



2023 | GRI

Global Reporting Initiative

January 1, 2023 - December 31, 2023

Cautionary Note Regarding Forward-Looking Statements

This report, our other reports and our filings with the Securities and Exchange Commission (“SEC”) contain and in the future may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than those of current or historical fact, and all statements accompanied by terms such as “will,” “believe,” “project,” “expect,” “estimate,” “assume,” “intend,” “anticipate,” “target,” “plan” and similar terms, are intended to be forward-looking statements. Forward-looking statements are made subject to the safe harbor provisions of the federal securities laws pursuant to Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.

From time to time, we also include written or oral forward-looking statements in other publicly disclosed materials. Such statements relate to our intent, belief, forecasts of, or current expectations about our strategic direction, prospects, and future results, and give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made.

Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations or anticipated results. These risks and uncertainties include, but are not limited to: changes in general economic conditions in the U.S. or internationally; significant competition on a local, regional, national and international basis; changes in our relationships with our significant customers; our ability to attract and retain qualified employees; strikes, work stoppages or slowdowns by our employees; increased or more complex physical or operational security requirements; a significant cybersecurity incident, or increased data protection regulations; our ability to maintain our brand image and corporate reputation; impacts from global climate change; interruptions in or impacts on our business from natural or man-made events or disasters including terrorist attacks, epidemics or pandemics; exposure to changing economic, political, regulatory and social developments in international and emerging markets; our ability to realize the anticipated benefits from acquisitions, dispositions, joint ventures or strategic alliances; the effects of changing prices of energy, including gasoline, diesel, jet fuel, other fuels and interruptions in supplies of these commodities; changes in exchange rates or interest rates; our ability to accurately forecast our future capital investment needs; increases in our expenses or funding obligations relating to employee health, retiree health and/or pension benefits; our ability to manage insurance and claims expenses; changes in business strategy, government regulations or economic or market conditions that may result in impairments of our assets; potential additional U.S. or international tax liabilities; potential claims or litigation related to labor and employment, personal injury, property damage, business practices, environmental liability and other matters; and other risks discussed in our filings with the Securities and Exchange Commission from time to time, including our [Annual Report on Form 10-K](#) + for the year ended December 31, 2023, and subsequently filed reports. You should consider the limitations on, and risks associated with, forward-looking statements and not unduly rely on the accuracy of predictions contained in such forward-looking statements. We do not undertake any obligation to update forward-looking statements to reflect events, circumstances, changes in expectations or the occurrence of unanticipated events after the date of those statements.

From time to time, we expect to participate in analyst and investor conferences. Materials provided or displayed at those conferences, such as slides and presentations, may be posted on our investor relations website at www.investors.ups.com under the heading "Presentations" when made available. These presentations may contain new material nonpublic information about our company and you are

encouraged to monitor this site for any new posts, as we may use this mechanism as a public announcement.

Company sustainability goals are aspirational and not guarantees or promises; no assurances can be provided that any such goals will be met due to dependence on technological innovations and other available resources needed to drive environmental change, many of which are outside of our control. Statistics and metrics relating to sustainability matters are estimates and may be based on assumptions or evolving standards.

This Report

This report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards for the period (January 1, 2023 to December 31, 2023). We have included in this GRI Content Index relevant data and information in accordance with the GRI Sustainability Reporting Standards (Universal Standards 2021 and the latest Topic Standards).

Management of United Parcel Service, Inc. is responsible for the completeness, accuracy and validity of the disclosures in this GRI Content Index, as of, and for the year ended, December 31, 2023.

Management is responsible for the collection, quantification and presentation of the disclosures and for the selection of the criteria which management believes provide an objective basis for measuring and reporting on the disclosures contained herein. Measurement of certain disclosures includes estimates and assumptions that are subject to inherent measurement uncertainty resulting, for example, from accuracy and precision of conversion and other factors. The selection by management of different but acceptable measurement methods, input data or assumptions may have resulted in materially different amounts or metrics being reported.

Management asserts that the disclosures in this 2023 GRI Content Index as of and for the year ended December 31, 2023 are presented in accordance with the GRI Sustainability Reporting Standards. Management engaged Deloitte & Touche LLP to perform a review (limited assurance) on management's assertion relating to the disclosures in this 2023 GRI Content Index, as well as an examination (reasonable assurance) on management's assertion relating to the Statement of Greenhouse Gas Emissions for the year ended December 31, 2023, in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA).

+ This symbol indicates that information at this link was not subject to Deloitte & Touche LLP's review, and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. The audited financial statements included in the [2023 Annual Report on Form 10-K](#) were audited by Deloitte & Touche LLP and its audit report, dated February 20th, 2024, is included therein.

⇒ This symbol indicates that information at this link was not subject to Deloitte & Touche LLP's review, and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. For the most recent Proxy Statement, please visit our investor relations website at www.investors.ups.com.

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GRI 2: GENERAL DISCLOSURES: The organization and its reporting practices

2-1 Organizational details

United Parcel Service, Inc. ("UPS," the "Company," "we" or "our"), founded in 1907, is the world's premier package delivery company and a leading provider of global supply chain management solutions.

We operate one of the largest airlines and one of the largest fleets of alternative fuel vehicles under a global UPS brand. We deliver packages each business day for approximately 1.6 million shipping customers to 10.2 million delivery recipients in over 200 countries and territories. In 2023, we delivered an average of 22.3 million packages per day, totaling 5.7 billion packages during the year. Total revenue in 2023 was \$91.0 billion.

UPS is an incorporated, publicly traded company, with its principal executive offices in Atlanta, GA, USA. We have a significant presence in all the world's major economies.

2-2 Entities included in the organization's sustainability reporting

The entities included in our sustainability reporting are aligned with our operational control.

UPS has two reporting segments: U.S. Domestic Package and International Package. Our remaining businesses are reported as Supply Chain Solutions. U.S. Domestic Package and International Package are together referred to as our global small package operations.

2-3 Reporting period, frequency and contact point

Unless otherwise indicated, this report presents data for the 2023 reporting year of January 1, 2023 to December 31, 2023, which is aligned to the Company's [Annual Report on Form 10-K](#) and consistent with the Company's fiscal year. We issue our sustainability reports on an annual basis. This report was published on March 15, 2024.

Please send comments or questions about this report to sustainability@ups.com or in writing to:

UPS

Attention: Sustainability

Building 1, Floor 4

55 Glenlake Parkway

Atlanta, Georgia 30328

2-4 Restatements of information

UPS has not made any restatements of information from the prior year's reporting.

2-5 External assurance

The Audit Committee of the Board of Directors has engaged Deloitte & Touche LLP, an independent third party, to provide assurance on this report.

Deloitte & Touche LLP was engaged to conduct an examination, in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA), to provide a reasonable level of assurance on management's assertion over the Statement of Greenhouse Gas Emissions for Scope 1, 2 and 3. Additionally, Deloitte & Touche LLP was engaged to conduct a review, in accordance with attestation standards established by AICPA, to provide a limited level of assurance on management's assertion over the disclosures in the 2023 GRI Content Index. The assurance period was for the year ended December 31, 2023.

See Appendix A and Appendix B at the end of this report for Deloitte & Touche LLP's assurance reports.

GRI 2: GENERAL DISCLOSURES: Activities and workers

2-6 Activities, value chain and other business relationships

No significant changes have taken place compared to the previous reporting period.

Total number of operations	Over 2,400 worldwide operating facilities
Quantity of products or services provided	5.7 billion packages delivered

We offer a broad range of industry-leading products and services through our extensive global presence. Our services include transportation and delivery, distribution, contract logistics, ocean freight, airfreight, customs brokerage and insurance.

Our supply chain partners tend to be other service providers, rather than raw material or finished goods suppliers. Supply chain partners can be broadly grouped into three categories:

- Production Suppliers represent the majority of our total procurement spending. They provide purchased transportation services and energy to operate our global logistics network. At the region and country levels, we contract with transportation service suppliers, such as airlines, trucking companies, railroads and ocean carriers, as well as fuel suppliers. We also contract with third-party representatives that provide domestic delivery services in certain countries and territories.
- Capacity Suppliers provide equipment and facilities that we use in our operations. This includes suppliers of strategic assets, such as jet aircraft, major facilities, and alternative fuel or advanced technology vehicles. We work with original equipment manufacturers to design and develop our ground and air fleets in a way that seeks to reduce their environmental impact.
- Support Suppliers provide standardized products and services that support our business, such as marketing, advertising, human resources, shipping materials and other professional services.

2-7 Employees

See Disclosure 401-1 — New employee hires and employee turnover, and Disclosure 405-1 — diversity and equal opportunity. There were no significant variations in employees by gender or region when compared to last year.

UPS employees perform the majority of work associated with our organization's activities. We maintain a large workforce. We also regularly hire a large number of part-time and seasonal workers. Employee census data, reported in headcount, is compiled in and extracted from internal systems and gathered from subsidiaries.

Total Permanent Employee Base ¹ (as of 9/30/2023)					
Absolute Number	Gender ²		Geography		Total
	Male	Female	U.S.	Outside the U.S. ³	
Full Time	215,553	42,520	201,826	56,476	258,302
Part Time	167,426	63,724	208,347	22,884	231,231
Subtotal	382,979	106,244	410,173	79,360	489,533
Other Employees ⁴	5,648	3,357	3,340	5,737	9,077
Total Permanent Employees	388,627	109,601	413,513	85,097	498,610

¹The majority of UPS employees are non-guaranteed hour employees. Data reported as of 9/30/23 to exclude the impact of seasonal peak hires.

²Information about gender does not include 382 employees who do not self-identify as either male or female

³Includes EMEA, Asia, and Americas

⁴Represents employees from the following subsidiaries : Coyote, Marken, Bomi, Roadie, Ware2Go and Delivery Solutions

Total Temporary Employee Base (as of 9/30/2023)					
Absolute Number	Gender ¹		Geography		Total
	Male	Female	U.S.	Outside the U.S.	
Temporary	4,560	1,247	359	5,478	5,837

¹Information about gender does not include 30 employees who do not self-identify as either male or female

2-8 Workers who are not employees

Omitted: Data on contractors, agents and third-party service providers is being tracked in multiple systems. We are currently determining the proper approach to incorporate this disclosure in the future.

GRI 2: GENERAL DISCLOSURES: Governance

2-9 Governance structure and composition

The highest governance body of the Company is the Board of Directors (the "Board"). Information on the composition of the Board is presented in the [Notice of 2023 Annual Meeting of Shareowners and Proxy Statement](#) ⇒ for our 2023 annual meeting of shareowners (the "[Proxy Statement](#)") ⇒ under the captions "Corporate Governance" and "Our Board of Directors." The Board has four committees; the Audit Committee, the Compensation and Human Capital Committee, the Nominating and Corporate Governance Committee, and the Risk Committee. These committees are composed entirely of independent directors as defined by the New York Stock Exchange and by our director independence standards. The Board also has an Executive Committee that may exercise all of the powers of the Board in the management of our business and affairs, except for those powers expressly reserved to the Board under Delaware law or otherwise limited by the Board. Additional information is presented in the [Proxy Statement](#) ⇒ under the caption "Committees of the Board of Directors."

Our Investor Relations website also includes detailed information about other corporate governance matters at UPS, including our policies and processes. We expect to file our Notice of 2024 Annual Meeting of Shareowners and Proxy Statement with the SEC on or about March 18, 2024 (the "2024 Proxy Statement"). The 2024 Proxy Statement, when available, will contain more current information about our governance structure and composition.

2-10 Nomination and selection of the highest governance body

Each director is elected annually by the shareowners for a one-year term. The Board has delegated to the Nominating and Corporate Governance Committee the responsibility for reviewing and recommending nominees for membership on the Board and appointments to the Board's committees, including committee chair positions. The Nominating and Corporate Governance Committee is also responsible for evaluating and making recommendations to the Board as to the independence of all directors.

Additional information on the director nomination and selection process is presented in the [Proxy Statement](#) ⇒ under the caption "Selecting Director Nominees" and Board biographies under the caption "Our Board of Directors." More current information related to director nominees and selection will be contained in the 2024 Proxy Statement, when available.

2-11 Chair of the highest governance body

The Board Chair position is held by an independent member of the Board.

Additional information on our board leadership structure is presented in the [Proxy Statement](#) ⇒ under the caption "Board Leadership Structure."

2-12 Role of the highest governance body in overseeing the management of impacts

UPS is committed to maintaining robust governance policies and practices that benefit the long-term interests of all stakeholders. We regularly review and update our corporate governance policies and practices in response to the evolving needs of our business, shareowner and other stakeholder feedback, regulatory changes and other corporate developments.

The Board's oversight responsibilities include strategic planning, risk management, succession planning, human capital management, executive compensation, compliance, internal audit, political engagement

and financial reporting. This includes oversight of climate-related matters as a part of the Company's overall business strategy.

The Board considers climate-related risks in numerous ways, including through its standing committees. The Board's Risk Committee is responsible for oversight of management's identification and evaluation of enterprise risks, including the Company's climate-related risks. Economic, environmental and social sustainability risks and opportunities are considered as part of our comprehensive enterprise risk management program. Under our enterprise risk management process, risks, including climate-related, are identified, prioritized and assigned an owner, who is responsible for developing mitigation plans. The Risk Committee reviews these items on at least an annual basis.

The Board's Nominating and Corporate Governance Committee has additional oversight responsibility for climate-related risks and opportunities. This committee receives regular updates and discusses the Company's progress toward its sustainability-related goals, as well as the associated risks and opportunities, with feedback from these discussions shared with the full Board.

The Board's Audit Committee is responsible for overseeing the annual engagement of the independent third party that performed a review (limited assurance) on UPS management's assertion that the disclosures in this 2023 GRI Content Index as of and for the year ended December 31, 2023 are presented in accordance with the GRI Sustainability Reporting Standards, as well as an examination (reasonable assurance) on management's assertion relating to the Statement of Greenhouse Gas Emissions for the year ended December 31, 2023, in accordance with attestation standards established by the AICPA.

The full Board oversees the development of the Company's climate-related goals. Additionally, the Board regularly reviews the Company's risks, opportunities and progress with respect to its climate-related goals. Included as a part of these reviews are reviews of the Company's annual sustainability reports prior to publication.

UPS provides Board members with various opportunities to develop and enhance their knowledge of climate-related topics. For example, UPS facilitates a director engagement program in which directors meet with individual Executive Leadership Team ("ELT") members, visit Company operations, participate in employee events and receive in-depth subject matter updates outside of regular Board meetings.

2-13 Delegation of responsibility for managing impacts

The Board delegates authority for day-to-day management of the Company and its operations, including those related to climate matters, to the ELT. The Board and its committees regularly receive updates from management regarding the effectiveness of policies and procedures, progress regarding targets, risks and opportunities, global compliance standards, regulatory developments, disclosure standards and other priority climate-related topics.

The Company's Chief Corporate Affairs and Sustainability Officer ("CCASO"), who is a member of the ELT and a direct report to the Company's Chief Executive Officer ("CEO"), is responsible for leading climate-related discussions with the Board. The CCASO leads the Company's environmental-related efforts, community relations, public affairs, communications and The UPS Foundation. The CCASO reports quarterly to the Nominating and Corporate Governance Committee and regularly to the full Board on climate-related matters.

