

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

Utah

(State or other jurisdiction of incorporation or organization)

13-2626465

(I.R.S. Employer Identification No.)

1400 Douglas Street, Omaha, Nebraska

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each Class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock (Par Value \$2.50 per share)	UNP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-Accelerated Filer	<input type="checkbox"/>
Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 19, 2024, there were 610,122,122 shares of the Registrant's Common Stock outstanding.

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PART I. FINANCIAL INFORMATION
Item 1. Condensed Consolidated Financial Statements
Condensed Consolidated Statements of Income (Unaudited)
Union Pacific Corporation and Subsidiary Companies

<i>Millions, Except Per Share Amounts, for the Three Months Ended March 31,</i>	2024	2023
Operating revenues:		
Freight revenues	\$ 5,616	\$ 5,656
Other revenues	415	400
Total operating revenues	6,031	6,056
Operating expenses:		
Compensation and benefits	1,223	1,179
Fuel	658	766
Purchased services and materials	613	653
Depreciation	594	572
Equipment and other rents	216	235
Other	355	357
Total operating expenses	3,659	3,762
Operating income	2,372	2,294
Other income, net (Note 6)	92	184
Interest expense	(324)	(336)
Income before income taxes	2,140	2,142
Income tax expense	(499)	(512)
Net income	\$ 1,641	\$ 1,630
Share and Per Share (Note 7):		
Earnings per share - basic	\$ 2.69	\$ 2.67
Earnings per share - diluted	\$ 2.69	\$ 2.67
Weighted average number of shares - basic	609.2	610.6
Weighted average number of shares - diluted	610.2	611.5

Condensed Consolidated Statements of Comprehensive Income (Unaudited)
Union Pacific Corporation and Subsidiary Companies

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Net income	\$ 1,641	\$ 1,630
Other comprehensive income/(loss):		
Defined benefit plans	1	(1)
Foreign currency translation	3	23
Unrealized gain on derivative instruments	-	-
Total other comprehensive income/(loss) [a]	4	22
Comprehensive income	\$ 1,645	\$ 1,652

[a] Net of deferred taxes of (\$0) million during both the three months ended March 31, 2024 and 2023.

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Financial Position (Unaudited)
Union Pacific Corporation and Subsidiary Companies

<i>Millions, Except Share and Per Share Amounts</i>	<i>Mar. 31,</i> 2024	<i>Dec. 31,</i> 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 925	\$ 1,055
Short-term investments (Note 12)	20	16
Accounts receivable, net (Note 9)	2,162	2,073
Materials and supplies	770	743
Other current assets	317	261
Total current assets	4,194	4,148
Investments		
Properties, net (Note 10)	2,651	2,605
Operating lease assets	57,590	57,398
Other assets	1,453	1,643
Other assets	1,378	1,338
Total assets	\$ 67,266	\$ 67,132
Liabilities and Common Shareholders' Equity		
Current liabilities:		
Accounts payable and other current liabilities (Note 11)	\$ 3,801	\$ 3,683
Debt due within one year (Note 13)	733	1,423
Total current liabilities	4,534	5,106
Debt due after one year (Note 13)	31,195	31,156
Operating lease liabilities	1,016	1,245
Deferred income taxes	13,146	13,123
Other long-term liabilities	1,710	1,714
Commitments and contingencies (Note 14)		
Total liabilities	51,601	52,344
Common shareholders' equity:		
Common shares, \$2.50 par value, 1,400,000,000 authorized; 1,113,042,000 and 1,112,854,806 issued; 610,088,307 and 609,703,814 outstanding, respectively	2,783	2,782
Paid-in-surplus	5,213	5,193
Retained earnings	62,940	62,093
Treasury stock	(54,661)	(54,666)
Accumulated other comprehensive loss (Note 8)	(610)	(614)
Total common shareholders' equity	15,665	14,788
Total liabilities and common shareholders' equity	\$ 67,266	\$ 67,132

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Cash Flows (Unaudited)
Union Pacific Corporation and Subsidiary Companies

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Operating Activities		
Net income	\$ 1,641	\$ 1,630
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	594	572
Deferred and other income taxes	23	52
Other operating activities, net	(80)	(117)
Changes in current assets and liabilities:		
Accounts receivable, net	(89)	(59)
Materials and supplies	(27)	13
Other current assets	(55)	(73)
Accounts payable and other current liabilities	(220)	(437)
Income and other taxes	335	259
Cash provided by operating activities	2,122	1,840
Investing Activities		
Capital investments	(797)	(772)
Other investing activities, net	(5)	(33)
Cash used in investing activities	(802)	(805)
Financing Activities		
Debt repaid	(1,358)	(647)
Dividends paid	(795)	(795)
Debt issued (Note 13)	400	1,199
Net issued/(paid) commercial paper (Note 13)	296	(102)
Share repurchase programs (Note 15)	-	(575)
Other financing activities, net	6	(7)
Cash used in financing activities	(1,451)	(927)
Net change in cash, cash equivalents, and restricted cash	(131)	108
Cash, cash equivalents, and restricted cash at beginning of year	1,074	987
Cash, cash equivalents, and restricted cash at end of period	\$ 943	\$ 1,095
Supplemental Cash Flow Information		
Non-cash investing and financing activities:		
Capital investments accrued but not yet paid	\$ 135	\$ 156
Common shares repurchased but not yet paid	5	15
Cash paid during the period for:		
Income taxes, net of refunds	\$ (46)	\$ (35)
Interest, net of amounts capitalized	(463)	(454)
Reconciliation of cash, cash equivalents, and restricted cash to the Condensed Consolidated Statement of Financial Position:		
Cash and cash equivalents	\$ 925	\$ 1,079
Restricted cash equivalents in other current assets	10	7
Restricted cash equivalents in other assets	8	9
Total cash, cash equivalents and restricted cash equivalents per above	\$ 943	\$ 1,095

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

Condensed Consolidated Statements of Changes in Common Shareholders' Equity (Unaudited)
Union Pacific Corporation and Subsidiary Companies

<i>Millions</i>	<i>Common Shares</i>	<i>Treasury Shares</i>	<i>Common Shares</i>	<i>Paid-in-Surplus</i>	<i>Retained Earnings</i>	<i>Treasury Stock</i>	<i>AOCI [a]</i>	<i>Total</i>
Balance at January 1, 2023	1,112.6	(500.2)	\$ 2,782	\$ 5,080	\$ 58,887	\$ (54,004)	\$ (582)	\$ 12,163
Net income			-	-	1,630	-	-	1,630
Other comprehensive income/(loss)			-	-	-	-	22	22
Conversion, stock option exercises, forfeitures, ESPP, and other [b]	0.3	0.1	-	19	-	4	-	23
Share repurchase programs (Note 15)	-	(2.9)	-	-	-	(591)	-	(591)
Dividends declared (\$1.30 per share)	-	-	-	-	(793)	-	-	(793)
Balance at March 31, 2023	1,112.9	(503.0)	\$ 2,782	\$ 5,099	\$ 59,724	\$ (54,591)	\$ (560)	\$ 12,454
Balance at January 1, 2024	1,112.9	(503.2)	\$ 2,782	\$ 5,193	\$ 62,093	\$ (54,666)	\$ (614)	\$ 14,788
Net income			-	-	1,641	-	-	1,641
Other comprehensive income/(loss)			-	-	-	-	4	4
Conversion, stock option exercises, forfeitures, ESPP, and other [b]	0.1	0.2	1	20	-	5	-	26
Share repurchase programs (Note 15)	-	-	-	-	-	-	-	-
Dividends declared (\$1.30 per share)	-	-	-	-	(794)	-	-	(794)
Balance at March 31, 2024	1,113.0	(503.0)	\$ 2,783	\$ 5,213	\$ 62,940	\$ (54,661)	\$ (610)	\$ 15,665

[a] AOCI = accumulated other comprehensive income/loss (Note 8)

[b] ESPP = employee stock purchase plan

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "Corporation", "Company", "UPC", "we", "us", and "our" mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which will be separately referred to herein as "UPRR" or the "Railroad".

1. Basis of Presentation

Our Condensed Consolidated Financial Statements are unaudited and reflect all adjustments (consisting of normal and recurring adjustments) that are, in the opinion of management, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, this Quarterly Report on Form 10-Q should be read in conjunction with our Consolidated Financial Statements and notes thereto contained in our 2023 Annual Report on Form 10-K. Our Consolidated Statement of Financial Position at December 31, 2023, is derived from audited financial statements. The results of operations for the three months ended March 31, 2024, are not necessarily indicative of the results for the entire year ending December 31, 2024.

