

## Resolved

Shareholders request the Board of Directors within the next year conduct an evaluation and issue a report (at reasonable cost, omitting proprietary information) describing if, and how, Union Pacific's lobbying activities (directly and indirectly through trade associations and social welfare and nonprofit organizations) align with the Paris Climate Agreement's aspirational goal of limiting average global warming to 1.5 degrees Celsius. The report should also address the risks presented by any misaligned lobbying and the company's plans, if any, to mitigate these risks.

## Supporting Statement

According to the most recent "Emissions Gap Report" from the United Nations Environment Programme (October 26, 2021), critical gaps remain between the commitments of national governments and the actions necessary to prevent the worst effects of climate change. Companies have an important and constructive role to play in enabling policymakers to close these gaps.

Corporate lobbying activities inconsistent with meeting the goals of the Paris Agreement and holding global warming to 1.5 degrees Celsius over pre-industrial levels present regulatory, reputational, and legal risks to companies. Such policy engagement also presents systemic risks to economies and markets, as delays in implementation of the Paris Agreement increase the physical risks of climate change, undermine economic stability, and introduce into investment portfolios uncertainty and volatility. We believe Paris-aligned climate lobbying helps mitigate these risks and contributes positively to the long-term value of companies.

Of particular concern are the trade associations and other politically active organizations that speak for business but too often present forceful obstacles to progress in addressing the climate crisis. When a company presents itself as a proponent of climate action but funds organizations that work against policy solutions, it exposes itself to potential reputational damage, especially in this age of social media.

As investors, we view fulfillment of the Paris Agreement's agreed goal—to hold the increase in the global average temperature to "well below" 2°C above preindustrial levels, and to pursue efforts to limit the temperature increase to 1.5°C—as an imperative. We remain convinced that unabated climate change characterized by "business as usual" scenarios of 3-4°C or greater will have unacceptable and far-reaching economic, environmental, and societal implications.

Union Pacific presently provides insufficient information to demonstrate how our company works to ensure its direct and indirect lobbying activities align with the Paris Climate Agreement's goals, and what management and the board do to address misalignments. While the company publicly discloses a list of its trade association memberships, it does not discuss any direct engagement with them on climate change, their climate policy positions, its role within each association, nor does the company disclose any actions taken in the event of misalignments on climate policy. Union Pacific is a member of the US Chamber of Commerce and National Association of Manufacturers which have a history of actively and negatively lobbying on US climate policy.

Thus, we urge the Board and management to assess the company's lobbying on climate policy and report to shareholders.