Additionally, efforts to monitor, assess and manage climate-related risks are supported across the ELT. For example, the Chief Financial Officer ("CFO") co-chairs the Company's Sustainability Council with the CCASO. The CCASO also serves on the Company's executive-officer-level risk committee, which meets quarterly to review the Company's enterprise risk strategy, including climate-related risks.

Members of the Company's sustainability department lead and participate in numerous sustainability working groups throughout the Company. These efforts are focused on measuring and driving progress toward UPS's sustainability goals, assessing and managing climate-related risks and opportunities, furthering environmental innovation and engaging with stakeholders.

The outcomes from these and other efforts provide a multi-layered approach facilitating UPS executives' and the Board's understanding of climate-related topics and execution of plans to manage impacts.

2-14 Role of the highest governance body in sustainability reporting

The full Board oversees the development of the Company's climate-related goals. Additionally, the Board regularly reviews the Company's risks, opportunities and progress with respect to its climate-related goals. The UPS Board also reviews and provides feedback on the Company's annual sustainability reports prior to publication. The Board's Audit Committee is responsible for overseeing the annual engagement of the independent third party that examines UPS management's assertion that the Statement of GHG emissions is in accordance with the GHG Protocol.

2-15 Conflict of interest

The [UPS Code of Business Conduct](#) ⇒ (the "Code") and the Company's [Related Persons Transaction Policy](#) ⇒, which are available on its investor relations website, set out its processes and policies for avoiding or managing conflicts of interest.

The Company's Audit Committee is responsible for overseeing compliance with the Code. The Code requires employees and directors to avoid conflicts of interest, defined as situations where the person's private interests conflict, or may appear to conflict, with the interests of UPS.

We also maintain a related person transactions policy that applies to any transaction or series of transactions in which: (1) the Company or any of its subsidiaries is a participant; (2) any "related person" (as defined therein) has or will have a material direct or indirect interest; and (3) the aggregate amount involved since the beginning of the Company's last completed fiscal year will exceed or may reasonably be expected to exceed \$100,000.

The policy provides that related person transactions that may arise during the year are subject to the Audit Committee's reasonable prior approval. In determining whether to approve or ratify a transaction, the Audit Committee will consider, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstance, the extent of the related person's interest in the transaction, whether the transaction would impair independence of a non-employee director and whether there is a business reason for the Company to enter into the transaction. The Company did not engage in any related person transactions in 2023 that required disclosure.

At least annually, each director and executive officer completes a questionnaire in which they are required to disclose any business relationships that may give rise to a conflict of interest, including transactions where the Company is involved and where an executive officer, a director or a related person has a direct or indirect material interest. We also review the Company's financial systems and any identified related party transactions are reviewed for potential conflicts of interest. All transactions are reviewed to determine if they exceed the \$100,000 threshold that would trigger Audit Committee review. The Nominating and Corporate Governance Committee of the Board reviews a summary of this information in connection with its recommendations to the Board regarding each Board member's independence.

2-16 Communication of critical concerns

The Board delegates authority for day-to-day management of the Company and its operations, including those related to climate matters, to the ELT. The Board and its committees regularly receive updates from management regarding the effectiveness of policies, procedures, progress regarding targets, risks and opportunities, global compliance standards, regulatory developments, disclosure standards and other priority climate-related topics.

In 2023, no matters identified as critical concerns arose.

2-17 Collective knowledge of the highest governance body

Board members undertake a number of efforts to enhance their knowledge of sustainability-related topics. For example:

- The Company facilitates a formal director engagement program in which individual directors meet with individual ELT members, visit company operations, participate in employee events and receive in-depth subject matter updates outside of regular quarterly Board meetings. These engagements encourage the ongoing exchange of ideas and information between directors and management and facilitate the Board's oversight, including with respect to sustainability topics.
- The Board and its Committees receive regular reports from our CCASO, CFO and Chief Human Resources and Diversity, Equity & Inclusion Officer regarding environmental and social topics.
- The Board's responsibilities include strategic oversight. This includes oversight of climate-related matters as a part of the Company's overall business strategy. The execution of the responsibility includes reviewing material and holding discussions that advance understanding, skills and experience related to sustainability.
- Knowledge is advanced with the Board's review of UPS's annual sustainability reports and the Audit Committee's oversight and approval of the engagement of the third-party to perform a review (limited assurance) of management's assertion relating to the disclosures in this 2023 GRI Content Index, as well as an examination (reasonable assurance) of management's assertion relating to the Statement of Greenhouse Gas Emissions for the year ended December 31, 2023, in accordance with attestation standards established by the AICPA.

2-18 Evaluation of the performance of the highest governance body

The Board employs both an ongoing informal and a formal annual process to evaluate its performance and the contributions of individual directors to the successful execution of the Board's obligations. The Board Chair considers the performance of the Board and the Board's Committees, and has informal discussions about individual director contributions to the Board. The Board Chair shares feedback from these discussions with the full Board and with individual Board members. In addition, during 2023, the Board Chair met individually with each director to discuss overall Board effectiveness and performance and potential 2024 Board agenda items.

For additional information, please see the [Proxy Statement](#) ⇒ under the caption "Board and Committee Evaluations."

2-19 Remuneration policies

UPS offers competitive hourly wages, salaries and total compensation to both full-time and part-time employees. The Company provides its union-represented employees with industry-leading pay and

benefits. UPS policies provide for equal remuneration irrespective of gender or any other protected class, and comply with all applicable laws and regulations.

UPS's executive compensation programs are designed to:

- Drive organizational performance by tying a significant portion of pay to company performance
- Attract, retain and motivate by competitively and fairly compensating its executive officers
- Encourage long-term stock ownership and careers with UPS
- Align the interests of its executives to long-term value creation

Executive compensation policies and programs are described in the section of the [Proxy Statement](#) ⇒ captioned "Executive Compensation."

2-20 Process to determine remuneration

The Compensation and Human Capital Committee, consisting entirely of independent directors, is responsible for setting the principles that guide compensation decision-making, establishing the performance goals under our executive compensation plans and programs, approving compensation for the Company's executive officers, and recommending compensation for the Company's independent directors. The Compensation and Human Capital Committee is also responsible for overseeing performance and talent management, diversity, equity and inclusion, work culture, and employee development and retention.

The primary process for setting compensation levels for our non-management employees is contract negotiations via collective bargaining. More than 70% of UPS's U.S. employees are represented by unions, primarily those employees handling or transporting packages. Many of these employees are employed under a national master agreement and various supplemental agreements with local unions affiliated with the International Brotherhood of Teamsters ("Teamsters"). In the third quarter of 2023, the Teamsters fully ratified a new national master agreement that expires July 31, 2028. Under the agreement, wage and benefit rates will increase for these employees. In addition, approximately 3,000 of our auto and maintenance mechanics are represented by the International Association of Machinists and Aerospace Workers ("IAM") Furthermore, approximately 3,300 of our pilots are represented by the Independent Pilots Association ("IPA"). UPS's agreement with the IPA becomes amendable September 1, 2025.

Feedback from stakeholder engagement is taken into account in setting and structuring compensation. The Compensation and Human Capital Committee conducts reviews of executive officer and director compensation generally every year to verify the program structures are consistent with best practices and current trends. The Compensation and Human Capital Committee engages an independent compensation consultant to provide advice on the competitiveness of UPS's executive officer and non-employee director compensation programs.

UPS provides shareowners the opportunity to vote annually, on an advisory basis, on the compensation of our named executive officers, as described in the [Proxy Statement](#) ⇒ under the caption "Compensation Discussion and Analysis section" and "Advisory Vote to Approve Named Executive Officer Compensation."

2-21 Annual total compensation ratio

See our [Proxy Statement](#) under the caption "Median Employee to CEO Pay Ratio."

Omitted: The ratio of the percentage increase in annual total compensation of the highest-paid individual to the median percentage increase in annual total compensation for all employees is currently unavailable due to lack of information. We will be reviewing ways to address all requirements of this disclosure on a yearly basis.

GRI 2: GENERAL DISCLOSURES: Strategy, policies and practices

2-22 Statement on sustainable development strategy

The Board considers key economic, environmental and social sustainability risks and opportunities as part of its involvement in and oversight of UPS's strategic planning. The Board also regularly reviews the effectiveness of our risk management and due diligence processes related to material sustainability topics.

2-23 Policy commitments

Corporate responsibility is fundamental to delivering on our purpose. See [Our Company/Governance on About.UPS.com](#) ⇒ for UPS policies that help guide our commitment to ethical, sustainable, and financially responsible business.

2-24 Embedding policy commitments

The [UPS Code of Business Conduct](#) ⇒ sets out the behavior the Company expects from its employees, suppliers, consultants and third-party representatives. The Code is built on honesty and integrity. The Code is available in 22 languages so that UPS employees, agents, and third-party representatives in other countries and territories can fully understand its guiding principles. UPS's policy is to comply with all applicable laws, rules and regulations in the over 200 countries and territories where it operates. The Code includes policies and procedures that prohibit UPS employees, and others acting on its behalf, from engaging in any unlawful activities.

UPS supports the protection of basic human rights throughout its worldwide operations and is committed to a safe work environment that is free of threats, intimidation and physical harm. UPS does not discriminate against any applicant for employment or any employee in any aspect of their employment at UPS because of age, race, religion, sex, disability, sexual orientation, gender identity, military status, pregnancy, national origin, veteran status, other legally protected characteristic or basis, or any unlawful means.

UPS promotes understanding of its policies by employees with refresher and job-specific courses on compliance and ethics using a risk-based approach to identify the most appropriate audiences. Employees must attest to the specific policy(s) that is covered in the training. The Company's compliance and ethics trainings during 2023 included:

- Anti-Corruption/Anti-Bribery Compliance
- Third-Party Anti-Corruption Compliance
- Third-Party Due Diligence
- Antitrust/Competition Law Compliance
- Information Security and Privacy
- Insider Trading Compliance
- Conflicts of Interest Compliance
- Fraud Prevention
- Records and Information Management

- Anti-Harassment
- Gifts, Hospitality and Entertainment
- Regulated Goods/Customer Compliance
- Dangerous Goods Sales

2-25 Processes to remediate negative impacts

See the [UPS Code of Business Conduct](#) ⇒ "Reporting Concerns, Asking Questions and Voicing Opinions."

Throughout its global operations, the Company works with many unions, associations, and work councils. UPS agreements with U.S. labor organizations have specific provisions regarding the methods for resolving grievances. These provisions mandate periodic meetings of union and company representatives, with an escalation framework if the parties cannot agree on a resolution.

2-26 Mechanisms for seeking advice and raising concerns

See Disclosure 2-25 – Processes to remediate negative impacts.

2-27 Compliance with laws and regulations

See Disclosure 205 — Anti-Corruption Management Approach.

UPS had no significant instances of non-compliance with laws and regulations during the reporting period.

From time to time we are involved in judicial proceedings and other matters arising from the conduct of our business. Although there can be no assurance as to the ultimate outcome, we have generally denied, or believe we have meritorious defenses and will deny, liability in all pending matters, including the matters described in Note 10 of our [Annual Report on Form 10-K](#) + , and we intend to vigorously defend each matter. We accrue amounts associated with judicial proceedings and other contingencies when and to the extent a loss becomes probable and can be reasonably estimated. For such accruals, we record the amount we consider to be the best estimate within a range of potential losses; however, when there appears to be a range of equally possible losses, our accrual is at the low end of this range. The likelihood of a loss with respect to a particular contingency is often difficult to predict and determining a reasonable estimate of the loss or a range of potential losses may not be practicable based on the information available. Additionally, events may arise that were not anticipated and, as a result, the outcome of a contingency may result in a loss that differs materially from our previously estimated liability.

For matters as to which we are not able to estimate a possible loss or range of losses, we are not able to determine whether any such loss will have a material impact on our operations or financial condition. For these matters, we have described the reasons that we are unable to estimate a possible loss or range of losses in our [Annual Report on Form 10-K](#) (Note 10) +.

2-28 Membership associations

This is not a comprehensive list, but a list of associations in which UPS plays a significant role:

Airlines For America ("A4A")

A4A advocates on behalf of its airline members to shape crucial policies and measures that promote safety, security and a healthy U.S. airline industry. A4A works collaboratively with

airlines, labor, Congress, the Administration and other groups to improve aviation for the traveling and shipping public.

American Trucking Associations ("ATA")

The ATA is the largest and most comprehensive national trade association for the trucking industry. ATA is a 90-year-old federation with state trucking association affiliates in all 50 states. ATA represents every sector of the industry, from less-than-truckload (LTL) to truckload, agriculture and livestock to auto haulers, and from large motor carriers to small operations.

U.S. Chamber of Commerce (the "Chamber")

The Chamber is the world's largest business organization. Chamber members range from the small businesses and chambers of commerce across the country that support their communities, to the leading industry associations and global corporations that innovate and solve for the world's challenges, to the emerging and fast-growing industries that are shaping the future.

National Association of Manufacturers ("NAM")

NAM is the nation's primary advocacy organization for manufacturers. NAM represents 14,000 member companies from across the country, in every industrial sector.

Low Carbon Fuels Coalition ("LCFC")

The LCFC is a coalition of diverse companies and trade associations who all share the common goal of decarbonizing our transportation fuel supply. The LCFC is dedicated to advocating for the support and expansion of robust, technology-neutral Clean Fuels Standard (CFS) policies at the state and federal level.

Natural Gas Vehicles for America ("NGVAmerica")

NGVAmerica is a national organization dedicated to the development of a growing, profitable, and sustainable market for vehicles powered by natural gas or biomethane. NGVAmerica represents more than 200 companies, environmental groups, and government organizations interested in the promotion and use of natural gas and biomethane as transportation fuels.

Association for Uncrewed Vehicle Systems International ("AUVSI")

The AUVSI, the world's largest nonprofit organization dedicated to the advancement of uncrewed systems and robotics, represents corporations and professionals from more than 60 countries involved in industry, government and academia. AUVSI members work in the defense, civil and commercial markets.

Truckers Against Trafficking ("TAT")

TAT is an organization that aims to educate, equip, empower and mobilize members of the trucking, bus and energy industries to combat human trafficking.

Data and Trust Alliance

The Data & Trust Alliance brings together leading businesses and institutions across multiple industries to learn, develop and adopt responsible data and Artificial Intelligence practices.

Sustainable Aviation Buyers Alliance ("SABA")

SABA's mission is to accelerate the path to net-zero aviation by increasing investments in sustainable aviation fuel (SAF), new SAF production, and technological innovation.

GRI 2: GENERAL DISCLOSURES: Stakeholder Engagement

2-29 Approach to stakeholder engagement

We consider stakeholder engagement an essential aspect of our corporate governance. Maintaining open and ongoing dialogue with our stakeholders is an important component of our corporate culture. We regularly engage with a broad range of stakeholder groups through our Public Affairs and community relations external facing teams and others. We also respond to incoming correspondence from various stakeholder groups and consult with senior UPS leadership and third-party firms to identify new stakeholder groups that are outside of our public affairs and community relations engagement programs.

Below are some of the primary engagement mechanisms enabled across our major stakeholder groups.