The Condensed Consolidated Financial Statements are presented in accordance with GAAP as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Certain prior period amounts have been reclassified to conform to the current period financial statement presentation.

2. Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update No. (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires business entities to expand their annual disclosures of the effective rate reconciliation and income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024, may be adopted on a prospective or retrospective basis, and early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on our related disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires business entities to enhance disclosures about significant segment expenses. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis, and early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on our related disclosures.

3. Operations and Segmentation

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we treat the financial results of the Railroad as one segment due to the integrated nature of our rail network. Our operating revenues are primarily derived from contracts with customers for the transportation of freight from origin to destination.

The following table represents a disaggregation of our freight and other revenues:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Bulk	\$ 1,817	\$ 1,897
Industrial	2,104	2,017
Premium	1,695	1,742
Total freight revenues	\$ 5,616	\$ 5,656
Other subsidiary revenues	217	235
Accessorial revenues	174	151
Other	24	14
Total operating revenues	\$ 6,031	\$ 6,056

Although our revenues are principally derived from customers domiciled in the U.S., the ultimate points of origination or destination for some products we transport are outside the U.S. Each of our commodity groups includes revenues from shipments to and from Mexico. Included in the above table are revenues from our Mexico business, which amounted to \$790 million and \$712 million for the three months ended March 31, 2024 and 2023, respectively.

4. Stock-Based Compensation

We have several stock-based compensation plans where employees receive nonvested stock options, nonvested retention shares, and nonvested stock units. We refer to the nonvested shares and stock units collectively as “retention awards”. Employees also are able to participate in our employee stock purchase plan (ESPP).

Information regarding stock-based compensation expense appears in the table below:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Stock-based compensation, before tax:		
Stock options	\$ 4	\$ 4
Retention awards	17	18
ESPP	5	6
Total stock-based compensation, before tax	\$ 26	\$ 28
Excess income tax benefits from equity compensation plans	\$ 9	\$ 6

Stock Options – Stock options are granted at the closing price on the date of grant, have 10-year contractual terms, and vest no later than 3 years from the date of grant. None of the stock options outstanding at March 31, 2024, are subject to performance or market-based vesting conditions.

The table below shows the annual weighted-average assumptions used for Black-Scholes valuation purposes:

<i>Weighted-Average Assumptions</i>	2024	2023
Risk-free interest rate	4.2%	3.9%
Dividend yield	2.1%	2.6%
Expected life (years)	4.4	4.5
Volatility	28.7%	29.3%
Weighted-average grant-date fair value of options granted	\$ 61.75	\$ 48.31

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant; the expected dividend yield is calculated as the ratio of dividends paid per share of common stock to the stock price on the date of grant; the expected life is based on historical and expected exercise behavior; and expected volatility is based on the historical volatility of our stock price over the expected life of the stock option.

A summary of stock option activity during the three months ended March 31, 2024, is presented below:

	<i>Options (thous.)</i>	<i>Weighted- Average Exercise Price</i>	<i>Weighted-Average Remaining Contractual Term (in yrs.)</i>	<i>Aggregate Intrinsic Value (millions)</i>
Outstanding at January 1, 2024	2,072	\$ 180.56	5.9	\$ 135
Granted	305	248.82	N/A	N/A
Exercised	(102)	127.77	N/A	N/A
Forfeited or expired	(5)	223.49	N/A	N/A
Outstanding at March 31, 2024	2,270	\$ 192.01	6.3	\$ 123
Vested or expected to vest at March 31, 2024	2,251	\$ 191.67	6.3	\$ 123
Options exercisable at March 31, 2024	1,642	\$ 176.86	5.3	\$ 113

At March 31, 2024, there was \$30 million of unrecognized compensation expense related to nonvested stock options, which is expected to be recognized over a weighted-average period of 1.6 years. Additional information regarding stock option exercises appears in the following table:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Intrinsic value of stock options exercised	\$ 12	\$ 4
Cash received from option exercises	15	4
Treasury shares repurchased for employee payroll taxes	(4)	(1)
Income tax benefit realized from option exercises	3	1
Aggregate grant-date fair value of stock options vested	15	14

Retention Awards – Retention awards are granted at no cost to the employee, vest over periods lasting up to 4 years, and dividends and dividend equivalents are paid to participants during the vesting periods.

Changes in our retention awards during the three months ended March 31, 2024, were as follows:

	<i>Shares (thous.)</i>	<i>Weighted-Average Grant-Date Fair Value</i>
Nonvested at January 1, 2024	996	\$ 207.76
Granted	211	248.77
Vested	(241)	186.27
Forfeited	(15)	218.56
Nonvested at March 31, 2024	951	\$ 222.13

At March 31, 2024, there was \$118 million of total unrecognized compensation expense related to nonvested retention awards, which is expected to be recognized over a weighted-average period of 1.8 years.

Performance Stock Unit Awards – In February 2024, our Board of Directors approved performance stock unit grants. This plan is based on performance targets for annual return on invested capital (ROIC) and operating income growth (OIG) compared to companies in the S&P 100 Industrials Index plus the Class I railroads. We define ROIC as net operating profit adjusted for interest expense (including interest on average operating lease liabilities) and taxes on interest divided by average invested capital adjusted for average operating lease liabilities.

The February 2024 stock units awarded to executives are subject to continued employment for 37 months, the attainment of certain levels of ROIC, and the relative three-year OIG. We expense two-thirds of the fair value of the units that are probable of being earned based on our forecasted ROIC over the three-year performance period, and with respect to the third year of the plan, we expense the remaining one-third of the fair value subject to the relative three-year OIG. We measure the fair value of performance stock units based upon the closing price of the underlying common stock as of the date of grant. Dividend equivalents are accumulated during the service period and paid to participants only after the units are earned.

Changes in our performance stock unit awards during the three months ended March 31, 2024, were as follows:

	<i>Shares (thous.)</i>	<i>Weighted-Average Grant-Date Fair Value</i>
Nonvested at January 1, 2024	617	\$ 204.50
Granted	227	248.82
Vested	(119)	204.59
Unearned	(70)	204.45
Forfeited	(7)	221.41
Nonvested at March 31, 2024	648	\$ 219.83

At March 31, 2024, there was \$28 million of total unrecognized compensation expense related to nonvested performance stock unit awards, which is expected to be recognized over a weighted-average period of 2.0 years. This expense is subject to achievement of the performance measures established for the performance stock unit grants.

5. Retirement Plans

We provide defined benefit retirement income to eligible non-union employees through qualified and non-qualified (supplemental) pension plans. Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment, with specific reductions made for early retirements. Non-union employees hired on or after January 1, 2018, are no longer eligible for pension benefits, but are eligible for an enhanced 401(k) plan.

Expense

Pension expense is determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. The expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a 5-year period. This practice is intended to reduce year-to-year volatility in pension expense, but it can have the effect of delaying the recognition of differences between actual returns on assets and expected returns based on long-term rate of return assumptions. Differences in actual experience in relation to assumptions are not recognized in net income immediately but are deferred in accumulated other comprehensive income/loss and, if necessary, amortized as pension expense.

The components of our net periodic pension benefit/cost were as follows:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Service cost	\$ 13	\$ 13
Interest cost	46	46
Expected return on plan assets	(63)	(62)
Amortization of actuarial loss	2	2
Net periodic pension (benefit)/cost	\$ (2)	\$ (1)

Cash Contributions

For the three months ended March 31, 2024, cash contributions totaled \$0 to the qualified pension plans. Any contributions made during 2024 will be based on cash generated from operations and financial market considerations. Our policy with respect to funding the qualified pension plans is to fund at least the minimum required by law and not more than the maximum amount deductible for tax purposes. At March 31, 2024, we do not have minimum cash funding requirements for 2024.

6. Other Income

Other income included the following:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Real estate income [a]	\$ 65	\$ 176
Net periodic pension benefit/(costs)	15	14
Non-operating property environmental remediation and restoration	(6)	(19)
Other	18	13
Total	\$ 92	\$ 184

[a] 2023 includes a one-time \$107 million transaction.

