employee of a foreign government
- a foreign political party or political candidate
- a public international organization

## What is anything of value?

- meals
- entertainment
- gifts
- travel and lodging
- contracts or other business opportunities
- stock or other investments
- charitable contributions
- educational expenses
- medical expenses
- living expenses
- shopping expenses



To comply with the FCPA, certain expenses related to foreign officials require pre-approval and certain expenses are prohibited altogether.

**Expenses that are prohibited without exception include:**

- Cash payments to foreign officials
- Facilitating payments
- Contributions to political parties or political candidates in a foreign country

**Expenses that require written pre-approval include:**

- Travel for a foreign official
- Meals and entertainment for foreign officials that exceed \$100 per person
- Entertainment in premium seating, including suites and club level seating
- Charitable donations
- Gifts to foreign officials bearing the Union Pacific logo that exceed \$200 per person.

Employees may [request pre-approval](#) by submitting an FCPA Pre-Approval Form from the Union Pacific Employees site.

**Expenses that do not require pre-approval include:**

- Payments lawful under the written laws and regulations of the relevant country
- Meals under \$100 per person
- Entertainment under \$100 per person
- Gifts bearing the Union Pacific logo under \$200 per person

Employees must not use these expenses to secure an improper business advantage. In addition, employees must report the expenses appropriately on their Business and Travel Expense Report.

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

Questions can be directed to the FCPA Team at [fcpa@up.com](mailto:fcpa@up.com).

# UPHOLD VALUES WHEN DOING BUSINESS WITH SUPPLIERS

## PURCHASING POLICIES

Union Pacific's Supply Chain Department is responsible for entering into contracts with suppliers to provide materials and services for the railroad. The act of purchasing materials or services is governed by the [Union Pacific Procurement Policy](#).

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

Summary of Key Points in Union Pacific's Procurement Policy	
Material purchases \$50,000 or less; Services purchases \$25,000 or less	No contract required, however release of liability from the supplier and completion of an eRailsafe evaluation are required for services.
Material purchases greater than \$50,000; Services purchases greater than \$25,000	Must come to Supply Chain for procurement Reference <a href="#">Union Pacific Procurement Policy</a>
Contract Approvals	Must follow Authority Delegation Manual (ADM) – Union Pacific's policy for determining who can approve and execute documents on behalf of the Company. Contracts involving capital expenditures can only be executed after receipt of an approved Authority for Expenditure (AFE) or Advance Work Order (AWO).
Payments	Payments must be made in line with the <a href="#">Method of Purchase Matrix</a>
Notes: All expenditure levels are aggregate or annual.	

# EMPLOYEE EXPECTATIONS

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

## KEY EXPECTATIONS

- For all contracts required to be managed by the Supply Chain Department, Supply Chain must be involved in discussions with potential or existing suppliers regarding commercial terms including but not limited to: contract interpretation, rate changes, payment terms, or any other contract terms.
- All bids/quotes obtained, as well as contract terms, are confidential and are to be communicated only to Union Pacific employees who need to know. Under no circumstances should employees disclose this information outside the company.
- Individual discussions with potential suppliers regarding commercial aspects of an open bid are prohibited. Bidders are required to submit their questions to designated Supply Chain personnel via the electronic Q&A to ensure all suppliers receive the same information.
- Employees are required to disclose personal relationships with any person or entity which, to the knowledge of the employee, is under contract with the company.
- Parceling expenditures for a larger program into separate projects is not allowed.
- All service contract invoices must be processed through Contract Administration Services (CAS). Exceptions are made for invoices that are processed through pre-approved, stand-alone payables systems (e.g., IDCS, PowerLaw). Authority to Pay transactions (ATPs) are not appropriate mechanisms to pay for services rendered as part of a contract.
- When verifying invoices/daily work reports (DWRs), employees are responsible for ensuring the supplier has invoiced accurately for the services rendered and has submitted appropriate supporting documentation for reimbursable expenses (e.g., material, subcontracted work).
- Service contracts should not be used in lieu of purchase orders for materials, supplies or equipment. These items may be included under service contracts only if they are directly related to the contracted service.



## SUPPLIER EXPECTATIONS

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

For Supply Chain Department questions and/or consent please call or email the Services Procurement Center at: 1 (402) 544-0772 or [spc@up.com](mailto:spc@up.com).

# EQUIPMENT AND MATERIAL DISPOSITION POLICY

The Supply Chain Department is also involved in the sale and disposal of retired assets and unneeded material.

Just as we enter into contracts to procure materials and services, we also engage in competitive bidding to establish contracts when disposing of assets. We also employ other methods such as auctions and occasionally “spot” sales when disposing Union Pacific assets. The company’s policy for selling assets is outlined in our [Equipment and Material Disposition Policy](#).

## GUIDELINES

- For the sale of company assets less than \$25,000:
  - A formal contract is not required, however, a sales order must be generated and processed through the Supply Chain Department.
  - A signed release of liability must be obtained from potential bidders/purchasers that are invited onto Company property as part of the disposition process.
- For the sale of company assets greater than \$25,000:
  - All sales must be processed through the Supply Chain Department.
  - All requests should be made to the Director–Inventory and Asset Disposition at 402-544-4113
- Only those officers specifically designated in the Authority Delegation Manual may sign an agreement, contract or other legally binding document on behalf of the Company. Unless it is unreasonable to do so, all contract documents must be executed by the appropriate Supply Chain Department personnel. Any substantive changes to our standard approved contract language require Law Department approval.