- Communities: The UPS Foundation, employee volunteer program, humanitarian relief, resilience activities and equitable access to healthcare programs
- Customers: periodic business reviews and regular meetings, market research, UPS.com, social media, UPS-sponsored events, UPS Women Exporters Program ("WEP"), UPS Green Exporters Program, about.UPS.com
- Employees: UPS Culture Survey, business resource groups, daily prework communications meetings, health and safety committees, UPSers.com, social media, union representatives, joint labor-management committees, town hall meetings, the UPS Sustainability Trailblazers employee engagement program
- Governments: global advocacy and relationship building, multifaceted thought leadership strategy, facility visits and targeted outreach, collaborative partnerships
- Investors: investor conferences, quarterly earnings communications, annual shareholder meeting, [Annual Report on Form 10-K](#) +, Quarterly Reports on Form 10-Q, Form 8-Ks, [Proxy Statement](#) ⇒, press releases, one-on-one and small group meetings, ratings and rankings such as ISS and MSCI, investor relations website
- UPS Retirees: UPSers.com, virtual and in-person events
- Suppliers: supplier diversity strategy (including conferences, events, training, etc.), research and development of alternative vehicle technologies, meetings with suppliers, including assessments and reviews, development of a sustainability best practices platform for outside service providers, innovation workshops and coaching for diverse-owned SMBs to enable greater access to growth opportunities

2-30 Collective bargaining agreements

More than 70% of our U.S. employees are represented by unions, primarily those employees handling or transporting packages. Many of these employees are employed under a national master agreement and various supplemental agreements with local unions affiliated with the Teamsters. In the third quarter of 2023, the Teamsters fully ratified a new national master agreement that expires July 31, 2028. In

addition, approximately 3,000 of our auto and maintenance mechanics are represented by the International Association of Machinists and Aerospace Workers ("IAM"). Furthermore, approximately 3,300 of our pilots are represented by the IPA. Our agreement with the IPA becomes amendable September 1, 2025.

See Management of Material Topics in sections 401-Employment and 404-Occupational Health and Safety for additional information on union and non-union employees.

GRI 3: MATERIAL TOPICS: Process to determine material topics

3-1 Process to determine material topics

UPS conducts global assessments to determine material topics¹. Our analysis includes, among other things:

- Evaluation of sustainability frameworks and standards, ratings and rankings assessments, in addition to general and industry-specific external research reports;
- Interviewing members of our ELT, who have direct responsibility for executing Company strategy;
- Interviewing senior UPS managers to obtain their perspectives on issues relevant to their regions;
- Gathering feedback from customers, regulators and other government agencies, and nongovernmental organizations ("NGOs"), including social and environmental activists, academics, and investors.

We evaluated a list of topics from the GRI framework and examined these issues in depth, including areas with actual and potential negative or positive impact, as well as broader sustainability trends. The relative importance of each topic was evaluated based on an assessment of feedback and was considered in determining final report content.

The primary result of this assessment was to determine sustainability issues of importance to UPS. Indicator 3-2 lists the topics addressed within this report.

¹In the GRI, materiality refers to aspects that reflect the organization's significant economic, environmental, and social impacts; or substantively influence the assessments and decisions of stakeholders. In a traditional securities law context, a matter is "material" if there is a substantial likelihood that a reasonable person would consider it important; the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item.

3-2 List all the material topics identified in the process for defining report content

Sustainability Priority Topics Content		
Sustainability Priority Topics	UN Sustainable Development Goals Alignment	Corresponding GRI Topic-Specific Standard
Governance, Ethics and Compliance	12, 16	205-Anti-Corruption, 206-Anti-Competitive Behavior
Greenhouse Gas Emissions and Energy Use	3, 7, 8, 9, 11, 12, 13, 14, 15	302-Energy, 305-Emissions
Employee Health, Safety and Wellness	3, 8	401-Employment, 403-Occupational Health and Safety
Employee Training and Development	4, 5, 8	404-Training and Education
Employee Diversity and Inclusion	5, 8	405-Diversity and Equal Opportunity
Data Privacy and Cybersecurity	16	418-Customer Privacy
Community Impact of Operations	11	This issue arose during the Sustainability materiality process but does not map directly to a GRI Topic-Specific Standard. However, see our Social Impact Report ⇒ for additional information.
Resilience and Adaptation	1, 2, 3, 5, 7, 8, 9,10, 11, 17	This issue arose during the Sustainability materiality process but does not map directly to a GRI Topic-Specific Standard.
Societal Benefits of Business Activities	all	This issue arose during the Sustainability materiality process but does not map directly to a GRI Topic-Specific Standard.
Sustainable Customer Solutions	7,11,13	This issue arose during the Sustainability materiality process but does not map directly to a GRI Topic-Specific Standard. However, see our Sustainable Services ⇒ webpage for additional information.

3-3 Management of material topics

Community Impact of Operations

More than half of the world's population lives in cities, with the share of urban dwellers expected to increase. This growth is expected to contribute to the challenges of emissions pollution and congestion, caused not only by the increasing number of residents but also by e-commerce activity and evolving business models. UPS continues to collaborate with various city partners and other stakeholders to develop and test innovative delivery solutions in dense urban areas. These include electric vehicles and a range of bicycle- and tricycle-based delivery solutions, all of which operate with zero emissions. We have found that pedal-powered vehicles are well-suited for making multiple deliveries in dense urban areas as they are more maneuverable than package cars and may access routes that other vehicles cannot, such as bicycle lanes and narrow city streets.

Resilience and Adaptation

Through its Enterprise Risk Management process, UPS reviews potential climate-related risks and opportunities. UPS prioritizes risks into Tier 1 or Tier 2 risk level classifications. To determine Tier 1 or Tier 2 status, we use a risk assessment matrix and heat map. Climate-related risks and opportunities are evaluated based on the potential impact to our mission/brand, as well as the potential impact to our financial and operational performance. These elements are rated on a 1-5 scale. The results are then plotted on a heat map to determine tier status. Risks and opportunities that require Board level awareness and that may be material and inherently high risk to the organization are defined as Tier 1 risks. Tier 2 risks are defined as potentially significant, emerging and approaching material limits.

Societal Benefits of Business Activities

The UPS Foundation

The UPS Foundation (TUPSF) leverages the Company's global network and logistics capabilities to deliver pathways to empower resilient, just and safe communities. TUPSF's philanthropic approach centers around delivering HELP where it's needed most through the following focus areas: Health & Humanitarian Relief; Equity & Economic Empowerment; Local Community Engagement and Planet Protection.

Health & Humanitarian relief efforts build more effective public-private partnerships to enhance community disaster risk reduction and preparedness efforts, by supporting urgent response and speeding post-crisis recovery. Every year, global crises can result in devastating human suffering that demand coordinated, swift relief efforts. These crises threaten lives, disrupt businesses, destroy infrastructure and bring commerce to a halt.

Additionally, TUPSF advances equity and economic empowerment by breaking down systemic barriers in education and entrepreneurship to create opportunities for underserved and underrepresented women, youth, and marginalized communities. WEP aids women entrepreneurs globally, helping them trade across borders, overcome challenges, and forge new futures by providing access to global markets. Collaborating with organizations like the International Trade Centre SheTrades and WEP strengthen women entrepreneurs' export skills and fosters an inclusive business ecosystem.

TUPSF's commitment extends beyond traditional aid by utilizing human capital to inspire and mobilize volunteers and organizations, aiming to provide 30 million volunteer hours by 2030. This reinforces TUPSF's dedication to community well-being in the local communities we serve globally. TUPSF also champions environmental justice and a sustainable world. With a commitment to plant 50 million trees

by 2030 and investments in environmental research, TUPSF strives to generate positive environmental impacts. TUPSF's dedication extends to fostering climate-friendly innovative solutions that benefit both the businesses and communities we serve.

Legislative Advocacy

The UPS Public Affairs team advocates for laws that promote equity, justice and fairness at the state and federal level. As examples of some of our social advocacy efforts, in 2023, we worked with the South Carolina Chamber to pass the Clementa C. Pinckney Hate Crimes Act which provides enhanced penalties for crimes committed against others based on race, religion or gender. The bill passed in the South Carolina House of Representatives. We will continue to work with Senate leadership in 2024 in an attempt to pass the bill. This advocacy was part of our Equity Justice and Action Taskforce commitment to encourage all 50 States to adopt anti-hate crime laws that match federal level legislation.

As part of our commitment to advancing supply chain resilience particularly for healthcare, in 2023 we collaborated with Pfizer, Abbot and Gilead to introduce the bipartisan Medical Supply Chain Resiliency Act. This bill aims to eliminate trade barriers that weaken medical supply chains and disrupt the ability to move essential medical goods across borders. The legislation will improve U.S. access to medical goods and ensure that critical medical supplies can be delivered safely, swiftly and efficiently to patients at home and around the world.

Enabling Jobs and Career Growth in Local Communities

UPS works with local governments to open new facilities and expand existing hubs which creates jobs that spur economic growth for communities and provide the infrastructure for local families to build wealth. UPS jobs provide competitive pay and benefits, and also offer our people careers and opportunities to build a brighter future with tuition assistance, training and development opportunities and a long-standing promotion-from-within culture. In 2023, facility openings from Pennsylvania to Chicago to New Jersey generated thousands of jobs, bringing economic vitality to many local communities.

We launched an Emergency Child Care Initiative for U.S.-based frontline workers that addresses retention challenges impacting career advancement. The pilot program offered emergency daycare services onsite at a UPS facility in Northern California where 80% percent of eligible employees participated and took advantage of the service more than once, avoiding more than 120 unplanned absences. Employee turnover among the pilot group dropped significantly, from 31% to 4%. We expanded the emergency childcare initiative to include additional shifts at the pilot site and select Pennsylvania facilities in the fourth quarter of 2023. Additional facilities across the U.S. are expected to be added in 2024.

Supporting Small and Medium-Sized Businesses (SMBs)

In partnership with the U.S. Department of Commerce, the Minority Business Development Agency, the Veteran Women's Enterprise Center and other organizations, we launched the SMB Global Business Academy to provide exporting, e-commerce and logistics training to help diverse-owned SMBs across the world generate capital and overcome barriers to trade. Over 200 businesses participated in the trainings.

Anti-Human Trafficking Work

We are deeply committed to combating human trafficking, activating our workforce and infrastructure to assist law enforcement in stopping this crime and helping victims. In 2023, The UPS Foundation

pledged \$1 million to support Wellspring Living's [Welcome Home](#) campaign which builds comprehensive solutions for human trafficking survivors through therapy, housing and educational resources. The grant will help Wellspring Living scale the successful healing care model it has created in Atlanta to other cities and organizations, starting with training and mentorship programs. This investment is a crucial extension of UPS's global efforts to fight the spread of human trafficking both in our hometown of Atlanta and beyond.

Sustainable Customer Solutions

We offer our customers sustainable solutions to help reduce the environmental impacts associated with their supply chains.

- **Analysis** - Our Carbon Impact Analysis solution uses a dashboard that allows customers to view their emissions data in multiple ways, such as by mode, service level or business unit. Based on a customer's supply chain network and emissions, we offer consultative solutions that improve supply chain efficiencies and reduce emissions. The solutions include optimizing end-to-end supply chains, transportation, packaging and returns.
- **Shipping** - UPS carbon neutral shipping is an easy, cost-effective way to offset GHG emissions for individual shipments or all of a customer's shipments using a process certified by third-party verification and certification organizations. With our UPS Smart Pickup™ service, customers can schedule pickups only when needed, avoiding unnecessary trips and emissions.
- **Receiving** - UPS My Choice® services enable customers to adjust delivery times or locations, while UPS Access Point™ locations enable package pickup from a centralized location. These solutions enhance customer convenience and help avoid unnecessary trips, miles and emissions.
- **Returning** - Our consultative solutions help identify optimum return lanes, routes, and consolidation points in the transportation network which contributes to emissions reductions. In addition to consultative offerings, UPS Returns Manager® contributes to the circular economy by enabling consumers to more easily print return labels, and it gives merchants online management and visibility of returns. For the circular economy to work, consumers and manufacturers need convenient and efficient ways to move goods. Our recent acquisition of Happy Returns contributes to sustainable supply chains by offering no-box returns which lowers the usage of cardboard boxes and allows consolidation of products in reusable containers.

Additional discussion on the management of material topics is provided in the Topic-Specific Standards section of this report.

TOPIC-SPECIFIC STANDARDS

TOPIC-SPECIFIC STANDARDS: 205 Anti-Corruption

205 (3-3) Management of material topics

The [UPS Code of Business Conduct](#) ⇒(Code) sets out the behavior we expect from our employees, and the processes available to them for raising concerns about ethical conduct and the channels we use to respond.

Our policy is to comply with all applicable laws, rules, and regulations in over 200 countries and territories in which we operate. The Code includes policies and procedures that prohibit UPS employees, and others acting on our behalf, from engaging in anti-competitive behavior or any unlawful activities.

These activities include violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other applicable anti-bribery laws, rules and regulations.

We promote understanding of these regulations with courses and job-specific courses on compliance and ethics for employees, using a risk-based approach to identify the most appropriate audiences. Anti-corruption training is required for all management and all employees in International Finance and Accounting or Brokerage who may interact with government officials.

We manage a Third-Party Due Diligence program for approximately 1,800 vendors that interact with our customers or government agencies, which includes a pre-engagement screening of these vendors, a commitment to adhere to the [Code](#) ⇒ as well as an annual recertification of the vendor relationship based on continuous compliance monitoring.

We encourage employees to raise concerns about compliance, ethics or business conduct with their direct supervisors or human resources representatives. Employees and business partners may also submit a report to the UPS Ethics Hotline online or by phone. Both channels are monitored by an independent service provider and are available 24-hours a day, seven days a week. Reports may be anonymous, and translators are available to assist when needed.

Our commitment to integrity includes a responsibility to foster an environment that allows our people to report concerns about our legal and ethical obligations without fear of retaliation and/or retribution. We investigate these cases and take corrective and disciplinary action up to and including dismissal where appropriate.

We follow a multi-layered process designed to further compliance throughout our business. Our global compliance team facilitates this process for employees around the world.

We also use an annual UPS Ethics Questionnaire to survey our management team to identify events, situations or relationships that could pose ethical or legal risks.

In addition to training, we conduct systematic risk assessments of UPS sites, auditing for evidence of fraud, corruption and other process risks. As part of this process, we review significant changes in a UPS business entity or its regulatory environment that could be considered to increase the risk of unethical practices or inadequate controls.

The information we generate through these activities is provided to our senior management, including the ELT, for review and response. We also regularly share the results of our compliance, ethics and business conduct activities with the Board of Directors, including through the Board's Risk and Audit committees.

205-1 Operations assessed for risks related to corruption

UPS Internal Audit conducts an annual risk assessment of UPS's global operations to identify financial, operational, regulatory and fraud risks including coverage of anti-corruption and anti-bribery risks. This risk assessment determines the likelihood and potential impact of risks to UPS and is used to create a risk-based audit plan. Our risk-based audit plan includes regular assessments of compliance with anti-bribery and anti-corruption policies and regulations. In addition, UPS Internal Audit monitors various other sources where anti-corruption and anti-bribery issues may be reported including the annual UPS Ethics Questionnaire, the use of our Open-Door Policy, concerns made to the UPS Ethics Hotline, results of due diligence assessments and other reporting methods.

Omitted: The number and percentage of operations assessed for corruption and bribery risks is not available.