7. Earnings Per Share

The following table provides a reconciliation between basic and diluted earnings per share:

<i>Millions, Except Per Share Amounts, for the Three Months Ended March 31,</i>	2024	2023
Net income	\$ 1,641	\$ 1,630
Weighted-average number of shares outstanding:		
Basic	609.2	610.6
Dilutive effect of stock options	0.5	0.4
Dilutive effect of retention shares and units	0.5	0.5
Diluted	610.2	611.5
Earnings per share - basic	\$ 2.69	\$ 2.67
Earnings per share - diluted	\$ 2.69	\$ 2.67
Stock options excluded as their inclusion would be anti-dilutive	0.5	0.8

8. Accumulated Other Comprehensive Income/Loss

Reclassifications out of accumulated other comprehensive income/loss were as follows (net of tax):

<i>Millions</i>	<i>Defined benefit plans</i>	<i>Foreign currency translation</i>	<i>Unrealized gain on derivative instruments [a]</i>	<i>Total</i>
Balance at January 1, 2024	\$ (484)	\$ (146)	\$ 16	\$ (614)
Other comprehensive income/(loss) before reclassifications	2	3	-	5
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(1)	-	-	(1)
Net quarter-to-date other comprehensive income/(loss), net of taxes of (\$0) million	1	3	-	4
Balance at March 31, 2024	\$ (483)	\$ (143)	\$ 16	\$ (610)
Balance at January 1, 2023	\$ (378)	\$ (204)	\$ -	\$ (582)
Other comprehensive income/(loss) before reclassifications	-	23	-	23
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(1)	-	-	(1)
Net quarter-to-date other comprehensive income/(loss), net of taxes of (\$0) million	(1)	23	-	22
Balance at March 31, 2023	\$ (379)	\$ (181)	\$ -	\$ (560)

[a] Related to interest rate swaps from equity method investments.

[b] The accumulated other comprehensive income/loss reclassification components are 1) prior service cost/credit and 2) net actuarial loss, which are both included in the computation of net periodic pension benefit/cost. See Note 5 Retirement Plans for additional details.

9. Accounts Receivable

Accounts receivable includes freight and other receivables reduced by an allowance for doubtful accounts. At both March 31, 2024, and December 31, 2023, our accounts receivable were reduced by \$9 million. Receivables not expected to be collected in one year and the associated allowances are classified as other assets in our Condensed Consolidated Statements of Financial Position. At March 31, 2024, and December 31, 2023, receivables classified as other assets were reduced by allowances of \$78 million and \$71 million, respectively.

Receivables Securitization Facility – The Railroad maintains an \$800 million, 3-year receivables securitization facility (the Receivables Facility) maturing in July 2025. Under the Receivables Facility, the Railroad sells most of its eligible third-party receivables to Union Pacific Receivables, Inc. (UPRI), a consolidated, wholly-owned, bankruptcy-remote subsidiary that may subsequently transfer, without recourse, an undivided interest in accounts receivable to investors. The investors have no recourse to the Railroad’s other assets except for customary warranty and indemnity claims. Creditors of the Railroad do not have recourse to the assets of UPRI.

The amount recorded under the Receivables Facility was \$400 million and \$0 at March 31, 2024, and December 31, 2023, respectively. The Receivables Facility was supported by \$1.8 billion and \$1.7 billion of accounts receivable as collateral at March 31, 2024, and December 31, 2023, respectively, which, as a retained interest, is included in accounts receivable, net in our Condensed Consolidated Statements of Financial Position.

The outstanding amount the Railroad maintains under the Receivables Facility may fluctuate based on current cash needs. The maximum allowed under the Receivables Facility is \$800 million with availability directly impacted by eligible receivables, business volumes, and credit risks, including receivables payment quality measures such as default and dilution ratios. If default or dilution ratios increase one percent, the allowable outstanding amount under the Receivables Facility would not materially change.

The costs of the Receivables Facility include interest, which will vary based on prevailing benchmark and commercial paper rates, program fees paid to participating banks, commercial paper issuance costs, and fees of participating banks for unused commitment availability. The costs of the Receivables Facility are included in interest expense and were \$1 million and \$3 million for the three months ended March 31, 2024 and 2023, respectively.

10. Properties

The following tables list the major categories of property and equipment, as well as the weighted-average estimated useful life for each category (in years):

<i>Millions, Except Estimated Useful Life As of March 31, 2024</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	<i>Estimated Useful Life</i>
Land	\$ 5,429	\$ N/A	\$ 5,429	N/A
Road:				
Rail and other track material	18,952	7,420	11,532	46
Ties	12,064	3,958	8,106	34
Ballast	6,373	2,095	4,278	34
Other roadway [a]	23,290	5,450	17,840	47
Total road	60,679	18,923	41,756	N/A
Equipment:				
Locomotives	9,481	3,642	5,839	18
Freight cars	2,789	983	1,806	23
Work equipment and other	1,335	545	790	17
Total equipment	13,605	5,170	8,435	N/A
Technology and other	1,394	588	806	12
Construction in progress	1,164	-	1,164	N/A
Total	\$ 82,271	\$ 24,681	\$ 57,590	N/A

[a] Other roadway includes grading, bridges and tunnels, signals, buildings, and other road assets.

<i>Millions, Except Estimated Useful Life</i>				
<i>As of December 31, 2023</i>				
	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	<i>Estimated Useful Life</i>
Land	\$ 5,426	\$ N/A	\$ 5,426	N/A
Road:				
Rail and other track material	18,837	7,344	11,493	42
Ties	11,985	3,895	8,090	34
Ballast	6,345	2,061	4,284	34
Other roadway [a]	23,175	5,368	17,807	47
Total road	60,342	18,668	41,674	N/A
Equipment:				
Locomotives	9,295	3,591	5,704	18
Freight cars	2,765	956	1,809	23
Work equipment and other	1,344	546	798	17
Total equipment	13,404	5,093	8,311	N/A
Technology and other	1,388	574	814	12
Construction in progress	1,173	-	1,173	N/A
Total	\$ 81,733	\$ 24,335	\$ 57,398	N/A

[a] Other roadway includes grading, bridges and tunnels, signals, buildings, and other road assets.

11. Accounts Payable and Other Current Liabilities

<i>Millions</i>	<i>Mar. 31, 2024</i>	<i>Dec. 31, 2023</i>
Income and other taxes payable	\$ 1,019	\$ 685
Accounts payable	814	856
Compensation-related accruals	512	533
Current operating lease liabilities	322	355
Accrued casualty costs	306	307
Interest payable	238	389
Equipment rents payable	106	98
Other	484	460
Total accounts payable and other current liabilities	\$ 3,801	\$ 3,683

12. Financial Instruments

Short-Term Investments – All of the Company's short-term investments consist of time deposits and government agency securities. These investments are considered Level 2 investments and are valued at amortized cost, which approximates fair value. As of March 31, 2024, and December 31, 2023, the Company had \$20 million and \$16 million of short-term investments, respectively. All short-term investments have a maturity of less than one year and are classified as held-to-maturity.

Fair Value of Financial Instruments – The fair value of our short- and long-term debt was estimated using a market value price model, which utilizes applicable U.S. Treasury rates along with current market quotes on comparable debt securities. All of the inputs used to determine the fair market value of the Corporation's long-term debt are Level 2 inputs and obtained from an independent source. At March 31, 2024, the fair value of total debt was \$26.8 billion, approximately \$5.1 billion less than the carrying value. At December 31, 2023, the fair value of total debt was \$28.5 billion, approximately \$4.1 billion less than the carrying value. The fair value of the Corporation's debt is a measure of its current value under present market conditions. The fair value of our cash equivalents approximates their carrying value due to the short-term maturities of these instruments.

13. Debt

Credit Facilities – At March 31, 2024, we had \$2.0 billion of credit available under our revolving credit facility (the Facility), which is designated for general corporate purposes and supports the issuance of commercial paper. Credit facility withdrawals totaled \$0 during the three months ended March 31, 2024. Commitment fees and interest rates payable under the Facility are similar to fees and rates available to comparably rated, investment-grade borrowers. The Facility allows for borrowings at floating rates based on Term Secured Overnight Financing Rate (SOFR), plus a spread, depending upon credit ratings for our senior unsecured debt. The Facility, set to expire May 20, 2027, requires UPC to maintain an adjusted debt-to-EBITDA (earnings before interest, taxes, depreciation, and amortization) coverage ratio.

The definition of debt used for purposes of calculating the adjusted debt-to-EBITDA coverage ratio includes, among other things, certain credit arrangements, finance leases, guarantees, unfunded and vested pension benefits under Title IV of ERISA, and unamortized debt discount and deferred debt issuance costs. At March 31, 2024, the Company was in compliance with the adjusted debt-to-EBITDA coverage ratio, which allows us to carry up to \$44.5 billion of debt (as defined in the Facility), and we had \$33.7 billion of debt (as defined in the Facility) outstanding at that date. The Facility does not include any other financial restrictions, credit rating triggers (other than rating-dependent pricing), or any other provision that could require us to post collateral. The Facility also includes a \$150 million cross-default provision and a change-of-control provision.