## DONATIONS

- All donations, regardless of type, are governed by Operating Instruction 16: Donation Policy. The Donation Policy resides on the Employees site under Operating and Operating Instructions.
- All material and equipment donations are processed via a ‘No Charge’ sales order in ADS (Asset Disposition System).



## UPHOLD VALUES DOING BUSINESS WITH SUPPLIERS

**Q: Is it OK to provide advice to suppliers during an open bid as long as the advice benefits Union Pacific?**

A: No. During an open bid, all related information must be communicated through the Supply Chain Department to ensure proper dissemination to all suppliers.

**Q: I need a contract for approximately \$55,000 to complete a project. I know of a supplier who provides the service and can get the project done quickly. Is it OK to ask them to do the work without a contract and pay them through an ATP?**

A: No. Services exceeding \$25,000, whether in aggregate or total, spot or annual buy, are required to go through the Supply Chain Department for procurement.

**Q: I need to complete a project I believe will cost less than \$25,000. I've asked three local suppliers to provide quotes. I then evaluated the quotes, which ranged from \$11,000 to \$14,000. Is it OK if I send the low quote to the Supply Chain Department to establish a contract and ask the supplier to bill through the Contract Administration System (CAS)?**

A: Yes. CAS can be used for any service for which an employee requests. Services below a total cost of \$25,000, whether in aggregate or total, spot or annual buy, are not required to be procured through Supply Chain.

**Q: I have located material on Union Pacific property that is no longer needed for business, but I think it might have a resale value. A local supplier wants to purchase the material for \$60,000. Is it OK to enter an agreement and proceed with the disposal?**

A: No. All agreements exceeding \$25,000 related to the disposition of a company asset must be processed through the Supply Chain Department.

# Valuing Our Property and Information

## CORPORATE ASSETS

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

## CONFIDENTIALITY AND INSIDER TRADING

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

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

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

### Employees may not:

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

### What is material nonpublic information?

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

### What is insider trading?

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

#### Penalties:

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

### INSIDER TRADING

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

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

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

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



## RECORD KEEPING AND FINANCIAL REPORTING

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

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

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

### **Employees must:**

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

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

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

## RECORD KEEPING AND FINANCIAL REPORTING

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

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

**Q: My supervisor asked me to hold certain bills until after the end of the month, which is also the end of the quarter. What should I do?**

A: While your supervisor may have a legitimate reason to hold the bills, such as a dispute about the validity of charges, you should speak with a your supervisor's manager about the issue or contact the Union Pacific Values Line at 800-998-2000.

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

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

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

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

## INFORMATION GOVERNANCE

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

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

## EMPLOYEE REQUIREMENTS AND RESPONSIBILITIES

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

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

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

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

## INFORMATION SECURITY

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

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

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

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

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

## RECORDS MANAGEMENT

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

## Who is the Custodian?

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

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

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

## OWNERSHIP OF INFORMATION

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

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

## CONFIDENTIALITY AND PRIVACY

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

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

## INFORMATION GOVERNANCE

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

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

**Q: I am travelling and forgot to approve some invoices before I left town. Can I call my co-worker and give them my password so they can log in and approve the invoices for me?**

A: No. You should never share your password with others. You are responsible for the confidentiality of the password, and for any action performed with the user id assigned to you. Consider formal delegation of authority for invoice approval in this situation.

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

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

## INFORMATION GOVERNANCE

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

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

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

**Q: While responding to an incident, you use your personal cell phone to send text messages to your manager with measurements and statements regarding the scene. You also complete a Manager's Report. You receive a Legal Hold Order about the incident. Do you need to notify the Law Department representative regarding the text messages on your personal cell phone?**

A: Yes. Employees must ensure appropriate preservation of all information on a Company-owned or personal device that is subject to a Legal Hold Order or relates to a personal injury, property damage or other claim. As detailed in the Legal Hold Order, relevant information needs to be preserved even if it is stored on your personal device. Complete any questionnaire and follow any instructions included in the Legal Hold Order. Contact the Law Department representative listed on the Legal Hold Order Notice if you have questions regarding preservation.



## INFORMATION GOVERNANCE

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

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

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

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



# Excellence in Society and Our Communities



## RESPECTING AND PROTECTING THE ENVIRONMENT

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

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

## PUBLIC SAFETY

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

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

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

### **Reporting Unusual or Suspicious Occurrences and Environmental Hazards**

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

## MEDIA POLICY

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

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

## ADMINISTRATION OF THE POLICY

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

## EMPLOYEES AT WILL

For employees who are not governed by a collective bargaining agreement, employment with the company is voluntary and “at will.” Nothing contained in this policy, express or implied, is intended to create a contract or provide assurance of continued employment. Just as the employee is free to leave the employ of the company at any time and for any reason, the company has the right to terminate employment any time, with or without notice, for any reason or no reason.

We encourage all employees to speak openly and honestly about business ethics and compliance concerns with their supervisors or managers. We recognize there may be times when an employee wishes to discuss an issue, voice a concern or report a violation confidentially or anonymously.

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

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

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



Approved by the Union Pacific Corporation Board of Directors  
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