205-2 Communication and training about anti-corruption policies and procedures

The [Code](#) ⇒ prohibits employees, and others acting on our behalf, from engaging in corrupt behavior or any unlawful activities. These activities include violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other applicable anti-bribery laws, rules and regulations.

UPS has a robust anti-corruption communication and training process. 59,565 UPS employees are eligible to receive anti-corruption training, including all full-time managers, supervisors and specialists, all employees of International Finance and Accounting or Brokerage, and all non-management employees who may interact with non-U.S. government employees. As of December 2023, 97% of eligible employees had completed this training.

UPS also reviews third-party providers worldwide via an annual Third-Party Due Diligence process and ongoing audits that include monitoring their compliance with our ethical standards.

Omitted: Due to confidentiality and competitive reasons, UPS does not disclose the number or percentage of business partners that the anti-corruption policies have been communicated to in total or by business partner type or region.

205-3 Confirmed incidents of corruption and actions taken

We are not aware of any consequential incidents of corruption in 2023.

TOPIC-SPECIFIC STANDARDS: 206 Anti-Competitive Behavior

206 (3-3) Management of material topics

See Disclosure 205 — Anti-Corruption Management of Material Topics

206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices

From time to time we are involved in judicial proceedings and other matters arising from the conduct of our business. Although there can be no assurance as to the ultimate outcome, we have generally denied, or believe we have meritorious defenses and will deny, liability in all pending matters, including the matters described in Note 10 of our [Annual Report on Form 10-K](#) + , and we intend to vigorously defend each matter. We accrue amounts associated with judicial proceedings and other contingencies when and to the extent a loss becomes probable and can be reasonably estimated. For such accruals, we record the amount we consider to be the best estimate within a range of potential losses; however, when there appears to be a range of equally possible losses, our accrual is at the low end of this range. The likelihood of a loss with respect to a particular contingency is often difficult to predict and determining a reasonable estimate of the loss or a range of potential losses may not be practicable based on the information available. Additionally, events may arise that were not anticipated and, as a result, the outcome of a contingency may result in a loss that differs materially from our previously estimated liability.

Details of any significant litigation and enforcement matters related to competition law are disclosed in our 2023 [Annual Report on Form 10-K](#) + , Note 10 — Legal Proceedings and Contingencies.

TOPIC-SPECIFIC STANDARDS: 302 Energy

302 (3-3) Management of material topics

Our Purpose & Our Mission

UPS is guided by a clear purpose to move our world forward by delivering what matters. We execute this purpose through our Customer First, People Led and Innovation Driven strategy across the enterprise. Evidence indicates that human activities that result in the release of greenhouse gas emissions are contributing to a warming of the planet. This increase in temperature can have a wide range of impacts such as changes in local weather patterns, an increase of extreme weather events, and an increase in sea levels, which threaten both human societies and natural ecosystems. According to the International Panel on Climate Change (IPCC), transportation accounts for ~15% of global greenhouse gas emissions. UPS is a worldwide leader in transportation and logistics that is moving the world forward by accelerating the decarbonization of our Company in a financially prudent manner to deliver what matters for our customers, our employees, our shareholders and the communities we serve.

Guiding Principles

We established the following guiding principles for our decarbonization strategy:

1. Lead with integrity,
2. Execute a holistic vision of sustainability,
3. Deliver impact not just promises,
4. De-link volume growth from that of GHG emissions, and
5. Take a fiscally responsible approach based on sound engineering principles.

Our Strategy

To execute on our decarbonization strategy, we've established strategic focus areas for our organization:

Efficiency and Innovation

Efficiency and innovation are core to sustainability: the greenest mile is the one not driven or flown. Our greenhouse gas emissions reduction strategy includes improving our operational efficiency and reducing fuel consumption. We design, develop, implement, and leverage digital and physical technology as innovative solutions to both reduce distance traveled and increase consolidation opportunities to lower the energy intensity required to make the movements happen within our network.

Drop In Renewable & Biofuel Solutions

Drop in renewable and biofuels provide opportunities to reduce UPS's greenhouse gas emissions while leveraging existing assets and infrastructure. We continue to seek near-term opportunities to enable our operations to reduce carbon emissions at scale and are engaging with existing and new suppliers to identify opportunities where lower-carbon emission fuels can be used in the place of conventional fuels.

Zero Emission Tailpipe Solutions

Zero emission tailpipe solutions such as battery electric or hydrogen vehicles and airplanes can significantly reduce the tank-to-wheel emissions of transportation. The usage of these assets can be combined with upstream well-to-tank or tank-to-wing emission reduction programs such as renewable

electricity to further reduce the overall emissions of our transportation network. We test new technologies through our rolling laboratory approach, and deploy these technologies when operationally, commercially and financially viable within our network.

Renewable Electricity

UPS purchases renewable electricity to reduce our scope 2 emissions. We purchase renewable electricity through agreements including but not limited to on-site solar projects, retail supply contracts, power purchase agreements, and unbundled renewable energy certificates ("RECs"). We continue to evaluate all available options for the purchase of renewable electricity and execute on the best-fit projects for the organization.

Green Transportation Solutions

Many of UPS's customers have established goals to reduce their greenhouse gas emissions. Upstream transportation through service providers such as UPS can represent a significant portion of overall greenhouse gas emissions for many of our customers. As a result, we have seen an increasing number of customers set goals to decarbonize their suppliers' transportation emissions. UPS is developing products that enable our customers to accelerate the decarbonization of their value chain and achieve their goals. The funds from these products are expected to be used to accelerate the decarbonization of the UPS enterprise.

Public Policy Advocacy

Public policy plays a vital role in creating a fair and even playing field for UPS and other businesses that are committed to reducing their environmental impact and meeting their sustainability goals. We support policies that incentivize the production and use of renewable and biofuels, such as tax credits, grants, mandates, and standards, as well as policies that enable the deployment of low- and zero-emission vehicles and infrastructure, such as rebates, vouchers, and funding programs. We participate in public policy forums where we advocate for prudent innovation and investment in new technologies and infrastructure development. By engaging with policymakers and collaborating with leading non-governmental organizations (NGOs), we aim to shape a regulatory environment that aligns with our vision of a greener and more resilient future for our customers, employees and communities.

Carbon Offsets

UPS is focused on decarbonizing our own operations, and we do not intend to use voluntary carbon offsets as a mechanism to reduce our greenhouse gas emissions in the near future unless required through regulations. We may purchase high quality offsets that are additional, permanent solutions. We have and expect to continue to offer our carbon neutral shipping product, which uses voluntary carbon offsets to offset the emissions generated within our network for a customer's shipment.

Executing Our Strategy in Our Business

Decarbonizing Ground Operations (Scope 1 & 2)

UPS has and expects to continue to invest in hardware and software technologies that eliminate fuel and energy usage within our operations. Software solutions including our award-winning On-Road Integrated Optimization and Navigation ("ORION") platform with Dynamic Optimization, which recalculates individual package delivery routes throughout the day as traffic conditions, pickup commitments and delivery orders change to optimize routes and minimize miles driven. ORION is supplemented with

UPSNV, a navigation tool integrated into the handheld devices package delivery drivers carry, that provides detailed turn-by-turn directions to guide local delivery drivers, not just to addresses, but to specific package drop-off and pickup locations like loading docks that are not visible from the street. Hardware solutions that reduce energy consumption include implementing LED lighting and more efficient conveyor motors.

Alternative fuels such as renewable compressed natural gas, renewable diesel and biodiesel are one of the primary levers that UPS is pulling to reduce carbon emissions at scale today. We continue to increase the deployment of alternative fuel vehicles as we optimize the use of existing fueling infrastructure and plan for new infrastructure to go into operation across North America and other geographies in 2024 and 2025. As a result of our prior and on-going investments, UPS is one of the largest compressed natural gas ("CNG") vehicle operators in the world.

We are expanding the electrification of our vehicle fleet, including package cars, tractors and other mobility solutions. We are collaborating with vehicle manufacturers on vehicle designs that align with UPS specifications and include advanced control and safety features. In 2023, we deployed battery electric vehicle (BEV) package cars across Europe and North America and placed orders for additional vehicles which we expect to be deployed in 2024. We also deployed BEV tractors in California in 2023, as part of our commitment to electrify our feeder network. We continue to utilize electric-assist cycles to reduce our emissions and help reduce congestion in densely populated areas.

Decarbonizing Air Operations (Scope 1 & 2)

UPS has multiple initiatives to reduce fuel burn in our air operations. These include:

1. Ground operations efforts such as engine washing, reduced usage of aircraft auxiliary power units (APUs) on the ground, and utilizing better training and data to avoid over fueling our aircraft,
2. Flight planning efforts such as optimizing flight routes and using data analytics to reduce arrival fuel requirements,
3. In-flight initiatives such as leveraging AI tools to optimize aircraft climb profiles in real time, in-flight wind uploads for long haul flight to aid in optimum altitude selection and continuous training and feedback on best fuel practices, and
4. Working closely with regulatory agencies to optimize the air traffic flows into our major hubs.

In addition to the above initiatives, we continuously assess our flight requirements to determine the optimal number of block hours required to meet service commitments and maximize the payload capacity of our aircraft. Furthermore, upcoming aircraft renewals will improve the efficiency of our fleet as newer planes with more efficient engines are introduced into our network.

While the above initiatives have positive impacts on the carbon emissions of our air operations, using sustainable aviation fuel ("SAF") at scale is required to enable the decarbonization of the UPS airline over the next several decades. We have begun limited use of SAF in our airline and intend to expand that usage over time.

We also are exploring the usage of electric and hydrogen aircraft in our operations, including investments in new technologies such as electric vertical take-off and landing (eVTOL) aircraft. While these new technologies are promising, range limitations of these aircraft currently limit their usage to our small feeder aircraft network, which has a marginal impact on the total emissions generated by the UPS airline.

Decarbonizing Supplier Operations (Scope 3)

Our immediate focus is on decarbonizing UPS's operations. While the majority of the UPS's emissions are generated by our own operations, certain of our businesses utilize third parties to provide transportation services to our customers. We are working with third-party providers on sustainable solutions for these businesses and identifying opportunities to reduce emissions from third party transportation.

Goals & Progress

We have defined interim goals for 2025 and 2035 to demonstrate progress towards our overarching goal of achieving carbon neutrality by 2050. We are committed to providing updates on our progress towards achieving our goals. In 2023, UPS total gross scope 1, 2 and 3 CO₂e emissions were 30,626 ('000) tonnes and -8.1% below the prior year period.

Goal: 25% Renewable Electricity Powering Our Facilities by 2025

Progress: In 2023, 10.9% of our total electricity was generated from renewable sources for owned and leased facilities, compared to 8.2% in 2022. Both of our U.S. data centers procured 100% renewable energy in 2023, continuing the project that began in 2022. In 2023, the RECs that were retired for the data centers were from the 75 MWac/100 MWdc Huntley Solar farm in Orangeburg County, South Carolina, a "disadvantaged community" in accordance with EPA standards. The Huntley Solar farm came on-line in April 2020, helping to decarbonize the grid near our data center near Atlanta, Georgia. RECs from this project also contribute to our goal of supporting marginal and underserved communities; a portion of each REC sale is invested in a community impact fund to support local communities.

Community impact funds may be used for:

- Creating opportunities through education and workforce development, with a focus on clean energy and environmental stewardship
- Protecting and/or restoring local ecosystems
- Upgrading buildings to increase energy efficiency and resiliency in local communities
- Supporting an equitable and sustainable transition to clean energy in local communities

We continue to evaluate additional renewable electricity projects and remain focused on reaching our goal of 25% renewable electricity powering our facilities.

Goal: 40% Alternative Fuels Used In UPS Ground Operations by 2025*

*Fuel in ground operations is defined as all fuel used in on-highway and facility-based vehicles for mobile ground operations. This includes our tractor-trailers, package cars, ground support equipment for loading/unloading aircraft, forklifts in our facilities and shifters for moving trailers. Alternative fuels are any fuels other than conventional gasoline and diesel, including CNG, liquified natural gas ("LNG"), propane, bio-diesel, renewable diesel, ethanol and renewable natural gas ("RNG").

Progress: In 2023, we purchased 169 million gallons of alternative fuels, which represented 28.8% of our total ground fuel usage, up from 26.5% in 2022. We continue to increase the deployment of alternative fuel vehicles each year as we optimize the use of existing fueling infrastructure and plan for new infrastructure to be online across North America in 2024 and 2025.

Goal: 100% Renewable Electricity Powering Our Facilities by 2035

Progress: Refer to progress towards our goal of 25% renewable electricity by 2025.

Goal: 30% Sustainable Aviation Fuel in Our Air Network by 2035

Progress: Our 2023 SAF purchases were not material relative to our total jet fuel purchases and are therefore not included in our emissions and energy calculations. We are purchasing SAF in the European mandatory markets, where available and where required, and through a pilot customer SAF program. We are actively engaged with suppliers to understand expected supply and pricing in various geographies where our airline operates. We have engaged with government agencies and research institutions to understand and advocate for public policy measures that support production at scale of SAF and ensure a fair and even playing field between all fuel suppliers and carriers.

Goal: 50% Reduction in CO₂e per Global Small Package by 2035 (2020 baseline)*

* Included in this metric are the total Scope 1 and 2 emissions for our global operations. We use a carbon dioxide equivalent (CO₂e) calculation which includes the equivalent sums of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O).

Progress: Our carbon intensity per package has increased by 7% against our 2020 baseline and by 1% year over year. We expect variability in our interim progress as we transition assets and volume fluctuates within our network. Achieving our 2025 milestones and additional initiatives are expected to aid progress in future time periods.

Challenges We Continue to Address

Renewable and Biofuel Supply and Cost

UPS relies on renewable and biofuels to be both available at scale and with a competitive cost profile compared to conventional fuel sources in order to meet the goals that we have established. In particular, SAF is critical to decarbonizing our air operations, which drives a significant amount of UPS's overall emissions. SAF supply is extremely limited, and cost prohibitive compared to conventional jet fuel. We depend on technological advancements, economies of scale, geographical availability and public policy developments that are outside of our control to make these fuels broadly and economically available.

Public Policy

Currently, fragmented public policy is designed to either incentivize acceleration of decarbonization or disincentivize the usage of conventional fuels and energy. In many cases, regulators have not taken a holistic approach across the value chain to ensure that market demand, market supply, and the infrastructure necessary to enable market participants to meet their goals are all aligned to move toward a low or zero-carbon emission future. The absence of a more unified policy approach may challenge UPS's ability to both source and implement the necessary changes in our network to drive material carbon emission reductions in a cost-effective manner.

Any information relating to forward-looking statements, goals, and progress against goals was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information.