During the three months ended March 31, 2024, we issued \$298 million and repaid \$0 of commercial paper with maturities ranging from 29 to 57 days, and at March 31, 2024, we had \$298 million of commercial paper with a weighted average interest rate of 5.4% outstanding. Our revolving credit facility supports our outstanding commercial paper balances, and, unless we change the terms of our commercial paper program, our aggregate issuance of commercial paper will not exceed the amount of borrowings available under the Facility.

Shelf Registration Statement and Significant New Borrowings – We filed an automatic shelf registration statement with the SEC that became effective on February 13, 2024. The Board of Directors authorized the issuance of up to \$9.0 billion of debt securities, replacing the prior Board authorization in February 2022, which had \$5.6 billion of authority remaining. Under our shelf registration, we may issue, from time to time, any combination of debt securities, preferred stock, common stock, or warrants for debt securities or preferred stock in one or more offerings.

During the three months ended March 31, 2024, we did not issue any debt securities under this registration statement. At March 31, 2024, we had remaining authority from the Board of Directors to issue up to \$9.0 billion of debt securities under our shelf registration.

Receivables Securitization Facility – As of March 31, 2024, and December 31, 2023, we recorded \$400 million and \$0, respectively, of borrowings under our Receivables Facility as secured debt. (See further discussion in the "Receivables Securitization Facility" section of Note 9).

14. Commitments and Contingencies

Asserted and Unasserted Claims – Various claims and lawsuits are pending against us and certain of our subsidiaries. We cannot fully determine the effect of all asserted and unasserted claims on our consolidated results of operations, financial condition, or liquidity. We have recorded a liability where asserted and unasserted claims are considered probable and where such claims can be reasonably estimated. We currently do not expect that any known lawsuits, claims, environmental costs, commitments, contingent liabilities, or guarantees will have a material adverse effect on our consolidated results of operations, financial condition, or liquidity after taking into account liabilities and insurance recoveries previously recorded for these matters.

In December 2019, we received a putative class action complaint under the Illinois Biometric Information Privacy Act, alleging violation due to the use of a finger scan system developed and managed by third parties. Union Pacific and the plaintiff are currently in the discovery phase. While we believe that we have strong defenses to the claims made in the complaint and will vigorously defend ourselves, there is no assurance regarding the ultimate outcome. Therefore, the outcome of this litigation is inherently uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from this matter.

Personal Injury – The Federal Employers' Liability Act (FELA) governs compensation for work-related accidents. Under FELA, damages are assessed based on a finding of fault through litigation or out-of-court settlements. We offer a comprehensive variety of services and rehabilitation programs for employees who are injured at work.

Approximately 95% of the recorded liability is related to asserted claims and approximately 5% is related to unasserted claims at March 31, 2024. Because of the uncertainty surrounding the ultimate outcome of personal injury claims, it is reasonably possible that future costs to settle these claims may range from approximately \$376 million to \$487 million. We record an accrual at the low end of the range as no amount of loss within the range is more probable than any other. Estimates can vary over time due to evolving trends in litigation.

Our personal injury liability activity was as follows:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Beginning balance	\$ 383	\$ 361
Current year accruals	29	27
Changes in estimates for prior years	(4)	7
Payments	(32)	(16)
Ending balance at March 31,	\$ 376	\$ 379
Current portion, ending balance at March 31,	\$ 112	\$ 84

Environmental Costs – We are subject to federal, state, and local environmental laws and regulations. We have identified 349 sites where we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 32 sites that are the subject of actions taken by the U.S. government, including 20 that are currently on the Superfund National Priorities List. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, our ultimate environmental liability may include costs relating to activities of other parties, in addition to costs relating to our own activities at each site.

Our environmental liability activity was as follows:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Beginning balance	\$ 245	\$ 253
Accruals	28	44
Payments	(19)	(26)
Ending balance at March 31,	\$ 254	\$ 271
Current portion, ending balance at March 31,	\$ 92	\$ 74

The environmental liability includes future costs for remediation and restoration of sites, as well as ongoing monitoring costs, but excludes any anticipated recoveries from third-parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws, and regulations. The ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs. Estimates of liability may vary over time due to changes in federal, state, and local laws governing environmental remediation. Current obligations are not expected to have a material adverse effect on our consolidated results of operations, financial condition, or liquidity.

Insurance – The Company has a consolidated, wholly-owned captive insurance subsidiary (the Captive), that provides insurance coverage for certain risks including general liability, property, cyber, and FELA claims that are subject to reinsurance. The Captive receives direct premiums, which are netted against the Company's premium costs in other expenses in the Condensed Consolidated Statements of Income. We record both liabilities and reinsurance receivables using an actuarial analysis based on historical experience in our Condensed Consolidated Statements of Financial Position.

Indemnities – Our maximum potential exposure under indemnification arrangements, including certain tax indemnifications, can range from a specified dollar amount to an unlimited amount, depending on the nature of the transactions and the agreements. Due to uncertainty as to whether claims will be made or how they will be resolved, we cannot reasonably determine the probability of an adverse claim or reasonably estimate any adverse liability or the total maximum exposure under these indemnification arrangements. We do not have any reason to believe that we will be required to make any material payments under these indemnity provisions.

15. Share Repurchase Programs

Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. As of March 31, 2024, we repurchased a total of 19.6 million shares of our common stock under the 2022 authorization. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing and amount of these transactions.

The table below represents shares repurchased under repurchase programs in the three months ended March 31, 2024 and 2023:

	<i>Number of Shares Purchased</i>		<i>Average Price Paid</i>	
	2024	2023	2024	2023
First quarter	-	2,908,703	\$ -	\$ 203.19
Remaining number of shares that may be repurchased under current authority				80,392,027

Management's assessments of market conditions and other pertinent factors guide the timing, manner, and volume of all repurchases. We expect to fund any share repurchases under this program through cash generated from operations, the sale or lease of various operating and non-operating properties, debt issuances, and cash on hand. Open market repurchases are recorded in treasury stock at cost, which includes any applicable commissions, fees, and excise taxes.

16. Related Parties

UPRR and other North American railroad companies jointly own TTX Company (TTX). UPRR has a 37.03% economic and voting interest in TTX while the other North American railroads own the remaining interest. In accordance with ASC 323 *Investments - Equity Method and Joint Venture*, UPRR applies the equity method of accounting to our investment in TTX.

TTX is a rail car pooling company that owns rail cars and intermodal wells to serve North America's railroads. TTX assists railroads in meeting the needs of their customers by providing rail cars in an efficient, pooled environment. All railroads have the ability to utilize TTX rail cars through car hire by renting rail cars at stated rates.

UPRR had \$1.8 billion recognized as investments related to TTX in our Condensed Consolidated Statements of Financial Position as of both March 31, 2024, and December 31, 2023. TTX car hire expenses of \$102 million and \$103 million for the three months ended March 31, 2024 and 2023, respectively, are included in equipment and other rents in our Condensed Consolidated Statements of Income. In addition, UPRR had accounts payable to TTX of \$69 million and \$60 million at March 31, 2024, and December 31, 2023, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES RESULTS OF OPERATIONS

Three Months Ended March 31, 2024, Compared to Three Months Ended March 31, 2023

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "UPC", "Corporation", "Company", "we", "us", and "our" shall mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which we separately refer to as "UPRR" or the "Railroad".

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and applicable notes to the Condensed Consolidated Financial Statements, Item 1, and other information included in this report. Our Condensed Consolidated Financial Statements are unaudited and reflect all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable business segment. Although revenues are analyzed by commodity, we analyze the net financial results of the Railroad as one segment due to the integrated nature of the rail network.

Critical Accounting Estimates

The preparation of these financial statements requires estimation and judgment that affect the reported amounts of revenues, expenses, assets, and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. If these estimates differ materially from actual results, the impact on the Condensed Consolidated Financial Statements may be material. Our critical accounting estimates are available in Item 7 of our 2023 Annual Report on Form 10-K. During the first three months of 2024, there have not been any significant changes with respect to our critical accounting estimates.

RESULTS OF OPERATIONS

Quarterly Summary

The Company reported earnings of \$2.69 per diluted share on net income of \$1.6 billion and an operating ratio of 60.7% in the first quarter of 2024 compared to earnings of \$2.67 per diluted share on net income of \$1.6 billion and an operating ratio of 62.1% for the first quarter of 2023. Freight revenues decreased 1% in the first quarter of 2024 compared to the same period in 2023 driven by a 1% decline in volume. ARC was flat as lower fuel surcharge revenues were offset by core pricing gains and positive mix of traffic (for example, a relative decrease in coal shipments, which have a lower ARC). Volume decreases were primarily driven by weaker demand for coal, domestic intermodal, and rock shipments. These declines were partially offset by international intermodal and petroleum product shipments.

