



CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

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Michael Garland
ASSISTANT COMPTROLLER
CORPORATE GOVERNANCE AND
RESPONSIBLE INVESTMENT

November 9, 2020

Rhonda S. Ferguson
Executive Vice President, Chief Legal Officer and Corporate Secretary
Union Pacific Corporation
1400 Douglas Street, 19th Floor
Omaha, NE 68179

Dear Ms. Ferguson:

I write to you on behalf of the Comptroller of the City of New York, Scott M. Stringer. The Comptroller is the custodian and a trustee of the New York City Teachers' Retirement System, and the Board of Education Retirement System (the "Systems"). The Systems' boards of trustees have authorized the Comptroller to file this resolution and to inform you of their intention to present the enclosed proposal for the consideration and vote of stockholders at the Company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the Company's next annual meeting. It is submitted to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the Company's proxy statement.

The Systems are beneficial owners of more than \$2,000 in market value of the Company's stock and have held such stock continuously for over one year. Furthermore, each System intends to continue to hold at least \$2,000 worth of these securities through the date of the Company's next annual meeting. Proof of ownership will be sent by the Systems' custodian, State Street Bank and Trust Company, under separate cover.

We would welcome the opportunity to discuss the proposal with you. Should the Board of Directors approve an EEO-1 Report disclosure policy that we consider responsive to the proposal, we will withdraw the proposal from consideration at the annual meeting.

Please feel free to contact Amna Khan at akhan@comptroller.nyc.gov if you would like to discuss this matter.

Sincerely,

Michael Garland
Enclosure

EEO-1 Report Disclosure

RESOLVED: Shareholders request that the Board of Directors adopt a policy requiring Union Pacific Corporation ("Union Pacific ") to disclose on its website its Consolidated EEO-1 Report, a comprehensive breakdown of its workforce by race, ethnicity and gender that the Company is required to submit annually to the U.S Equal Employment Opportunity Commission (EEOC). Union Pacific shall annually disclose its EEO-1 Report no later than 60 days after its submission.

Supporting Statement

High-profile killings of black men and women in 2020 highlighted the grave consequences of systemic racism in our society, sparked nationwide protests for racial justice, and prompted many companies to publicize their commitments to racial equity and diversity.

In a June 3rd statement, Union Pacific Chairman and CEO Lance Fritz announced: "Union Pacific has zero-tolerance for harassment or intimidation of this or any kind. Strengthening behavior that demonstrates respect and inclusion of culturally different employees is an ethical standard at Union Pacific. We, meaning me and my team at Union Pacific, need to stand up for our beliefs, our ethics and our fellow citizens."

We believe that demonstrable commitments to hire, equitably compensate, retain, and promote black employees, other employees of color and women can contribute not only to a more just society, but to improved company performance. A May 2020 McKinsey study found that companies in the top quartile of gender diversity on executive teams were 25% more likely to experience above-average profitability than peer company diversity laggards, and that there is an even higher likelihood of outperformance among companies with more ethnically diverse executive teams. ("Diversity Wins," at <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>)

The EEO-1 Report breaks down a company's U.S. workforce by race, ethnicity and gender according to 10 employment categories, including senior management, defined to incorporate individuals within two reporting levels of the CEO. Disclosure of this Report will provide investors with critical information, including:

- Standardized, quantitative, and reliable data that is comparable across companies and industries, enabling investors to assess the representation of black employees and other employees of color and women at various levels of the corporation;
- Specific data on senior management diversity; and
- Particularized data that allows investors to assess the representation of specific racial and ethnic groups by gender, such as black female employees, in a job category – and to make meaningful, year-over-year comparisons.

Union Pacific's 2019 Building America report disclosure provides only percentages for gender, and separately, for racial/ethnic groups for all employees as well as three company-specific job categories. This extremely limited disclosure is neither comparable, nor decision-useful for investors

Disclosing its EEO-1 Report is a cost-effective means for Union Pacific to demonstrate its diversity performance - it already collects the data for submission.

Finally, the proposal neither prevents nor discourages Union Pacific from disclosing any other data or information that management believes reflect its organizational structure or demonstrates its diversity.

A majority of S&P 100 companies disclose or have committed to disclose their EEO-1 Report beginning in 2021.

We ask shareholders to vote FOR this proposal.