302-1 Energy consumption within the organization

Total Energy Consumption				
Global Energy ('000 GJs)	2023	2022	Percent Change (2023/2022)	Base Year (2020)
Direct Energy	205,057	222,447	(7.8)%	209,483
Indirect Energy	8,375	7,206	16.2%	6,939
Total Energy	213,432	229,653	(7.1)%	216,422

Energy Consumption Within the Organization by Source				
Global Energy ('000 GJs)	2023	Percent to Total Energy 2023	2022	Base Year (2020)
Direct Energy				
Airline Fuel	133,289	62.5%	146,119	137,555
Conventional	133,289	62.5%	146,119	137,539
Renewable	0	0.0%	0	16
Ground Vehicle Fuel	65,032	30.5%	69,471	66,684
Diesel	28,946	13.6%	32,371	33,372
Gasoline	24,127	11.3%	24,939	21,957
CNG	3,524	1.7%	4,637	4,497
Propane/LPG	528	0.2%	664	797
LNG	728	0.3%	985	1,892
Renewable Fuel (Biomass)	7,179	3.4%	5,875	4,169
Facility Heat	6,737	3.2%	6,857	5,244
Natural Gas	6,341	3.0%	6,511	5,076
Heating Oil	24	0.0%	22	49
Propane	372	0.2%	324	119
Direct Energy Subtotal	205,058	96.1%	222,447	209,483
Indirect Energy				
Electricity	7,551	3.5%	6,660	6,412
Renewable Electricity	824	0.4%	546	527
Indirect Energy Subtotal	8,375	3.9%	7,206	6,939
Total Energy	213,433	100.0%	229,653	216,422

To calculate energy consumption, the fuel volume is determined and the corresponding unit conversion factor from the Argonne National Laboratory GREET model is applied. Energy has been reported for the entities over which UPS has operational control. For additional information, please refer to section 305-1 GHG Reporting Scope and Boundary.

302-2 Energy consumption outside the organization

Energy Consumption Outside the Organization				
Global Energy ('000 GJs)	2023	2022	Percent Change (2023/2022)	Base Year (2020)
Upstream				
1. Purchased Goods and Services ¹	Not Reported	Not Reported	n/a	Not Reported
2. Capital Goods ¹	Not Reported	Not Reported	n/a	Not Reported
3. Fuel and Energy-Related (not incl. Scope 1 and 2) ¹	Not Reported	Not Reported	n/a	Not Reported
4. Transportation and Distribution	86,324	112,292	(23.1)%	113,042
5. Waste Generated in Operations ¹	Not Reported	Not Reported	n/a	Not Reported
6. Business Travel	669	679	(1.5)%	625
7. Employee Commuting	23,675	24,546	(3.5)%	30,418
8. Leased Assets ²	Not Relevant	Not Relevant	n/a	Not Relevant
Downstream				
9. Transportation and Distribution ²	Not Relevant	Not Relevant	n/a	Not Relevant
10. Processing of Sold Products ²	Not Relevant	Not Relevant	n/a	Not Relevant
11. Use of Sold Products ²	Not Relevant	Not Relevant	n/a	Not Relevant
12. End-of-life Treatment of Sold Products ¹	Not Relevant	Not Relevant	n/a	Not Reported
13. Leased Assets ²	Not Relevant	Not Relevant	n/a	Not Relevant
14. Franchises ¹	Not Reported	Not Reported	n/a	390
15. Investments ²	Not Relevant	Not Relevant	n/a	Not Relevant
Total Energy Consumption Outside the Organization	110,668	137,517	(19.5)%	144,475

¹ Energy information not reported as outlined in omission language below.

² Category not relevant to UPS operations

Omitted: Information regarding standards, methodologies, assumptions, calculation tools and conversion factors used are currently unavailable. We will be reviewing ways to address the requirements of this disclosure on a yearly basis as we define the need to capture this information. Emissions information is available in Appendix B: Statement of GHG Emissions.

302-3 Energy intensity

Global Energy ('000 GJs/\$M Revenue)			
Energy Intensity Within the Organization			
	2023	2022	Base Year (2020)
Revenue (\$M)	\$90,958	\$100,338	\$81,479
Direct Energy	2.254	2.217	2.571
Indirect Energy	0.092	0.072	0.085
Total Energy	2.346	2.289	2.660

302-4 Reduction of energy consumption

Reduction of Energy Consumption				
Energy Saved Due to Conservation and Efficiency Improvements				
Contributing Factors/ Initiatives	Absolute Energy Avoided 2023 vs. 2020 ('000 gigajoules) ¹	2023 Energy Intensity	2020 Energy Intensity	Comments
Absolute Energy Avoided				
Package Intensity	(18,740)	37.70	34.39	1) Energy intensity factor expressed in gigajoules per 1,000 packages 2) Scope is all UPS operations within the organizational boundary 3) Includes all direct and indirect energy usage 4) Avoided absolute energy = (2020 energy intensity x 2023 # of packages) — (2023 energy intensity x 2023 # of packages)
Absolute Energy Avoided				
Revenue Intensity	28	2.35	2.66	1) Energy intensity factor expressed in gigajoules. Revenue in billions USD 2) Scope is all UPS operations within the organizational boundary 3) Includes all direct and indirect energy usage 4) Avoided absolute energy = (2020 energy intensity x 2023 revenue) — (2023 energy intensity x 2023 revenue)

¹ Absolute energy avoided in 2023 was estimated from the energy intensity factor improvements from 2020 (baseline year) to 2023. This base year was selected as it is the same base year for our environmental goals. For more information see Appendix B, section Base Year GHG Emissions.

Omitted: Information is currently unavailable for the following: Standards, methodologies, assumptions and/or calculation tools used. We will be reviewing ways to address the requirements of this disclosure on a yearly basis.

302-5 Reductions in energy requirements of products and services

See Disclosure 302-4 — Reduction of Energy Consumption.

Omitted: Information regarding standards, methodologies, assumptions and/or calculation tools used is currently unavailable. We will be reviewing ways to address the requirements of this disclosure on a yearly basis.

TOPIC-SPECIFIC STANDARDS: 305 Emissions

305 (3-3) Management of material topics

UPS is focused on decarbonizing our transportation services and providing transparency regarding our progress. We believe that to be effective in our carbon reduction endeavors, comprehensive reporting of the entirety of our GHG emissions is key. Only with disclosure of Scope 1, 2 and 3 GHG emissions can stakeholders objectively assess our GHG emissions and emission reduction efforts.

We manage emissions and energy with the same approach. See Disclosure 302 (Energy) – 3-3 Management of material topics.

305-1 Direct (Scope 1) GHG emissions

See Appendix B at end of document.

305-2 Indirect (Scope 2) GHG emissions

See Appendix B at end of document.

305-3 Other indirect (Scope 3) GHG emissions

See Appendix B at end of document.

305-4 GHG emissions intensity

See Appendix B at end of document.

305-5 Reduction of GHG emissions

2023 Carbon Intensity Emissions Avoided Since Base Year (2020)				
	Absolute CO ₂ e Emissions Avoided Since 2020 (metric tonnes)	2023 CO ₂ e Intensity	2020 CO ₂ e Intensity	Comments
Package Intensity	(2,079,000)	2.68	2.51	<p>1) CO₂e intensity factor expressed in kg CO₂e per package</p> <p>2) Scope is UPS global, scope 1 and scope 2</p> <p>3) Avoided absolute CO₂e = (2020 CO₂e Intensity x 2023 # of packages) – (2023 CO₂e Intensity x 2023 # of packages)</p>
Revenue Intensity	22,000	0.34	0.42	<p>1) CO₂e intensity factor expressed in MT CO₂e. Revenue in millions</p> <p>2) Scope is UPS global, scope 1, scope 2 and scope 3</p> <p>3) Avoided absolute CO₂e = (2020 CO₂e Intensity x 2023 revenue) – (2023 CO₂e Intensity x 2023 revenue)</p>

TOPIC-SPECIFIC STANDARDS: 401 Employment

401 (3-3) Management of material topics

During our 116-year history, UPS has transformed from messengers on bicycles to a nationwide package delivery company to a worldwide network of approximately 500,000 UPS employees. We believe in creating an inclusive and equitable environment that represents a broad spectrum of diverse backgrounds, cultures and stakeholders. By leveraging diversity with respect to gender, age, ethnicity, skills and other factors, and creating inclusive environments, we believe we can improve organizational effectiveness, cultivate innovation and drive growth.

Our Board of Directors, directly and through the Board's Compensation and Human Capital Committee, is responsible for oversight of human capital matters. Effective oversight is accomplished through a variety of methods and processes including regular updates and discussions around human capital transformation efforts, technology initiatives impacting the workforce, health and safety matters, employee survey results related to culture and other matters, hiring and retention, employee demographics, labor relations and contract negotiations, compensation and benefits, succession planning, and employee training initiatives. In addition, the Compensation and Human Capital Committee charter was recently expanded to include oversight of performance and talent management, diversity, equity and inclusion, work culture and employee development and retention. We believe the Board's oversight of these matters helps identify and mitigate exposure to labor and human capital management risks, and is part of the broader framework that guides how we attract, retain and develop a workforce that aligns with our values and strategies.

Specific actions taken to enhance the experience of being part of the UPS team:

- Incorporating a better business model to provide both challenging and rewarding employee experiences. This includes redesigning roles and responsibilities to leverage our people more effectively to enhance engagement and improve retention; eliminating overlaps and redundancies across teams and driving more alignment to support more mission-focused problem solving and policy advocacy; and rebalancing the team to strengthen capabilities in domestic and international operations versus a corporate-centric structure.
- Ensuring UPS employees have a voice and seat at the table by deepening our commitment to inclusion and openness to new ideas.
- Conducting multi-level culture and engagement surveys to better understand how our beliefs and behaviors align with our strategy. Identifying what motivates, empowers and inspires our employees helps us identify existing strengths, as well as opportunity areas, in our desire to drive business results and support UPS's continuous transformation. To measure our success, we monitor an employee likelihood to recommend score.
- Creating a technology-enabled operating model for the Human Resources organization that positions UPS to better attract, develop and retain talent, allowing HR leaders to focus on the department's other priorities.
- Streamlining Health and Safety resources and processes to focus on risk control and personalized solutions. We are also enhancing our mentoring-based approach to better instill a safety culture among new UPS employees.

401-1 New employee hires and employee turnover

New Hires ¹							
Employee Categories	Age Group			Gender		Geography	
	<30	30-50	>50	Male	Female	U.S.	Outside the U.S. ³
Absolute Number	4,292	4,305	775	6,677	2,695	4,748	4,624
Rate ²	46%	46%	8%	71%	29%	50%	50%

Turnover ¹							
Employee Categories	Age Group			Gender		Geography	
	<30	30-50	>50	Male	Female	U.S.	Outside the U.S. ³
Absolute Number	16,329	32,020	15,815	42,005	22,159	56,130	8,034
Rate ²	25%	50%	25%	66%	34%	88%	12%

Global hire rate = 4%

Global turnover rate = 25%

¹ Information through 9/30/2023 to account for year-round employees rather than seasonal peak hires in Q4-2023. Table based on 489,533 reported subtotal in 2-7 (also for period 1/1/23 - 9/30/23)

² This is a percent to total calculation within the categories. For example, 25% of the total turnovers occurred within the <30 age group.

³ Includes EMEA, Asia, and Americas

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

UPS provides healthcare benefits for many employees, retirees and their dependents through plans administered to meet the health and wellness needs of various employee groups. In addition, we make contributions on behalf of UPS employees and their eligible dependents who are covered by union-administered plans.

While there are variations in available plans, the following is an example of typical benefits offered to UPS non-union employees in the U.S. Generally, full-time and part-time employees are offered the same types of benefits unless otherwise noted below. We do not offer temporary employees benefits.

- Medical care, including a prescription drug program
- Dental care
- Vision care
- Life insurance
- Supplemental life insurance
- Legal plan
- Business travel accident insurance
- Short-term disability coverage
- Long-term disability coverage (full-time employees only)
- Child/eldercare spending accounts
- Pretax healthcare spending and savings accounts
- Supplemental health plans (critical illness, hospital and accident)

- Identity protection
- Wellness program
- Employee Assistance Program, including work/life issues (financial concerns, childcare, substance abuse, mental health and more)

In jurisdictions where required, we contribute to the mandatory social security systems that generally provide health, unemployment, disability and retirement benefits for employees in that country or territory. In certain locations, we provide additional benefits to some employees beyond the mandatory requirements.

We further invest in our people by offering a competitive range of other benefits, such as paid time off, retirement plans and tuition assistance, in addition to those for health and wellness. In the U.S., these other benefits are generally provided to non-union employees without regard to full-time or part-time status. Some benefits may, in practical terms, apply only to management employees, such as relocation programs.

Our union employees bargain collectively and benefits are determined based on the union contracts and via their union representatives. For example, temporary and seasonal union workers are generally ineligible for UPS benefits.

We continue to look for ways to improve employee attraction and retention, reduce absences from work and provide benefits that are of value to our people. Beginning in 2022 and continuing into 2023, we conducted a pilot program to provide onsite emergency/back-up childcare managed by a third-party vendor in one UPS operations facility. Due to the success of the initial pilot we decided to expand the pilot to two more locations in 2023 and another five locations in 2024.

401-3 Parental leave

In jurisdictions that require paid family leave, UPS complies with the law. Additionally, any union or non-union UPS employee who is not eligible according to the U.S. Family and Medical Leave Act (FMLA) requirements but has worked at UPS for a minimum of 36 consecutive months and for at least 625 hours during the previous 12-month period may still be eligible for leave under the UPS leave policy.

Our non-union employees are eligible to apply for paid leave for the birth of a child under a short-term disability benefit. Employees on maternity leave can also take additional leave, in the form of FMLA or state equivalent FMLA leave.

Under the FMLA, UPS employees (union or non-union) in the U.S. are eligible for parental leave if they have worked for UPS for at least 12 months and 1,250 hours over the previous 12 months.

In 2023, 335,585 employees (80% male/20% female) were eligible for FMLA leave and 35,459 (80% male/20% female) qualified for FMLA, meaning the employees had their applications approved. Of this latter group, 4,583 employees (88% male/12% female) qualified for FMLA with reasons related to parental and/or leave for family health, pregnancy, bonding, adoption or care of a newborn. Return to work rate from FMLA related to these leaves is 96%. In addition, there may be state laws that offer greater protections or have eligibility requirements that differ from the federal law to which UPS complies.

We do not administer maternity/disability programs for most of our union employees nor specifically track this data. The data provided in this disclosure is from leave administration provided by a third-party, as to which UPS takes no responsibility for the accuracy or completeness thereof.

Omitted: Information is currently unavailable for retention rates of employees that took parental leave and were still employed 12 months later. We will be reviewing ways to address this disclosure on a yearly basis.

TOPIC-SPECIFIC STANDARDS: 403 Occupational Health and Safety

403 (3-3) Management of material topics

UPS's health and safety programs are comprehensive and focus on building a culture of health and safety by:

- Identifying and assessing risk, and auditing for compliance
- Investing in safety training and new safety technology
- Promoting well-being for all employees
- Offering benefits that promote employee safety in the workplace and beyond

The Company utilizes advanced training methods, vehicle telematics data, Comprehensive Health and Safety Process ("CHSP") employee committees, and Quality Validation Assessments (QVAs) to verify and measure effectiveness. We also use our Global Safety Health Risk Management Information System ("G-SHRMIS") to track important health and safety data globally. These efforts, along with other health and safety initiatives, allow us to respond to the ever-changing health and safety needs of our employees and our business.

403-1 Occupational health and safety management system

UPS's CHSP focuses on developing an occupational health and safety system tailored to our varied operational environments. The CHSP was developed as a voluntary initiative aimed at enhancing the safety of our entire workforce. The CHSP incorporates accepted risk management principles and organizational standards, tailored to efficiently tackle the distinct challenges within our business. Through our CHSP process, UPS engages in-house health and safety expertise to construct a versatile and robust framework for employee health and safety.