Our overall network fluidity improved compared to the first quarter of 2023 driven by our focus on service improvements and operational excellence, which was supported by ample train crew and locomotive resources. Network fluidity enables us to effectively utilize all our resources as reflected in our performance metrics. Locomotive productivity improved 10% compared to the first quarter of 2023. We reduced our active locomotive fleet by approximately 500 compared to 2023, but we are keeping a buffer to flex the fleet size with volume or to recover from network disruptions. Workforce productivity improved 1% despite a 4% increase in our train, engine, and yard employees to support increased crew needs associated with less available workdays because of new sick leave and work/rest agreements. In addition, we are maintaining an adequate training pipeline to provide a capacity buffer to enable responsiveness in an ever-changing demand and operating environment. Both intermodal and manifest/autos service performance index and train length improved from the first quarter last year. This on-going transformation of our network improves our service product, improves resource utilization, and lowers our overall cost structure.

Operating expenses decreased 3% compared to the first quarter of 2023 due to productivity and lower fuel prices. These decreases were partially offset by inflation, increased train, engine, and yard workforce levels, and higher depreciation. Operating income of \$2.4 billion increased 3%, and our operating ratio of 60.7% improved 1.4 points from the first quarter of 2023.

Operating Revenues

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023	Change%
Freight revenues	\$ 5,616	\$ 5,656	(1)%
Other subsidiary revenues	217	235	(8)
Accessorial revenues	174	151	15
Other	24	14	71
Total	\$ 6,031	\$ 6,056	-%

We generate freight revenues by transporting products from our three commodity groups. Freight revenues vary with volume (carloads) and ARC. Changes in price, traffic mix, and fuel surcharges drive ARC. Customer incentives, which are primarily provided for shipping to/from specific locations or based on cumulative volumes, are recorded as a reduction to operating revenues. Customer incentives that include variable consideration based on cumulative volumes are estimated using the expected value method, which is based on available historical, current, and forecasted volumes, and recognized as the related performance obligation is satisfied. We recognize freight revenues over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred.

Other subsidiary revenues (primarily logistics and commuter rail operations) are generally recognized over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Accessorial revenues are recognized at a point in time as performance obligations are satisfied.

Freight revenues decreased 1% in the first quarter of 2024 compared to the same period in 2023 driven by a 1% decline in volume. ARC was flat as lower fuel surcharge revenues were offset by core pricing gains and positive mix of traffic (for example, a relative decrease in coal shipments, which have a lower ARC). Volume decreases were primarily driven by weaker demand for coal, domestic intermodal, and rock shipments. These declines were partially offset by international intermodal and petroleum product shipments.

Each of our commodity groups includes revenues from fuel surcharges. Freight revenues from fuel surcharge programs decreased to \$665 million in the first quarter of 2024 compared to \$883 million in the same period of 2023 due to lower fuel prices, the lag impact on fuel prices rising throughout the quarter (it can generally take up to two months for changing fuel prices to affect fuel surcharge recoveries), and lower volume.

Other subsidiary revenues decreased in the first quarter of 2024 compared to 2023 primarily driven by a weaker demand for domestic intermodal shipments at our subsidiary that brokers intermodal and transload logistics services. Accessorial revenues increased in the first quarter of 2024 compared to 2023 driven by a one-time contract settlement.

The following tables summarize the year-over-year changes in freight revenues, revenue carloads, and ARC by commodity type:

Freight Revenues

Millions, for the Three Months Ended March 31,

	2024	2023	Change %
Grain & grain products	\$ 943	\$ 943	-%
Fertilizer	201	186	8
Food & refrigerated	285	263	8
Coal & renewables	388	505	(23)
Bulk	1,817	1,897	(4)
Industrial chemicals & plastics	572	536	7
Metals & minerals	515	536	(4)
Forest products	338	332	2
Energy & specialized markets	679	613	11
Industrial	2,104	2,017	4
Automotive	611	587	4
Intermodal	1,084	1,155	(6)
Premium	1,695	1,742	(3)
Total	\$ 5,616	\$ 5,656	(1)%

Revenue Carloads

Thousands, for the Three Months Ended March 31,

	2024	2023	Change %
Grain & grain products	210	202	4%
Fertilizer	47	45	4
Food & refrigerated	46	44	5
Coal & renewables	177	216	(18)
Bulk	480	507	(5)
Industrial chemicals & plastics	164	157	4
Metals & minerals	170	188	(10)
Forest products	53	52	2
Energy & specialized markets	154	139	11
Industrial	541	536	1
Automotive	207	200	4
Intermodal [a]	739	734	1
Premium	946	934	1
Total	1,967	1,977	(1)%

Average Revenue per Car

for the Three Months Ended March 31,

	2024	2023	Change %
Grain & grain products	\$ 4,494	\$ 4,668	(4)%
Fertilizer	4,271	4,135	3
Food & refrigerated	6,231	5,963	4
Coal & renewables	2,189	2,341	(6)
Bulk	3,787	3,743	1
Industrial chemicals & plastics	3,486	3,402	2
Metals & minerals	3,030	2,853	6
Forest products	6,297	6,384	(1)
Energy & specialized markets	4,416	4,408	-
Industrial	3,886	3,760	3
Automotive	2,947	2,944	-
Intermodal [a]	1,468	1,573	(7)
Premium	1,792	1,866	(4)
Average	\$ 2,855	\$ 2,861	-%

[a] For intermodal shipments each container or trailer equals one carload.

Bulk – Bulk includes shipments of grain and grain products, fertilizer, food and refrigerated, and coal and renewables. Freight revenues from bulk shipments decreased in the first quarter of 2024 compared to 2023 due to a 5% decline in volume and lower fuel surcharge revenues, partially offset by a positive mix of traffic from decreased coal shipments and core pricing gains. Volume declines were driven by reduced use of coal in electricity generation because of low natural gas prices and mild winter weather, partially offset by first quarter 2023 outages and service challenges due to repeated snow events in Wyoming that negatively impacted coal volumes.

Industrial – Industrial includes shipments of industrial chemicals and plastics, metals and minerals, forest products, and energy and specialized markets. Freight revenues from industrial shipments increased in the first quarter of 2024 compared to 2023 due to core pricing gains, positive mix of traffic from decreased short haul rock shipments and higher soda ash shipments, and volume increases, partially offset by lower fuel surcharge revenues. Volume increased 1% in the first quarter of 2024 compared to 2023 driven by strength in petroleum and export soda ash, partially offset by lower demand for rock due to weather, high inventories, and softness in Southern markets.

Premium – Premium includes shipments of finished automobiles, automotive parts, and merchandise in intermodal containers, both domestic and international. Premium freight revenues decreased in the first quarter of 2024 compared to 2023 due to lower fuel surcharge revenues, partially offset by core pricing gains and 1% volume growth. While international intermodal increased due to strong demand coming from West Coast imports, that growth was partially offset by declines in domestic intermodal shipments due to soft market conditions. Automotive shipments increased 4% in the first quarter of 2024 compared to 2023 driven by business wins and continued strength from dealer inventory replenishment.

Mexico Business – Each of our commodity groups includes revenues from shipments to and from Mexico. Revenues from Mexico business increased 11% to \$790 million in the first quarter of 2024 compared to 2023 driven by a 7% volume increase and a 4% increase in average revenue per car. Volume increases were driven by higher grain and automotive shipments.

Operating Expenses

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023	Change%
Compensation and benefits	\$ 1,223	\$ 1,179	4%
Fuel	658	766	(14)
Purchased services and materials	613	653	(6)
Depreciation	594	572	4
Equipment and other rents	216	235	(8)
Other	355	357	(1)
Total	\$ 3,659	\$ 3,762	(3)%

Operating expenses decreased 3% in the first quarter of 2024 compared to 2023 driven by productivity and lower fuel prices. These decreases were partially offset by inflation, increased train, engine, and yard workforce levels, and higher depreciation. Additionally, weather-related costs declined in the first quarter 2024 compared to 2023.

