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Union Pacific: Unified Plan 2020

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Unified Plan 2020

Objectives



- Simplify the business model for greater reliability
- Clean-sheet approach
- Develop plan with those closest to the work
- Drive to greater operating efficiency
 - Moving from train to **car** focus
 - Blending service networks
 - Balancing resources
- Proactive communications with employees, customers, shareholders and communities



Safe



Reliable



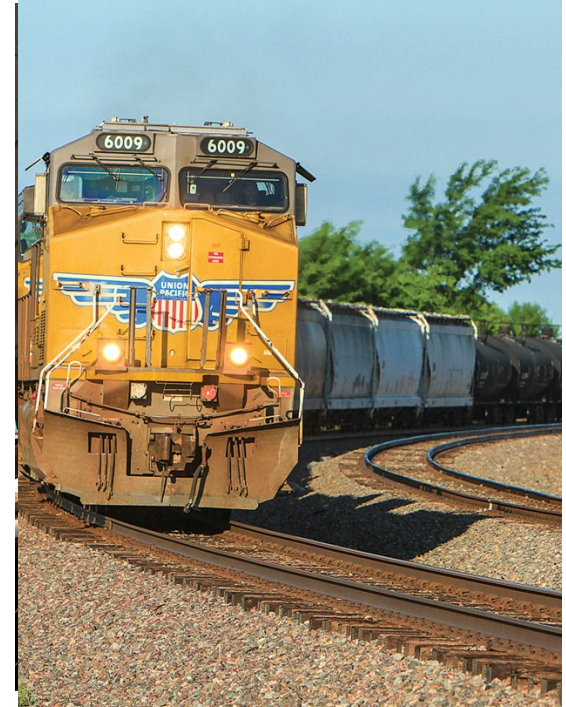
Efficient

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Our Four Key Principles



- Shifting the operating focus from moving trains to moving cars.
- Minimizing car dwell, car classification events and locomotive power requirements.
- Utilizing general-purpose trains by blending existing train services.
- Balancing train movements to improve train crew and rail asset utilization.



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What Customers Can Expect



- Focus on Moving Cars
- Minimized Car Dwell
- More Reliable and Predictable Service
- Improved Availability of Crews and Locomotives
- Potential for Improved Customer Asset Utilization
- Direct Communication in Advance of Changes



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Key Performance Indicators



Employee Safety

As UP works toward an injury-free environment, this measure represents total number of injuries reported per 200,000 employee work hours.

Car Trip Plan Compliance

This measures how well we are serving our customers compared to our scheduled services.

Freight Car Productivity

This Cars-Per-Carload metric brings Car Inventory and Volume together, acknowledging inventory levels will fluctuate with seasonality and as UP grows to business.

Freight Car Velocity

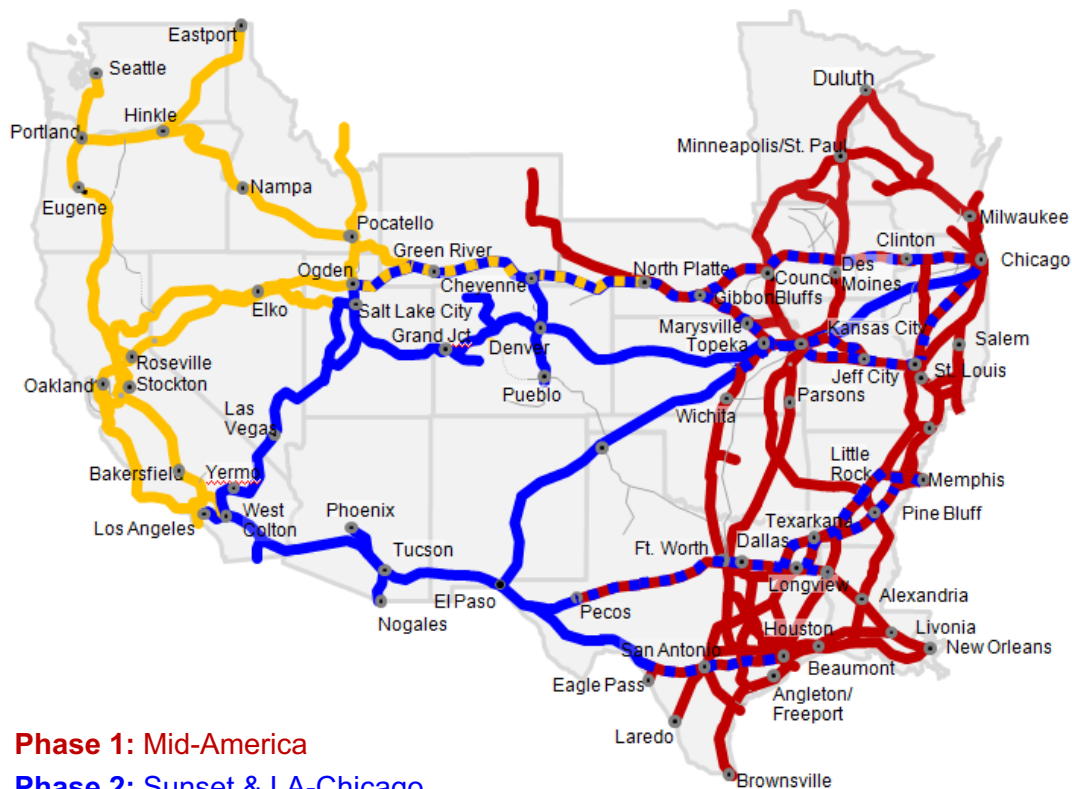
The number of miles a car (loaded and empty) travels each day.

Locomotive Productivity

The number of gross ton miles UP moves each day for each unit of horsepower in the active fleet. This is an all-inclusive metric, including shop time.

Workforce Productivity

This measures daily car miles per full-time employee, indicating how efficiently employees are working.



Phase 1: Mid-America

Phase 2: Sunset & LA-Chicago

Phase 3: PNW, Nor Cal & I5

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Phase 1 Implementation
Began Oct. 1, 2018

Phase 2 Planning Started
in Nov. 2018

Phase 3 Planning to Begin
Early 2019

Full Implementation
Expected by Mid-2019

UP Railroad Service Units & Regions



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Two Operating Regions

Twelve Service Units

Declutter. Streamline. Focus.

EMPLOYEES





SHAREHOLDERS

CUSTOMERS



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transportation performance.**



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transportation and
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