CHSP focuses on employee engagement, utilizing an iterative, collaborative methodology. By involving employees across organizational tiers, the program leverages diverse insights for ongoing refinement. This strategy significantly enhances the quality of occupational health and safety throughout UPS.

The program includes a wide array of roles from package handling to administration, and spans geographical boundaries to include sorting facilities, mobile logistics, offices and other locations worldwide.

403-2 Hazard identification, risk assessment and incident investigation

UPS takes a comprehensive approach to workplace safety through a framework encompassing timely reporting, compliance auditing, employee coaching and data-driven decision making. Employees have various channels to report work-related hazards, including local CHSP committees, our risk assessment process, our global Health & Safety data management platform and a 24/7 Ethics Hotline. Further, our Open Door Policy encourages transparent reporting without fear of retaliation.

Our management and CHSP committee members facilitate routine and non-routine audits. Certified health and safety experts are involved in these processes, and the results of local audits contribute to more extensive, company-wide safety initiatives. Third-party agencies also audit the CHSP program to promote consistency and quality. Our CHSP and associated safety training programs encourage employees to identify and remove themselves from work situations that they believe could cause injury or ill health. In addition, our policies prohibit retaliation against employees for raising safety concerns.

Our safety measures are data-driven and holistic, aided by tools like the G-SHRMIS for tracking injuries and vehicle accidents worldwide. Incidents undergo detailed investigation, identifying root causes and generating corrective action plans. Preventative measures and educational standards are implemented and revised from time-to-time as appropriate. CHSP committees also conduct work practice analyses and behavioral evaluations. In addition, periodic training promotes continued employee competency. The insights gained from incidents and audits are integrated into our broader global safety strategy, making the approach thorough and continually improving.

403-3 Occupational health services

The CHSP helps identify the root causes of injuries and auto accidents. Routine worksite evaluations, led by safety professionals and loss prevention consultants, identify hazards and assess risks across operational areas. Specific incidents, regulatory changes, or the introduction of new work processes may result in non-routine inspections. Risk mitigation in the CHSP is guided by a hierarchy of controls. This systematic approach is fortified by periodic training and contributes to the continual advancement of the Company's safety systems.

The program employs data analytics, behavioral observation, and feedback for comprehensive risk assessment and mitigation. These functions are executed by qualified professionals and backed by rigorous quality assurance protocols, including managerial oversight of key performance indicators. Findings and data are collated in G-SHRMIS, contributing to an ongoing, data-driven improvement of the CHSP and broader safety strategies within UPS.

403-4 Worker participation, consultation and communication on occupational health and safety

The CHSP is a company-wide initiative designed to engage employees in developing, implementing, and evaluating workplace safety measures. Local health and safety committees responsible for defining safety standards and protocols oversee the CHSP, including formalizing corrective action plans, and evaluating effectiveness.

CHSP committees are comprised of employees from various job positions, including management and non-management, providing a balanced representation of the workforce. Contract workers or those whose concerns are managed through other specialized channels do not participate in the CHSP committees.

The committees are involved in coaching employees on safety procedures, sharing best practices, marketing the value of workplace safety, promoting compliance with safety standards, mentoring new employees, and conducting safety observations. Safety standards and practices are also negotiated and contained in labor union agreements.

403-5 Worker training on occupational health and safety

Our safety culture is built on the foundation of training, coaching and recognition. Our safety professionals lead comprehensive workshops to train frontline managers and supervisors, who in turn coach employees. The curriculum ranges from safe work methods and wellness to specialized issues such as handling hazardous materials and operating heavy machinery.

In 2023 UPS invested \$409 million in safety training for employees. New hires participate in group orientation sessions on safety and participate in a thorough training curriculum. Other employees participate in advanced and recurring training. Specialized modules, such as for drivers and specific warehouse personnel, are also utilized for roles with specific safety requirements.

UPS enriches its safety culture through mentoring programs and recognition initiatives. Less experienced employees can gain insights from longer-tenured employees through mentorship and learning best practices applicable to their jobs. Tenured drivers with exceptional safety records are celebrated through programs like the Circle of Honor, celebrating 25 years or more of safe driving. In 2023, UPS inducted 1,108 drivers into the Circle of Honor program, bringing the total to 9,791 total members.

403-6 Promotion of worker health

As mentioned in section 401-2, UPS provides healthcare benefits for many employees through plans administered to meet the health and wellness needs of various employee groups. These benefits are accessible through various means, such as partnerships with healthcare providers, offering subsidized rates, and in some cases providing access to direct health clinics.

These benefits cover a wide range of physical and mental healthcare services. These services include, but are not limited to, preventative care, dental, vision, surgical procedures, emergency medical services, and prescription medications.

UPS offers an Employee Assistance Program ("EAP") to all its U.S. employees and extends this service to 69 additional countries. This program is administered through an independent health insurer. The EAP assists employees with various non-work-related health and wellness issues, encompassing work/life balance, financial concerns, childcare, substance abuse, addiction counseling, mental health counseling, and other wellness matters.

Our certified occupational health professionals are aligned into four strategic verticals (Compliance, Medical Care, Mental Health and Total Health) to address the overall health of our workforce. Specific priorities include psychological, first aid training, heart disease, diabetes, obesity, sleep/fatigue, and ergonomic risk factors.

403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

UPS conducts audits to assess specific risks, including equipment safety, workplace environment, and emergency response protocols. These audits are part of a collaborative framework that also involves our contractors, agents, and outside service providers. Together, we share lessons learned and best practices, which span topics including incident reporting, hazard identification and risk assessment. These collaborative efforts have helped reduce workplace injuries and vehicle crashes, and have fostered a culture of safety.

UPS implements safety measures designed to mitigate adverse impacts on health and safety. Strategies include advanced driver assistance systems, heat stress mitigation wearables, specialized training programs, real-time monitoring systems and utilizing personal protective equipment (PPE). Our multi-pronged approach promotes compliance with applicable health and safety standards.

403-8 Workers covered by an occupational health and safety management system

UPS maintains a safety management system which is designed to promote compliance with technical standards and to support compliance with regulatory requirements for all employees. Our management system's standards address processes and policies to improve organizational safety effectiveness. To assess these standards, we implemented a Safety System Assessment approach with four primary objectives:

- Assess and build the safety capability of the responsible facility management and safety management to implement both management systems and technical standards
- Assess and build the capability of the responsible facility management and safety management to implement corrective action plans to improve performance
- Identify opportunity for improvement of safety processes and standards
- Examine critical areas of health and safety to the organization

The Safety System Assessments measure the conformance to each applicable standard for the facility and management team using the Plan-Do-Check-Act cycle which is an iterative design and management method used in business for the control and continual improvement of processes and products. It is also known as the Shewhart cycle, or the control circle/cycle. The Company audits via an internal audit process in addition to third-party validation.

Omitted: Information regarding occupational health and safety management systems pertaining to employees and workers who are not employees of UPS is not tracked by UPS. There are currently no intentions of collecting this data.

403-9 Work-related injuries

In 2023, our recordable injury rate was 6.96 per 200,000 employee hours.

UPS experienced 9 employee fatalities worldwide in 2023. Our rate of fatalities per 200,000 hours worked was 0.0026. The total number of hours worked by UPS employees was nearly 776 million in 2023. The main types of work-related injuries to UPS employees are auto accidents, slips and falls, and lift-lower injuries. We categorize recordable injuries by severity as required by the laws in the countries in which we operate. For instance, in the U.S., we categorize injuries based on OSHA standards.

In 2023, our auto accident rate was 7.36 per 100,000 driving hours. Through our innovative driver training programs and use of driver assistance technologies, UPS has consistently recorded a top tier safety rating from the [U.S. Federal Motor Carriers Safety Administration \(FMCSA\)](#)¹ ⇒ and has a safe driver rate more than two times better than the 2020 national average which was last updated in March 2023. UPS's crash frequency rate is 0.39 per million miles against an industry rate of 1.4 per million miles in 2020.

Omitted: UPS does not track or report the global employee total recordable incident rate or fatality rate for independent contractors. Additionally, information regarding high-consequence work related injuries is not being tracked by UPS. There are currently no intentions of collecting this data.

¹ Information relating to industry performance was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information.

403-10 Work-related ill health

In 2023, our organization had no known incidents of occupational diseases or work-related ill health among our employees or contract employees. The existing data and compliance status are based on internal record-keeping and are aligned with regulatory standards.

Omitted: UPS does not track or report the global employee total recordable incident rate or fatality rate for contract employees, UPS will be reviewing ways to address the requirements of this disclosure on a yearly basis.

TOPIC-SPECIFIC STANDARDS: 404 Training and Education

404 (3-3) Management of material topics

UPS seeks to enhance our workforce by attracting new talent to the Company, promoting from within, offering a range of continuous training and talent development opportunities, and identifying employee potential to accelerate career development.

The training completions reported come from three systems of record that support learning across the UPS enterprise. The disclosures do not include training that may occur in independent, locally procured platforms. Data for these disclosures does not include the following UPS businesses/subsidiaries: Coyote, Marken, Roadie, Ware2Go, Delivery Solutions, Polar Speed, MNX, or Happy Returns.

404-1 Average hours of training per year per employee

2023 Employee Training	
Employee Category	Average Number of Training Hours per Employee
Senior/Middle Management	54
Entry-Level Management	56
Administrative/Technical	12
Non-management	28
By Gender	Average Number of Training Hours per Employee
Women	31
Men	30

Different divisors are used when calculating employee category averages and by gender averages due to available information.

404-2 Programs for upgrading employee skills and transition assistance programs

In many cases, we believe the best candidates for open positions are already working at UPS. When business cycles or other forces drive changes in our staffing needs, we take steps to retain and promote existing employees. This includes promoting part-time workers into full-time positions, transferring employees into equivalent positions in other departments, and training employees for new assignments with greater responsibility.

To assist with employee recruitment and retention, we continue to review the competitiveness of our employee value proposition, including benefits and pay, the range of continuous training, talent development and promotional opportunities. Central to our Employee Value Proposition (EVP) is our investment in the careers of our people through the Education Assistance Program. We offer financial support to employees for their education through a generous tuition reimbursement program. Students are eligible for up to \$25,000 in tuition reimbursement, and attend school while working part-time or full-time at UPS.

With respect to ongoing development, we focus on helping employees develop the skills needed to excel in their roles and achieve their long-term career goals. Employees create individualized

development plans and collaborate with their managers to determine the most beneficial training programs and development opportunities to meet their unique goals.

Training and development opportunities include formative feedback and coaching and counseling from managers and co-workers. Employees receive formal and informal development delivered through in-person and virtual classes, on-the-job training, committee participation, and special assignments. Additionally, self-development opportunities are available through UPS University, our enterprise-wide learning management system and a component of our global talent management system.

We provide our U.S. non-union employees with a variety of retirement planning tools and educational resources to help them plan and make informed decisions for retirement. In the event of a reduction in force, involuntarily separated non-union employees are provided with job placement services that include career coaching and training to expand their skill set and prepare for future opportunities. Transition assistance programs provided to employees outside the U.S. vary by country, based on local requirements.

See also Disclosure 403-5 — Worker training on occupational health and safety.

404-3 Percentage of employees receiving regular performance and career development reviews

To develop plans for future growth, management employees are able to identify areas of interest, aspirations and opportunities for career progression. Through regular discussions, assessments and coaching, employees are assisted in identifying their strengths and opportunities for development and are encouraged to focus on career goals.

In 2023, 98% of employees in senior and middle management roles, irrespective of gender, received performance reviews. The table below only includes employee bases where gender is captured. Due to local regulations, not all reporting globally captures gender.

Sustainability Indicators ¹	Percent
Percentage of female Senior Management receiving regular performance and career development reviews	96%
Percentage of female Middle Management receiving regular performance and career development reviews	98%
Percentage of male Senior Management receiving regular performance and career development reviews	95%
Percentage of male Middle Management receiving regular performance and career development reviews	98%

¹Information through 9/16/2023

TOPIC-SPECIFIC STANDARDS: 405 Diversity and Equal Opportunity

405 (3-3) Management of material topics

UPS is a people-led company guided by a strong purpose. UPS's values are rooted in diversity, equity and inclusion. DEI benefits our business and enables us to adapt and excel in an ever-evolving global marketplace.

- Our actions align with our DEI statement, "You Belong at UPS," which was introduced in 2021. This call to action represents our long-term commitment to building a more inclusive and equitable UPS – and a more inclusive and equitable world.
- Our Chief Human Resources Officer also serves as the Chief DEI Officer (CDEIO), a position on the Company's ELT reporting directly to our CEO. Our CDEIO regularly reports directly to the Board of Directors on, among other things, progress toward our aspirational DEI goals. The CDEIO also engages with UPS suppliers, customers and other external partners to encourage the adoption of more proactive DEI efforts.
- UPS's global Business Resource Groups (BRGs) foster a strong DEI culture at the Company and include 213 chapters in 38 countries with 17,396 members. This includes 11 unique BRG types: African American, Asian, Focus on Abilities, Future Leaders, Hispanic/Latino, Parents and Caregivers, Pride Alliance, Multicultural, Veterans, Women in Operations and Women's Leadership Development. All BRGs have executive leads among senior management and local business unit sponsors who support their strategy and growth. In addition to fostering an environment of belonging and allyship, BRGs at UPS make significant contributions to business initiatives, talent development, employee engagement and volunteerism.

405-1 Diversity of governance bodies and employees

Diversity, equity and inclusion benefits our business and enables us to adapt and excel in an ever-evolving global marketplace. UPS's commitment to diversity is reflected in our evolving workforce demographics. Our goal is to be reflective of the communities we serve. UPS relies on all employees to create an environment of inclusion, centered around our call to action, 'You belong at UPS.'

2023 Governance Body Diversity (As of 12/31/2023)									
Governance Bodies	AGE GROUP			GENDER		MINORITY GROUP			
	<30	30-50	>50	Male	Female	African-American	Hispanic	Asian-American	Other
Board of Directors	0%	0%	100%	58%	42%	25%	0%	8%	0%
Executive Leadership Team (ELT)	0%	0%	100%	67%	33%	22%	0%	11%	0%

2023 Statistical Snapshot of UPS Diversity ¹ (As of 09/30/2023)									
Employee Categories	AGE GROUP			GENDER ²		MINORITY GROUP (United States) ³			
	<30	30-50	>50	Male	Female	African-American	Hispanic	Asian-American	Other ⁴
Senior/Middle Management	14%	58%	28%	73%	27%	16%	13%	7%	2%
Entry Level Management	40%	43%	17%	62%	38%	24%	19%	2%	4%
Administrative /Technical	26%	52%	22%	45%	55%	24%	14%	5%	2%
Non-management	28%	48%	24%	84%	16%	24%	20%	2%	3%
Total	27%	49%	24%	78%	22%	23%	19%	3%	3%

1 Data collected on 9/30/23 to exclude the impact of seasonal peak hires. Does not include acquisitions from 2015 onwards.

2 Information about gender globally is reported as a percentage of those individuals who have self-disclosed

3 Minority group restricted to U.S. employees.

4 Indicates two or more.

To see workforce demographic information using U.S. government-mandated reporting categories, see our [EEO-1](#) ⇒. Data does not include acquisitions from 2015 onwards.