Compensation and Benefits – Compensation and benefits include wages, payroll taxes, health and welfare costs, pension costs, and incentive costs. For the first quarter of 2024, expenses increased 4% compared to 2023 due to wage inflation and a 4% increase in train, engine, and yard employees to support increased crew needs associated with less available workdays because of new sick leave benefits and work/rest agreements. In addition, we are maintaining an adequate training pipeline to provide a capacity buffer to enable responsiveness in an ever-changing demand and operating environment. Partially offsetting these increases was productivity associated with improved network fluidity and lower employee levels excluding train, engine, and yard employees.

Fuel – Fuel includes locomotive fuel and gasoline for highway and non-highway vehicles and heavy equipment. Fuel expense decreased in the first quarter of 2024 compared to 2023 driven by a decrease in locomotive diesel fuel prices; improved fuel consumption rate, computed as gallons of fuel consumed divided by gross ton-miles in thousands; and slightly lower gross ton-miles. Locomotive diesel fuel prices averaged \$2.81 and \$3.22 per gallon (including taxes and transportation costs) in the first quarter of 2024 and 2023, respectively.

Purchased Services and Materials – Expense for purchased services and materials includes the costs of services purchased from outside contractors and other service providers (including equipment maintenance and contract expenses incurred by our subsidiaries for external transportation services); materials used to maintain the Railroad’s lines, structures, and equipment; costs of operating facilities jointly used by UPRR and other railroads; transportation and lodging for train crew employees; trucking and contracting costs for intermodal containers; leased automobile maintenance expenses; and tools and supplies. Purchased services and materials decreased 6% in the first quarter of 2024 compared to 2023 primarily due to a contract settlement, decline in our active locomotive fleet as productivity improved 10%, and decreased volume-related drayage cost incurred at one of our subsidiaries, partially offset by inflation.

Depreciation – The majority of depreciation relates to road property, including rail, ties, ballast, and other track material. Depreciation expense was up 4% for the first quarter of 2024 compared to 2023 driven by a higher depreciable asset base.

Equipment and Other Rents – Equipment and other rents expense primarily includes rental expense that the Railroad pays for freight cars owned by other railroads or private companies; freight car, intermodal, and locomotive leases; and office and other rent expense, offset by equity income from certain equity method investments. Equipment and other rents expenses decreased 8% in the first quarter of 2024 compared to 2023 driven by improved cycle times and lower lease expense, partially offset by inflation and increased demand in commodities utilizing freight cars owned by others.

Other – Other expenses include state and local taxes; freight, equipment, and property damage; utilities; insurance; personal injury; environmental remediation; employee travel; telephone and cellular; computer software; bad debt; and other general expenses. Other costs decreased 1% in the first quarter of 2024 compared to 2023 driven by lower personal injury and environmental remediation costs, partially offset by higher bad debt expense and higher freight loss and damage costs.

Non-Operating Items

Millions, for the Three Months Ended March 31,	2024	2023	Change%
Other income, net	\$ 92	\$ 184	(50)%
Interest expense	(324)	(336)	(4)
Income tax expense	(499)	(512)	(3)

Other Income, net – Other income decreased in the first quarter of 2024 compared to 2023 driven by a one-time \$107 million real estate transaction in 2023.

Interest Expense – Interest expense decreased in the first quarter of 2024 compared to 2023 due to a decreased weighted-average debt level of \$32.3 billion in 2024 compared to \$33.5 billion in 2023. The effective interest rate was 4.0% in both periods.

Income Tax Expense – Income tax expense decreased in the first quarter of 2024 compared to 2023 driven by lower state income tax rates, which resulted in a lower effective tax rate.

OTHER OPERATING/PERFORMANCE AND FINANCIAL STATISTICS

We report a number of key performance measures weekly to the Surface Transportation Board (STB). We provide this data on our website at www.up.com/investor/aar-stb_reports/index.htm.

Operating/Performance Statistics

Management continuously monitors these key operating metrics to evaluate our operational efficiency in striving to deliver the service product we sold to our customers.

Railroad performance measures are included in the table below:

<i>For the Three Months Ended March 31,</i>	2024	2023	Change%
Gross ton-miles (GTMs) (billions)	206.0	206.6	-%
Revenue ton-miles (billions)	101.3	103.8	(2)
Freight car velocity (daily miles per car) [a]	203	196	4
Average train speed (miles per hour) [a]	24.1	24.1	-
Average terminal dwell time (hours) [a]	23.5	24.0	(2)
Locomotive productivity (GTMs per horsepower day)	135	123	10
Train length (feet)	9,287	9,159	1
Intermodal service performance index (%)	95	81	14pts
Manifest/Automotive service performance index (%)	87	80	7pts
Workforce productivity (car miles per employee)	1,000	989	1
Total employees (average)	31,052	31,532	(2)
Operating ratio (%)	60.7	62.1	(1.4)pts

[a] As reported to the STB.

Gross and Revenue Ton-Miles – Gross ton-miles are calculated by multiplying the weight of loaded and empty freight cars by the number of miles hauled. Revenue ton-miles are calculated by multiplying the weight of freight by the number of tariff miles. Gross ton-miles and revenue ton-miles decreased slightly and 2%, respectively, in the first quarter of 2024 compared to 2023, driven by a 1% decline in carloadings. Changes in commodity mix drove the variances in year-over-year decreases between gross ton-miles, revenue ton-miles, and carloads (lower coal shipments, which are generally heavier).

Freight Car Velocity – Freight car velocity measures the average daily miles per car on our network. The two key drivers of this metric are the speed of the train between terminals (average train speed) and the time a rail car spends at the terminals (average terminal dwell time). Train speed was flat and average terminal dwell time improved in the first quarter of 2024 compared to 2023 as network fluidity improved. While we experienced winter weather challenges in both years, the impact in 2024 was less severe and our recovery period was shorter. The improvement in network fluidity drove a 4% improvement in freight car velocity.

Locomotive Productivity – Locomotive productivity is gross ton-miles per average daily locomotive horsepower available. Locomotive productivity increased 10% in the first quarter of 2024 compared to 2023 driven by improved network fluidity and asset utilization. We reduced our active locomotive fleet by approximately 500 compared to 2023.

Train Length – Train length is the average maximum train length on a route measured in feet. Our train length increased 1% in the first quarter of 2024 compared to 2023 due to train length improvement initiatives and increases in international intermodal shipments, which generally move on longer trains.

Service Performance Index (SPI) – SPI is a ratio of the service customers are currently receiving relative to the best monthly performance over the last three years. Measuring our performance relative to a historical benchmark demonstrates our focus on continuously improving service for our customers, and we believe it is a better indicator of service performance than the previously disclosed Trip Plan Compliance. SPI does not replace the service commitments we have contractually agreed to with a small number of customers. Our SPI is calculated for intermodal and manifest/automotive products. Intermodal SPI improved 14 points in the first quarter of 2024 compared to 2023. Manifest/automotive SPI improved 7 points in the first quarter of 2024 compared to 2023. Improved network fluidity, as evidenced by faster freight car velocity and lower terminal dwell, drove these improvements.

Workforce Productivity – Workforce productivity is average daily car miles per employee. Workforce productivity improved 1% in the first quarter of 2024 as average daily car miles decreased slightly and employees decreased 2% compared to 2023. While the overall employee levels decreased 2% in the first quarter of 2024 compared to 2023, our train, engine, and yard employees increased 4% to support increased crew needs associated with less available workdays because of new sick leave and work/rest agreements. In addition, we are maintaining an adequate training pipeline to provide a capacity buffer to enable responsiveness in an ever-changing demand and operating environment.

Operating Ratio – Operating ratio is our operating expenses reflected as a percentage of operating revenues. Our first quarter 2024 operating ratio of 60.7% improved 1.4 points compared to 2023 mainly due to productivity initiatives and core pricing gains, partially offset by inflation, the year-over-year impact from lower fuel prices, and other cost increases.

Debt / Net Income

<i>Millions, Except Ratios for the Trailing Twelve Months Ended [a]</i>	<i>Mar. 31, 2024</i>	<i>Dec. 31, 2023</i>
Debt	\$ 31,928	\$ 32,579
Net income	6,390	6,379
Debt / net income	5.0	5.1

Adjusted Debt / Adjusted EBITDA

<i>Millions, Except Ratios for the Trailing Twelve Months Ended [a]</i>	<i>Mar. 31, 2024</i>	<i>Dec. 31, 2023</i>
Net income	\$ 6,390	\$ 6,379
Add:		
Income tax expense	1,841	1,854
Depreciation	2,340	2,318
Interest expense	1,328	1,340
EBITDA	\$ 11,899	\$ 11,891
Adjustments:		
Other income, net	(399)	(491)
Interest on operating lease liabilities [b]	48	58
Adjusted EBITDA	\$ 11,548	\$ 11,458
Debt	\$ 31,928	\$ 32,579
Operating lease liabilities	1,338	1,600
Adjusted debt	\$ 33,266	\$ 34,179
Adjusted debt / adjusted EBITDA	2.9	3.0

[a] The trailing twelve months income statement information ended March 31, 2024, is recalculated by taking the twelve months ended December 31, 2023, subtracting the three months ended March 31, 2023, and adding the three months ended March 31, 2024.