Following is our aspirational goal for global representation of women in full-time management roles, with a target year of 2025, along with our goal for ethnically diverse management.

2025 Year-end aspirational goals:

- 30% women in full-time management represented in the UPS workforce globally. As of September 30, 2023, this was 27%.
- 40% ethnically diverse full-time management in the United States UPS workforce. As of September 30, 2023, this was 38%.

UPSers represent the rich dimensions of diversity found in communities across the U.S. and around the world, making our Company one of the most diverse in the logistics and supply chain industry.

Any information relating to forward-looking statements, goals, and progress against goals was not subject to Deloitte's review and, accordingly, Deloitte does not express a conclusion or any form of assurance on such information.

405-2 Ratio of basic salary and remuneration of women to men

UPS provides for equal remuneration policies globally irrespective of gender and has policies and procedures in place to support our compliance with applicable laws and regulations.

Omitted: Information pertaining to the ratio of the basic salary of women to men for each employee category is not currently available. We will be reviewing ways to address the requirements of this disclosure on a yearly basis.

TOPIC-SPECIFIC STANDARDS: 418 Customer Privacy

418 (3-3) Management of material topics

Privacy and the security of our customers' information and shipments are priorities for UPS. We are subject to a variety of evolving laws and regulations in the U.S. and abroad regarding privacy, including the EU's General Data Protection Regulation and China's Personal Information Protection Law.

The Company's management also participate on UPS's Information Security & Privacy Governance Council ("ISPGC"). The ISPGC meets periodically to consider information security and privacy matters.

UPS's Global Privacy Program manages compliance with privacy laws and regulations in the countries in which we operate. The program is supported by a network of Data Protection Officers and other trained employees. We have invested and expect to continue to invest in our privacy program, IT security initiatives, IT risk management and disaster recovery capabilities.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Although to date we are unaware of any material data breach or cybersecurity incident, including an information system disruption, we cannot provide any assurances that such material events and impacts will not occur in the future.

APPENDIX A



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INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
United Parcel Service, Inc.
Atlanta, Georgia

We have reviewed management of United Parcel Service, Inc.'s (the "Company") assertion that the sustainability disclosures presented within the 2023 Global Reporting Initiative ("GRI") Content Index as of and for the year ended December 31, 2023 (the "2023 GRI Content Index") are presented in accordance with the GRI Sustainability Reporting Standards (Universal Standards 2021 and the latest Topic Standards). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment. In performing our review, we performed analytical procedures, inquiries, and other procedures as we considered necessary in the circumstances. For a selection of the sustainability disclosures in the 2023 GRI Content Index, we performed tests of mathematical accuracy of computations, compared the disclosures to underlying records, or observed the data collection process.

The preparation of the sustainability disclosures in the 2023 GRI Content Index requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of certain amounts and disclosures includes estimates and assumptions that are subject to substantial inherent measurement uncertainty including, for example, the accuracy and precision of greenhouse gas emission conversion factors, or estimation methodologies used by management. Obtaining sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the sustainability disclosures in the 2023 GRI Content Index. The selection by management of different but acceptable measurement methods, input data, or assumptions, may have resulted in materially different amounts and disclosures being reported.

Information outside the sustainability disclosures in the 2023 GRI Content Index was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, all other information, including information relating to forward-looking statements, targets, goals, progress against goals, and linked information, was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

Based on our review, we are not aware of any material modifications that should be made to management of the Company's assertion in order for it to be fairly stated.

Deloitte + Touche LLP

Atlanta, Georgia
March 15, 2024

APPENDIX B

Statement of Greenhouse Gas (GHG) Emissions for the year ended December 31, 2023

305-1 Direct (Scope 1) GHG emissions

305-2 Indirect (Scope 2) GHG emissions

Global CO ₂ e Emissions ('000 tonnes)				
	2023	2022	% Change (2023/2022)	Base Year (2020)
Scope 1	14,499	15,845	(8.5)%	15,088
Scope 2 (market-based)	702	632	11.1%	728
Gross Scope 1 and 2	15,201	16,477	(7.7)%	15,816
Scope 3	15,425	16,862	(8.5)%	18,595
Gross Scope 1, 2 and 3	30,626	33,339	(8.1)%	34,411
Total voluntary carbon offsets for carbon neutral shipping	(241)	(337)	(28.5)%	(273)
Net Global CO ₂ e Emissions	30,385	33,002	(7.9)%	34,138

Global CO ₂ e Emissions ('000 tonnes)			
Emissions by Business Unit			
U.S. Domestic Package			
	2023	2022	Base Year (2020)
Scope 1	7,721	8,773	10,129
Scope 2	536	493	632
Total Scope 1 and 2	8,257	9,266	10,761
Scope 3	7,143	6,983	10,269
Total Scope 1, 2, and 3	15,400	16,249	21,030
International Package			
	2023	2022	Base Year (2020)
Scope 1	6,358	6,741	4,908
Scope 2	53	48	19
Total Scope 1 and 2	6,411	6,789	4,927
Scope 3	3,186	3,766	2,656
Total Scope 1, 2, and 3	9,597	10,555	7,583
Supply Chain Solutions			
	2023	2022	Base Year (2020)
Scope 1	420	331	51
Scope 2	113	91	77
Total Scope 1 and 2	533	422	128
Scope 3	5,096	6,113	5,670
Total Scope 1, 2 and 3	5,629	6,535	5,798
Totals			
	2023	2022	Base Year (2020)
Scope 1	14,499	15,845	15,088
Scope 2	702	632	728
Total Scope 1 and 2	15,201	16,477	15,816
Scope 3	15,425	16,862	18,595
Total Scope 1, 2 and 3	30,626	33,339	34,411

Emissions by Greenhouse Gas Scope & Type ('000 tonnes)						
Greenhouse Gas Type	Scope 1			Scope 2		
	2023	2022	Base Year (2020)	2023	2022	Base Year (2020)
Carbon Dioxide (CO ₂)	14,320.7	15,657.3	14,913.4	698.3	628.9	723.5
Methane (in CO ₂ e)	46.5	47.1	39.7	1.4	1.3	1.8
Methane (CH ₄)	1.7	1.7	1.4	0.1	0.0	0.1
Nitrous Oxide (in CO ₂ e)	131.7	140.8	128.7	2.0	1.8	2.4
Nitrous Oxide (N ₂ O)	0.5	0.5	0.5	0.0	0.0	0.0

Emissions by Greenhouse Gas Scope & Type ('000 tonnes)						
Greenhouse Gas Type	Scope 3			Totals		
	2023	2022	Base Year (2020)	2023	2022	Base Year (2020)
Carbon Dioxide (CO ₂)	15,371.8	16,795.0	18,509.7	30,390.8	33,081.2	34,148.1
Methane (in CO ₂ e)	6.6	7.6	10.2	54.6	56.1	51.7
Methane (CH ₄)	0.2	0.3	0.4	2.0	2.0	1.8
Nitrous Oxide (in CO ₂ e)	46.4	59.0	74.8	180.2	201.7	205.9
Nitrous Oxide (N ₂ O)	0.2	0.2	0.3	0.7	0.8	0.8

Biomass CO ₂ Emissions ('000 tonnes, not included in above totals)				
	2023	2022	% Change (2023/2022)	Base Year (2020)
Mobile Combustion – Biomass CO ₂ (e.g., ethanol, bio-diesel)	891	737	20.9%	470
Stationary Combustion – Biomass CO ₂	0	0	n/a	0
Total Biomass CO ₂ (reported separately as per GHG Protocol)	891	737	20.9%	470
Scope 2 CO ₂ e Emissions ('000 tonnes)				
	2023	2022	% Change (2023/2022)	Base Year (2020)
Scope 2 (market-based method)	702	632	11.1%	728
Scope 2 (location-based method)	751	660	13.8%	775

GHG reporting policies

The statement of GHG emissions has been prepared based on a calendar reporting year that is the same as our financial reporting year: January 1, 2023 to December 31, 2023. Organizational responsibility for our GHG Emissions reporting rests with our Chief Corporate Affairs and Sustainability Officer.

Scope 1 and 2 GHG emissions information is prepared in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Scope 3 GHG emissions information is prepared in accordance with the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard.

Collectively, the Corporate Accounting and Reporting Standard (Revised Edition) and the Corporate Value Chain (Scope 3), Accounting and Reporting Standard are referred to as the “GHG Protocol” in this document. The following includes information on GHG emissions by business unit and emission source, as well as intensity disclosures.

Base year GHG emissions

The base year GHG emissions for Scope 1, 2, and 3 is 2020.

UPS will change the base year as needed to properly track progress against current sustainability goals. The GHG Protocol states, “Selection and recalculation of a base year should relate to the business goals and the particular context of the company: For the purpose of reporting progress towards voluntary public GHG targets, companies may follow the standards and guidance in this chapter.” Should new emissions-related sustainability goals be published with a new base year, the base year for the greenhouse gas inventory will be changed to reflect the new goal base year for consistency with the Greenhouse Gas Protocol. In addition, the science-based targets initiative suggests, “It is recommended that companies use the same base years for all near term targets.” Although UPS does not currently have a science-based target, UPS recognizes SBTi's leadership in the space and feels that its suggestion for a consistent base year is appropriate for consideration. Using two base years in the inventory and/or goals does not align with this recommendation from SBTi and UPS will only use the base year from the most recently updated goals for consistency. The most recent goals have a base year of 2020, which will be used as the base year until new goals are created or warranted.

Greenhouse gases

GHG emissions figures are reported in metric tonnes of carbon dioxide equivalents (CO₂e) and include three of the seven greenhouse gases covered by the GHG Protocol — carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) emissions were omitted from our reporting, as they are not a significant source of greenhouse gases for the Company.

The GHG Protocol defines global warming potential (GWP) as “a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given GHG relative to one unit of CO₂.” By using GWPs, GHG emissions from multiple gases can be standardized to a carbon dioxide equivalent (CO₂e).

The Global Warming Potentials of GHGs

Gas	GWP	Reference
Carbon Dioxide (CO₂)	1	Fifth Assessment Report (AR5) published by Intergovernmental Panel on Climate Change
Methane (CH₄)	28	
Nitrous Oxide (N₂O)	265	

GHG Reporting Scope and Boundary

The Statement of Greenhouse Gas Emissions includes Scope 1 (direct), Scope 2 (indirect) and Scope 3 (indirect) emissions that were reported for operations within the organizational boundary described below. GHG emissions have been reported from the entities where UPS has operational control as defined by the GHG Protocol. UPS is a global company operating in over 200 countries and territories. UPS has two reporting segments: U.S. Domestic Package and International Package. Our remaining businesses are reported as Supply Chain Solutions. U.S. Domestic Package and International Package are together referred to as our global small package operations.

U.S. Domestic Package provides time-definite delivery services for express letters, documents, packages and palletized freight via air and ground services to and from all 50 states.

International Package includes small package operations in Europe, Asia, Canada, Latin America, the Indian Subcontinent, Middle East and Africa.

Supply Chain Solutions consists of our forwarding, logistics, digital and other businesses.

Operational Boundary – Detailed Description Scope 1 and 2

Source: Scope 1 - Jet-A (mobile)

- U.S. Package Operations: All jet fuel used for UPS-owned aircraft and leased aircraft for which UPS has operational control (U.S. flights). We have defined operational control as those leases on a UPS operating license that are flown and maintained by UPS.
- International Package Operations: All jet fuel used for UPS-owned aircraft (International flights). Aircraft include those on the UPS operating license, flown by UPS pilots and maintained by UPS.
- Supply Chain Solutions: N/A — all Supply Chain Solutions moved on UPS-owned aircraft is captured in package operations (U.S. and International)

Source: Scope 1 - Diesel and Gasoline (mobile)

- U.S. Package Operations: All diesel and gasoline used in UPS-owned/leased vehicles to transport, pick up and deliver small packages
- International Package Operations: All diesel and gasoline used in UPS-owned/leased vehicles to transport, pick up and deliver small packages
- Supply Chain Solutions: Diesel and gasoline used in UPS-owned/leased vehicles to transport, pick up and deliver freight or packages

Source: Scope 1 - CNG (mobile)

- U.S. Package Operations: All CNG used in UPS-owned vehicles to transport, pick up and deliver small packages
- International Package Operations: All CNG used in UPS-owned vehicles to transport, pick up and deliver small packages

- Supply Chain Solutions: All CNG used in UPS-owned vehicles to transport, pick up and deliver freight or packages

Source: Scope 1 - Propane/ LPG (mobile)

- U.S. Package Operations: All propane fuel used in UPS-owned vehicles to transport, pick up and deliver small packages
- International Package Operations: All propane fuel used in UPS-owned vehicles to transport, pick up and deliver small packages
- Supply Chain Solutions: N/A — fuel type is not a source of emissions from this business unit

Source: Scope 1 - LNG (mobile)

- U.S. Package Operations: All LNG used in UPS-owned vehicles to transport, pick up and deliver small packages
- International Package Operations: All LNG used in UPS-owned vehicles to transport, pick up and deliver small packages
- Supply Chain Solutions: All LNG used in UPS owned vehicles to transport, pick up and deliver freight or packages

Source: Scope 1 - Biomass (mobile)

- U.S. Package Operations: RNG, renewable diesel, renewable gasoline, ethanol and bio-diesel used in UPS fleet. CH₄ and N₂O are reported in Scope 1 and CO₂ emissions for biomass fuels are reported separately as per the GHG protocol.
- International Package Operations: RNG, renewable diesel, renewable gasoline, ethanol and bio-diesel used in UPS fleet. CH₄ and N₂O are reported in Scope 1 and CO₂ emissions for biomass fuels are reported separately as per the GHG protocol.
- Supply Chain Solutions: RNG, renewable diesel, renewable gasoline, ethanol and bio-diesel used in UPS fleet. CH₄ and N₂O are reported in Scope 1 and CO₂ emissions for biomass fuels are reported separately as per the GHG protocol.

Source: Scope 1 - Natural Gas, Heating Oil, Propane (stationary)

- U.S. Package Operations: Natural gas, propane and heating oil for facilities we own or lease
- International Package Operations: Natural gas, propane and heating oil for facilities we own or lease
- Supply Chain Solutions: Natural gas, propane and heating oil for facilities we own or lease

Source: Scope 2 - Electricity (stationary)

- U.S. Package Operations: Electricity usage for facilities we own or lease
- International Package Operations: Electricity usage for facilities we own or lease
- Supply Chain Solutions: Electricity usage for facilities we own or lease

Operational Boundary – Detailed Description Scope 3

Note regarding the interpretation of value chain partner: Prior to 2022, the definition considered usage of primary data (e.g. fuel used) versus secondary data (e.g. estimates using miles). Beginning in 2022, the definition used is whether data is available within internal systems or obtained from supplier. This change does not affect the precision of the UPS emissions calculations.