[b] Represents the hypothetical interest expense we would incur (using the incremental borrowing rate) if the property under our operating leases were owned or accounted for as finance leases.

Adjusted debt (total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other post retirement benefit) obligations) to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on present value of operating leases) is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income ratio. The tables above provide reconciliations from net income to adjusted EBITDA, debt to adjusted debt, and debt to net income to adjusted debt to adjusted EBITDA. At both March 31, 2024, and December 31, 2023, the incremental borrowing rate on operating leases was 3.6%. Pension and OPEB were funded at March 31, 2024, and December 31, 2023.

LIQUIDITY AND CAPITAL RESOURCES
Financial Condition
Cash Flows

<i>Millions, for the Three Months Ended March 31,</i>	<i>2024</i>	<i>2023</i>
Cash provided by operating activities	\$ 2,122	\$ 1,840
Cash used in investing activities	(802)	(805)
Cash used in financing activities	(1,451)	(927)
Net change in cash, cash equivalents and restricted cash	\$ (131)	\$ 108

Operating Activities

Cash provided by operating activities increased in the first three months of 2024 compared to the same period of 2023 due primarily to 2023 payments of \$383 million for agreements reached with our labor unions and higher net income.

Investing Activities

Cash used in investing activities slightly decreased in the first three months of 2024 compared to the same period of 2023.

The table below details cash capital investments:

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Rail and other track material	\$ 124	\$ 142
Ties	100	120
Ballast	35	48
Other [a]	120	154
Total road infrastructure replacements	379	464
Line expansion and other capacity projects	40	23
Commercial facilities	38	63
Total capacity and commercial facilities	78	86
Locomotives and freight cars [b]	246	136
Technology and other	94	86
Total cash capital investments [c]	\$ 797	\$ 772

[a] Other includes bridges and tunnels, signals, other road assets, and road work equipment.

[b] Locomotives and freight cars include early lease buyouts of \$96 million in 2024 and \$8 million in 2023.

[c] Weather-related damages for the three months ended March 31, 2024 and 2023, are immaterial.

Capital Plan

In 2024, we expect our capital plan to be approximately \$3.4 billion, down 8% from 2023. Roughly half of the year-over-year decrease is attributable to the 2023 purchase of a small trucking and transload operator and related real estate assets. We plan to continue to make investments to support our growth strategy, harden our infrastructure, replace older assets, and improve the safety and resiliency of the network. In addition, the plan includes investments in growth-related projects to drive more carloads to the network, certain ramps to efficiently handle volumes from new and existing intermodal customers, continued modernization of our locomotive fleet, and projects intended to improve operational efficiency. The capital plan may be revised if business conditions warrant or if new laws or regulations affect our ability to generate sufficient returns on these investments.

Financing Activities

Cash used in financing activities increased in the first three months of 2024 compared to the same period of 2023 driven by an increase in debt repaid and decrease in debt issued, partially offset by a decrease in share repurchases.

See Note 13 of the Condensed Consolidated Financial Statements for a description of all our outstanding financing arrangements and significant new borrowings and Note 15 of the Condensed Consolidated Financial Statements for a description of our share repurchase programs.

Free Cash Flow – Free cash flow is defined as cash provided by operating activities less cash used in investing activities and dividends paid. Cash flow conversion rate is defined as cash provided by operating activities less cash used for capital investments as a ratio of net income.

Free cash flow and cash flow conversion rate are not considered financial measures under GAAP by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe free cash flow and cash flow conversion rate are important to management and investors in evaluating our financial performance and measures our ability to generate cash without external financing. Free cash flow and cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

The following table reconciles cash provided by operating activities (GAAP measure) to free cash flow (non-GAAP measure):

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Cash provided by operating activities	\$ 2,122	\$ 1,840
Cash used in investing activities	(802)	(805)
Dividends paid	(795)	(795)
Free cash flow	\$ 525	\$ 240

The following table reconciles cash provided by operating activities (GAAP measure) to cash flow conversion rate (non-GAAP measure):

<i>Millions, for the Three Months Ended March 31,</i>	2024	2023
Cash provided by operating activities	\$ 2,122	\$ 1,840
Cash used in capital investments	(797)	(772)
Total (a)	\$ 1,325	\$ 1,068
Net income (b)	\$ 1,641	\$ 1,630
Cash flow conversion rate (a/b)	81%	66%

Current Liquidity Status

We are continually evaluating our financial condition and liquidity. We analyze a wide range of economic scenarios and the impact on our ability to generate cash. These analyses inform our liquidity plans and activities outlined below and indicate we have sufficient borrowing capacity to sustain an extended period of lower volumes.

During the first quarter of 2024, we generated \$2.1 billion of cash provided by operating activities, drew \$400 million on the Receivables Facility, and paid our quarterly dividend. On March 31, 2024, we had \$925 million of cash and cash equivalents, \$2.0 billion of credit available under our revolving credit facility, and \$400 million undrawn on the Receivables Facility. We have been, and we expect to continue to be, in compliance with our debt covenants.

As described in the notes to the Condensed Consolidated Financial Statements and as referenced in the table below, we have contractual obligations that may affect our financial condition. Based on our assessment of the underlying provisions and circumstances of our contractual obligations, other than the risks that we and other similarly situated companies face with respect to the condition of the capital markets, as of the date of this filing, there is no known trend, demand, commitment, event, or uncertainty that is reasonably likely to occur that would have a material adverse effect on our consolidated results of operations, financial condition, or liquidity. In addition, our commercial obligations, financings, and commitments are customary transactions that are like those of other comparable corporations, particularly within the transportation industry.

The following table identifies material obligations as of March 31, 2024:

Contractual Obligations	<i>Millions</i>	<i>Total</i>	<i>Apr. 1 through Dec. 31, 2024</i>	<i>Payments Due by Dec. 31,</i>					<i>After 2028</i>
				<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2028</i>	
Debt [a]	\$ 59,413	\$ 1,107	\$ 2,991	\$ 2,617	\$ 2,348	\$ 2,294	\$ 48,056		
Purchase obligations [b]	2,675	860	734	592	222	156	111		
Operating leases [c]	1,487	168	343	270	216	190	300		
Other post retirement benefits [d]	382	33	40	40	39	39	191		
Finance lease obligations [e]	154	35	42	36	30	11	-		
Total contractual obligations	\$ 64,111	\$ 2,203	\$ 4,150	\$ 3,555	\$ 2,855	\$ 2,690	\$ 48,658		

[a] Excludes finance lease obligations of \$141 million as well as unamortized discount and deferred issuance costs of (\$1,724) million. Includes an interest component of \$25,902 million.

[b] Purchase obligations include locomotive maintenance contracts; purchase commitments for ties, ballast, and rail; and agreements to purchase other goods and services.

[c] Includes leases for locomotives, freight cars, other equipment, and real estate. Includes an interest component of \$149 million.

[d] Includes estimated other post retirement, medical, and life insurance payments and payments made under the unfunded pension plan for the next ten years.

[e] Represents total obligations, including interest component of \$13 million.

OTHER MATTERS

Asserted and Unasserted Claims – See Note 14 to the Condensed Consolidated Financial Statements.

Indemnities – See Note 14 to the Condensed Consolidated Financial Statements.

CAUTIONARY INFORMATION

Certain statements in this report, and statements in other reports or information filed or to be filed with the SEC (as well as information included in oral statements or other written statements made or to be made by us), are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements and information include, without limitation, statements and information set forth under the captions “Liquidity and Capital Resources” regarding our capital plan, share repurchase programs, contractual obligations, and “Other Matters” in this Item 2 of Part I. Forward-looking statements and information also include any other statements or information in this report (including information incorporated herein by reference) regarding: potential impacts of public health crises, including pandemics, epidemics, and the outbreak of other contagious disease, such as COVID; the Russia-Ukraine and Israel-Hamas wars and other geopolitical tensions in the middle east, and any impacts on our business operations, financial results, liquidity, and financial position, and on the world economy (including customers, employees, and supply chains), including as a result of fluctuations in volume and carloadings; closing of customer manufacturing, distribution or production facilities; expectations as to operational or service improvements; expectations as to hiring challenges; availability of employees; expectations regarding the effectiveness of steps taken or to be taken to improve operations, service, infrastructure improvements, and transportation plan modifications (including those discussed in response to increased traffic); expectations as to cost savings, revenue growth, and earnings; the time by which goals, targets, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to our business, financial, and operational results, future economic performance, and general economic conditions; proposed new products and services; estimates of costs relating to environmental remediation and restoration; estimates and expectations regarding tax matters; expectations that claims, litigation, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, cyber-attacks or other matters will not have a material adverse effect on our consolidated results of operations, financial condition, or liquidity and any other similar expressions concerning matters that are not historical facts. Forward-looking statements may be identified by their use of forward-looking terminology, such as “believes,” “expects,” “may,” “should,” “would,” “will,” “intends,” “plans,” “estimates,” “anticipates,” “projects” and similar words, phrases, or expressions.

Forward-looking statements should not be read as a guarantee of future performance, results, or outcomes, and will not necessarily be accurate indications of the times that, or by which, such performance, results, or outcomes will be achieved, if ever. 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 and information. 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 many of these risks and uncertainties are currently amplified by and may continue to be amplified by, or in the future may be amplified by, among other things, macroeconomic and geopolitical conditions.

The Risk Factors in Item 1A of our 2023 Annual Report on Form 10-K, filed February 9, 2024, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in any forward-looking statements or information. To the extent circumstances require or we deem it otherwise necessary, we will update or amend these risk factors in a Form 10-Q, Form 8-K, or subsequent Form 10-K. All forward-looking statements are qualified by, and should be read in conjunction with, these Risk Factors.

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. 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.

AVAILABLE INFORMATION

Our Internet website is www.up.com. We make available free of charge on our website (under the “Investors” caption link) our Annual Reports on Form 10-K; our Quarterly Reports on Form 10-Q; our current reports on Form 8-K; our proxy statements; Forms 3, 4, and 5, filed on behalf of directors and executive officers; and amendments to such reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). We provide these reports and statements as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. We also make available on our website previously filed SEC reports and exhibits via a link to EDGAR on the SEC’s Internet site at www.sec.gov. We provide these previously filed reports as a convenience and their contents reflect only information that was true and correct as of the date of the report. We assume no obligation to update this historical information. Additionally, our corporate governance materials, including By-Laws, Board Committee charters, governance guidelines and policies, and codes of conduct and ethics for directors, officers, and employees are available on our website. From time to time, the corporate governance materials on our website may be updated as necessary to comply with rules issued by the SEC and the New York Stock Exchange or as desirable to promote the effective and efficient governance of our Company. Any security holder wishing to receive, without charge, a copy of any of our SEC filings or corporate governance materials should send a written request to: Secretary, Union Pacific Corporation, 1400 Douglas Street, Omaha, NE 68179.

References to our website address in this report, including references in Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 2, are provided as a convenience and do not constitute, and should not be deemed, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the Quantitative and Qualitative Disclosures About Market Risk previously disclosed in our 2023 Annual Report on Form 10-K.

Item 4. Controls and Procedures

As of the end of the period covered by this report, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation’s management, including the Corporation’s Chief Executive Officer (CEO) and Executive Vice President and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Corporation’s disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based upon that evaluation, the CEO and the CFO concluded that, as of the end of the period covered by this report, the Corporation’s disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Additionally, the CEO and CFO determined that there were no changes to the Corporation’s internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in legal proceedings, claims, and litigation that occur in connection with our business. We routinely assess our liabilities and contingencies in connection with these matters based upon the latest available information and, when necessary, we seek input from our third-party advisors when making these assessments. Consistent with SEC rules and requirements, we describe below material pending legal proceedings (other than ordinary routine litigation incidental to our business), material proceedings known to be contemplated by governmental authorities, other proceedings arising under federal, state, or local environmental laws and regulations (including governmental proceedings involving potential fines, penalties, or other monetary sanctions in excess of \$1,000,000), and such other pending matters that we may determine to be appropriate.

Environmental Matters

We receive notices from the U.S. Environmental Protection Agency (EPA) and state environmental agencies alleging that we are or may be liable under federal or state environmental laws for remediation costs at various sites throughout the U.S., including sites on the Superfund National Priorities List or state superfund lists. We cannot predict the ultimate impact of these proceedings and suits because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs.

Information concerning environmental claims and contingencies and estimated remediation costs is set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Environmental, Item 7, and Note 17 of the Financial Statements and Supplementary Data, Item 8, of our 2023 Annual Report on Form 10-K.

Item 1A. Risk Factors

For a discussion of our potential risks and uncertainties, see the risk factors disclosed in our Form 10-K for the year ended December 31, 2023. These risks could materially and adversely affect our business, financial condition, results of operations (including revenues and profitability), and/or stock price. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities – The following table presents common stock repurchases during each month for the first quarter of 2024:

<i>Period</i>	<i>Total Number of Shares Purchased</i>		<i>Average Price Paid Per Share</i>	<i>Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program</i>	<i>Maximum Number of Shares That May Be Purchased Under Current Authority [b]</i>
	<i>[a]</i>				
Jan. 1 through Jan. 31	900	\$ 241.89		-	80,392,027
Feb. 1 through Feb. 29	115,993	249.73		-	80,392,027
Mar. 1 through Mar. 31	285	250.95		-	80,392,027
Total	117,178	\$ 249.67		-	N/A

[a] Total number of shares purchased during the quarter includes 117,178 shares delivered or attested to UPC by employees to pay stock option exercise prices and satisfy tax withholding obligations for stock option exercises or vesting of retention units or retention shares.

[b] Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing, manner, and amount of these transactions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

On January 29, 2024, Kenny G. Rucker, Executive Vice President - Marketing and Sales, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 27,387 shares of Union Pacific Corporation common stock, of which 27,387 are to be acquired upon the exercise of vested stock options, between April 29, 2024, and January 31, 2025, subject to certain conditions.

Item 6. Exhibits

Exhibit No. Description

Filed with this Statement

- | | |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 31(a) | Certifications Pursuant to Rule 13a-14(a), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - V. James Vena. |
| 31(b) | Certifications Pursuant to Rule 13a-14(a), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Jennifer L. Hamann. |
| 32 | Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - V. James Vena and Jennifer L. Hamann. |
| 101 | The following financial and related information from Union Pacific Corporation's Quarterly Report on Form 10-Q for the period ended March 31, 2024 (filed with the SEC on April 25, 2024), formatted in Inline Extensible Business Reporting Language (iXBRL) includes (i) Condensed Consolidated Statements of Income for the periods ended March 31, 2024 and 2023, (ii) Condensed Consolidated Statements of Comprehensive Income for the periods ended March 31, 2024 and 2023, (iii) Condensed Consolidated Statements of Financial Position at March 31, 2024, and December 31, 2023, (iv) Condensed Consolidated Statements of Cash Flows for the periods ended March 31, 2024 and 2023, (v) Condensed Consolidated Statements of Changes in Common Shareholders' Equity for the periods ended March 31, 2024 and 2023, and (vi) the Notes to the Condensed Consolidated Financial Statements. |
| 104 | Cover Page Interactive Data File, formatted in Inline XBRL (contained in Exhibit 101). |

Incorporated by Reference

- | | |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3(a) | Restated Articles of Incorporation of UPC, as amended and restated through June 27, 2011, and as further amended May 15, 2014, are incorporated herein by reference to Exhibit 3(a) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014. |
| 3(b) | By-Laws of UPC, as amended, effective November 19, 2015, are incorporated herein by reference to Exhibit 3.2 to the Corporation's Current Report on Form 8-K dated November 19, 2015. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: April 25, 2024

UNION PACIFIC CORPORATION (Registrant)

By /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

By /s/ Todd M. Rynaski
Todd M. Rynaski
Senior Vice President and
Chief Accounting, Risk, and Compliance Officer
(Principal Accounting Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, V. James Vena, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Union Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ V. James Vena
V. James Vena
Chief Executive Officer

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jennifer L. Hamann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Union Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying quarterly report of Union Pacific Corporation (the Corporation) on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, V. James Vena, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ V. James Vena
V. James Vena
Chief Executive Officer
Union Pacific Corporation

April 25, 2024

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying quarterly report of Union Pacific Corporation (the Corporation) on Form 10-Q for the period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jennifer L. Hamann, Executive Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Jennifer L. Hamann
Jennifer L. Hamann
Executive Vice President and
Chief Financial Officer
Union Pacific Corporation

April 25, 2024

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.