Upstream Scope 3 Emissions

Category 1: Purchased Goods and Services

- Emissions included/excluded (UPS scope and boundary): The upstream extraction, production and transportation of goods and services purchased by all UPS operations, not otherwise included in Categories 2-8. No exclusions.
- Description of methodology: Economic input-output life cycle assessment with adjustments for inflation. Corporate Sustainability and Corporate Controllers review all general ledger codes for applicability and appropriate sub-categorization. (EIO-LCA) model.
- % emissions calculated using data obtained from value chain partners: 0%

Category 2: Capital Goods

- Emissions included/excluded (UPS scope and boundary): The upstream extraction, production and transportation of capital expenditures purchased by all UPS operations. Includes buildings, aircraft, vehicles and information technology. No exclusions.
- Description of methodology: Economic input-output life cycle assessment with adjustments for inflation. Corporate Sustainability and Corporate Controllers review all included projects for applicability and appropriate sub-categorization. (EIO-LCA) model.
- % emissions calculated using data obtained from value chain partners: 0%

Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or 2

- Emissions included/excluded (UPS scope and boundary): Includes the upstream (well-to-pump) emissions from raw material extraction up to the point of (but excluding) combustion for the following global fuel sources: Jet-A, Diesel, gasoline, CNG, LPG, LNG, natural gas, heating oil and propane. Includes the upstream emissions for the transmission and distribution losses of purchased electricity. No exclusions.
- Description of methodology: The same primary data that is used to calculate the Scope 1 and 2 emissions for all energy usage is used to calculate the upstream emissions; the actual quantity of energy consumed is multiplied by the appropriate life cycle emission factor.
- % emissions calculated using data obtained from value chain partners: 0%

Category 4: Transportation and Distribution (Upstream)

- Emissions included/excluded (UPS scope and boundary): The emissions from purchased transportation (air, ground, rail and ocean) for the pickup, transportation and delivery of packages/freight for our global operations includes emissions associated with:
 - U.S. Package Operations - Packages moved by third parties via ground, rail and air
 - International Package Operations - Packages moved by third parties via ground, rail and air
 - Supply Chain Solutions - Freight moved by third parties via ground, rail, air and ocean

Does not include Scope 2 emissions from third-party transportation companies or any optional life cycle assessment (LCA) emissions. Source has been excluded due to lack of means to measure emission source.
- Description of methodology: The primary method used to calculate the upstream emissions from purchased transportation is to multiply the actual weight and distance traveled for each shipment by the appropriate emission factor from the GHG Protocol.
- % emissions calculated using data obtained from value chain partners: 0%

Category 5: Waste Generated in Operations

- Emissions included/excluded (UPS scope and boundary): Not Relevant - We do not report on this category. As outlined in the GHG protocol, a de minimis emissions approach is used to determine exclusion from the inventory.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 6: Business Travel

- Emissions included/excluded (UPS scope and boundary): Includes the emissions that occur from air and rail travel, rental cars and the use of personal vehicles for business-related activities for our global operations. Does not include any optional life cycle emissions from hotel stays. Source has been excluded due to lack of means to measure emission source.
- Description of methodology: Travel agent provides a detailed breakdown of GHG emissions based upon actual travel activity.
- % emissions calculated using data obtained from value chain partners: 50%

Category 7: Employee Commuting

- Emissions included/excluded (UPS scope and boundary): Includes the emissions that occur from the transportation of our employees between their homes and their workplace for our global operations. Does not include any optional emissions from employee teleworking. Source has been excluded due to lack of means to measure emission source.
- Description of methodology: Actual number of employees multiplied by average gallons used per employee (UPS calculated this factor) multiplied by the emission factor for gasoline (8.81 kg CO₂ per gallon). The UPS factor for estimated gallons per employee was created by combining a host of information from the U.S. Census data, and other sources
- % emissions calculated using data obtained from value chain partners: 0%

Category 8: Upstream Leased Assets

- Emissions included/excluded (UPS scope and boundary): Not Relevant — We do not report on this category since the category as described by the WRI Guidelines is not applicable to our business because upstream leased assets are included in our Scope 1 and 2 emissions.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Downstream Scope 3 Emissions

Category 9: Transportation and Distribution

- Emissions included/excluded (UPS scope and boundary): Not Relevant — We do not report on this category since the category as described by the WRI Guidelines is not applicable to our business because UPS does not offer a sold product. For our sold service, emissions from non-UPS vehicles are reported in category 4 because they are purchased directly by UPS.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 10: Processing of Sold Products

- Emissions included/excluded (UPS scope and boundary): Not Relevant — We do not report on this category since the category as described by the WRI Guidelines is not applicable to our business because UPS does not offer an intermediate sold product.

- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 11: Use of Sold Products

- Emissions included/excluded (UPS scope and boundary): Not Relevant — We do not report on this category since the category as described by the WRI Guidelines is not applicable to our business because UPS does not offer an intermediate sold product.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 12: End-of-Life Treatment of Sold Products

- Emissions included/excluded (UPS scope and boundary): Not Relevant - We do not report on this category. As outlined in the GHG protocol, a de minimis emissions approach is used to determine exclusion from the inventory.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 13: Downstream Leased Assets

- Emissions included/excluded (UPS scope and boundary): Not Relevant — We do not report on this category since the category as described by the WRI Guidelines is not relevant because UPS does not have any significant downstream leased assets.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 14: Franchises

- Emissions included/excluded (UPS scope and boundary): Not Relevant - We do not report on this category. As outlined in the GHG protocol, a de minimis emissions approach is used to determine exclusion from the inventory
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Category 15: Investments

- Emissions included/excluded (UPS scope and boundary): Not Relevant — We do not report on this category since the category as described by the WRI Guidelines is not relevant because UPS does not have any significant investments that fit this category.
- Description of methodology: Not Relevant
- % emissions calculated using data obtained from value chain partners: Not Relevant

Uncertainty

Omitted: We will be reviewing ways to address uncertainty on a yearly basis.

GHG emission factors

The carbon dioxide equivalent emissions associated with the activities described in the detailed description of our operational boundaries were determined on the basis of measured or estimated energy and fuel use, multiplied by relevant carbon emission factors. Published emission factors were used to calculate emissions from operations. Renewable electricity use is supported through energy attribute certificates and supplier contracts.

GHG emission factors by source

Emissions Source	Emission Factor Employed
Scope 1 — Global	GHG Protocol Emission Factors from Cross-Sector Tools, March 2017 EPA Emission Factor Hub_Nov 2015v2
Scope 2 — U.S.¹	U.S. Environmental Protection Agency eGRID data year 2020 2022 Green-e® Residual Mix Emissions Rates (2020 Data)
Scope 2 — Canada¹	National Inventory Report, Greenhouse Gas Sources and Sinks in Canada (Published 2021; Data year 2019)
Scope 2 — Other	CO ₂ Emissions from Fuel Combustion Highlights (Published 2022; 2020 data year © OECD/IEA) 2021 European Residual Mix (Association of Issuing Bodies)
Scope 3 — Global	Categories 1 and 2: GHG Protocol Scope 3 Evaluator - Economic input-output life cycle assessment (EIO-LCA) model Category 3: Argonne National Laboratory GREET_1 2021 Model Category 3: US Environmental Protection Agency eGRID 2020 Category 4: EPA SmartWay Carrier Rankings and Emission Rates (railroad only), Smart Freight Center (SFC) Clean Cargo Category 6: EPA Emission Factors for GHG Inventories, March 2018 Category 4, 7: GHG Protocol Emission Factors from Cross-Sector Tools, March 2017

Methodology

For Scope 1 and 2, primary usage data is used to calculate GHG Emissions. The primary data is collected through various internal processes and data systems which are entered into our sustainability performance management software that quantifies associated emissions through the application of the GHG emission factors described above. GHG emission calculations for Scope 3 use various sources of secondary data since primary data is unavailable. The secondary data used varies from miles driven, number of packages picked up/delivered to estimated shipment information (weight and distance per shipment). The appropriate GHG factor is applied to estimate the emissions reported.

Carbon offset purchases from UPS carbon neutral product

A carbon offset is a certified financial instrument aimed at a reduction in GHG emissions. The offsets we purchase meet the key standard of additionality, which means that the carbon reduction project in question (such as reforestation) produced a reduction in CO₂e generation or sequestration of CO₂e in addition to what would have been achieved by activities already planned or underway. UPS is currently not using these offsets to meet our GHG goals. They are purchased and retired on behalf of our customers that are electing to offset the GHG emissions associated with the shipment of their packages and freight. The credits are certified through standards shown in the "Offset Standard" column. The table below is a summary of carbon offsets purchased on behalf of our customers.

Project Name	Project Location	Offset Standard	Project Type	2023 Metric Tonnes Retired	2022 Metric Tonnes Retired
Acre Amazonian Rainforest	Brazil	VCS	Forest Conservation	24,500	n/a
Ulubelu Geothermal	Indonesia	CER	Geothermal	n/a	9,705
Bondhu Chula Stoves	Bangladesh	Gold VER	Health and Livelihoods	5,047	n/a
Chol Charoen Group Wastewater Treatment with Biogas System 1	Thailand	VCS	Wastewater Methane Destruction	n/a	18,863
Burn Efficient Cookstoves	Kenya	Gold VER	Health and Livelihoods	19,025	n/a
Amayo Wind Power Project	Nicaragua	Gold	Renewable Energy	n/a	10,832
Antai Waste Gas	China	GS VER	Waste Gas Recovery	n/a	10,000
Gas Distribution Leak Reduction	Bangladesh	CDM	Resource Recovery	37,000	43,000
Gola Rainforest Protection REDD+	Sierra Leone	VCS	Forest Protection	53,238	46,685
Portfolio - Nicaragua Amayo	Nicaragua	Gold	Renewable Energy	36,754	77,414
Wind Portfolio Power	India, China	CDM	Renewable Energy	9,082	14,677
Praktijkcentrum Sterksel	Netherlands	VCS	Methane Recovery	n/a	4,340
Rucas Amazonian Rainforest	Brazil	VCS	Forest Conservation	n/a	101,769
East Thrace Wind Power	Turkey	Gold	Renewable Energy	25,000	n/a
Industrial Process Emissions Reductions	U.S.	ACR	Resource Conservation	10,789	n/a
Rooftop Solar Energy	East Africa	Gold	Renewable Energy	20,862	n/a
Total Carbon Offsets				241,297	337,285

305-3 Other indirect (Scope 3) GHG emissions

Global CO ₂ e Emissions ('000 tonnes)		2023	2022	Base Year (2020)
Total Scope 3 Emissions		15,425	16,862	18,595
Upstream				
1	Purchased Goods and Services	1,755	1,611	1,828
2	Capital Goods	2,925	2,424	3,821
3	Fuel and Energy Related (not incl. Scope 1 and 2)	3,047	3,250	2,703
	Jet A (well to pump)	1,664	1,825	1,700
	Diesel (well to pump)	450	505	516
	Gasoline (well to pump)	414	428	371
	CNG (well to pump)	59	77	69
	Propane/LPG (well to pump)	7	9	10
	LNG (well to pump)	24	32	58
	Biomass (well to pump)	307	260	-114
	Natural Gas, Heating Oil, Propane (stationary)	80	78	55
	Electricity (T&D losses/generation of)	42	37	38
4	Transportation and Distribution	6,049	7,868	8,036
	Subcontracted Air	2,700	3,782	4,266
	Subcontracted Ground	2,940	3,655	3,136
	Subcontracted Rail	270	319	425
	Subcontracted Ocean	139	112	209
5	Waste Generated in Operations	Not Relevant	Not Relevant	37
6	Business Travel	47	48	44
7	Employee Commuting	1,602	1,661	2,059
8	Leased Assets	Not Relevant	Not Relevant	Not Relevant
Downstream				
9	Transportation and Distribution	Not Relevant	Not Relevant	Not Relevant
10	Processing of Sold Products	Not Relevant	Not Relevant	Not Relevant

11	Use of Sold Products	Not Relevant	Not Relevant	Not Relevant
12	End-of-Life Treatment of Sold Products	Not Relevant	Not Relevant	11
13	Leased Assets	Not Relevant	Not Relevant	Not Relevant
14	Franchises	Not Reported	Not Reported	56
15	Investments	Not Relevant	Not Relevant	Not Relevant

Additional information regarding the included greenhouse gases, base year, GWP and calculation standards can be found in 305-1 and 305-2.

Omitted: Information regarding biogenic CO₂ emissions for each scope 3 category is currently unavailable. We will be reviewing ways to address all requirements of this disclosure on a yearly basis.

305-4 GHG emissions intensity

Global CO ₂ e ('000 tonnes/ \$M Revenue)			
CO ₂ e Intensity			
Global CO ₂ e ('000 tonnes/ \$M Revenue)	Totals		
	2023	2022	Base Year (2020)
Revenue in millions	\$90,958	\$100,338	\$81,479
Scope 1	0.159	0.158	0.185
Scope 2	0.008	0.006	0.009
Total Scope 1 and 2	0.167	0.164	0.194
Scope 3	0.170	0.168	0.228
Total Scope 1, 2 and 3	0.337	0.332	0.422

Global CO ₂ e Emissions				
('000 tonnes)				
CO ₂ e by Fuel Type				
	2023	2023 Percent to Total	2022	Base Year (2020)
Airline Fuel	9,807	64.5%	10,751	10,120
Ground Vehicle Fuel	4,352	28.6%	4,762	4,695
Diesel	2,170	14.3%	2,426	2,501
Gasoline	1,806	11.9%	1,867	1,644
CNG	203	1.3%	267	259
Propane/LPG	36	0.2%	45	54
LNG	79	0.5%	107	206
Biomass (CH ₄ and N ₂ O only)	58	0.4%	50	25
HFCs (fugitive)	Not Material	%	Not Material	6
Facility Fuel	340	2.2%	332	273
Natural Gas	314	2.1%	309	262
Heating Oil	2	0.0%	2	3
Propane	24	0.2%	21	8
Facility Electricity	702	4.6%	632	728
Grand Total	15,201	100%	16,477	15,816

Additional information regarding the included greenhouse gases can be found in Disclosures 305-1 and 305-2.



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INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors
United Parcel Service, Inc.
Atlanta, Georgia

We have examined management of United Parcel Service, Inc.'s (the "Company") assertion that the Statement of Greenhouse Gas (GHG) Emissions for the year ended December 31, 2023 (the "2023 Statement of GHG Emissions") in Appendix B of the Company's 2023 Global Reporting Initiative ("GRI") Content Index is presented in accordance with the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)* and the *Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard*, published by the World Resources Institute/World Business Council for Sustainable Development (together the "GHG Protocol"). The Company's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The preparation of the 2023 Statement of GHG Emissions requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect the reported information. Measurement of GHG emissions includes estimates and assumptions that are subject to inherent measurement uncertainty including, for example, the accuracy and precision of GHG emission conversion factors and estimation assumptions used by management. Obtaining sufficient, appropriate evidence to support our opinion does not reduce the inherent uncertainty in the amounts and disclosures. The selection by management of a different but acceptable measurement method, input data, or model assumptions may have resulted in materially different amounts or disclosures being reported.

Information outside of the sustainability disclosures in the 2023 Statement of GHG Emissions was not subject to our examination and, accordingly, we do not express an opinion or any form of assurance on such information. Further, all other information, including information relating to forward looking statements, targets, goals, progress against goals, and linked information, was not subject to our examination and, accordingly, we do not express an opinion or any form of assurance on such information.

In our opinion, management's assertion that the 2023 Statement of GHG Emissions for the year ended December 31, 2023 is presented in accordance with the GHG Protocol is fairly stated, in all material respects.

Deloitte + Touche LLP

Atlanta, Georgia
March 15, 2024