



2022 | GRI

Global Reporting Initiative

January 1, 2022 – December 31, 2022

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, and 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: consequences related to the impact of the COVID-19 pandemic on us, our customers and suppliers and on the global economy; 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 data security requirements; a significant data breach or information technology system disruption; our ability to maintain our brand image; legal, regulatory or market responses to 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 and jet fuel 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 impairment 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; our ability to realize the anticipated benefits from our transformation initiatives; 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, 2022, 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.

Company environmental, social and governance (“ESG”) 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 ESG matters are estimates and may be based on assumptions or evolving standards.

This Report

UPS has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period (January 1, 2022 to December 31, 2022). We have updated this GRI Content Index with relevant data and information in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards (Universal Standards 2021 and the latest Topic Standards).

Management of United Parcel Service, Inc. (“UPS”) 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, 2022. 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 2022 GRI Content Index as of and for the year ended December 31, 2022 are presented in accordance with the GRI Sustainability Reporting Standards. We engaged Deloitte & Touche LLP to perform a review (limited assurance) on management’s assertion relating to the disclosures in this 2022 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, 2022, 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 [2022 Annual Report on Form 10-K](#) were audited by Deloitte & Touche LLP and its audit report, dated February 20th, 2023, 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.

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

2-1 Organizational details

United Parcel Service, Inc. (“UPS”), 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 2 million shipping customers to 11 million delivery customers in over 220 countries and territories. In 2022, we delivered an average of 24 million packages per day, totaling 6.2 billion packages during the year. Total revenue in 2022 was \$100.3 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. Regions are identified as: North America, Europe, Asia Pacific, Middle East and Africa (AMEA), and Latin America (LATAM).

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

The entities included in our sustainability reporting align with our financial reporting.

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

This report presents data for the 2022 reporting year of January 1, 2022, to December 31, 2022, which is aligned to the company's [Annual Report on Form 10-K](#) + unless otherwise indicated. We issue our sustainability reports on an annual basis. This report was published on April 12, 2023.

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 prior years’ 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 2022 GRI Content Index. The assurance period was for the year ended December 31, 2022.

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	6.2 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 suppliers of transportation services, 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 the equipment and facilities we purchase or lease, and maintain. This portion of our supply chain includes a number of 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 impacts.
- 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 9/30/2022)					
Absolute Number	Gender ²		Geography		Total
	Male	Female	U.S.	Outside the U.S. ³	
Full Time	223,684	44,216	208,441	59,614	268,055
Part Time	185,426	72,730	230,896	27,358	258,254
Subtotal	409,110	116,946	439,337	86,972	526,309
Other Employees ⁴	5,870	3,564	4,023	5,527	9,550
Total Permanent Employees	414,980	120,510	443,360	92,499	535,859

¹The majority of UPS employees are non-guaranteed hour employees

²Information about gender does not include 369 employees who do not self-identify as either male or female

³Includes Europe, APAC, Americas and ISMEA

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

Total Temporary Employee Base (as of 9/30/2022)					
Absolute Number	Gender ¹		Geography		Total
	Male	Female	U.S.	Outside the U.S.	
Temporary	2,408	2,023	3,611	2,490	6,101

¹Information about gender does not include 1,670 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 unavailable due to not being tracked. We will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.

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 composed entirely of independent directors as defined by the New York Stock Exchange (NYSE) and by our director independence standards: the Audit Committee, the Compensation and Human Capital Committee, the Nominating and Corporate Governance Committee, and the Risk Committee. 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 website also includes detailed information about other corporate governance matters at UPS, including our policies and processes.

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 Board committees, including evaluating and making a recommendation to the Board as to the independence of all directors. Additional information on director nomination and selection is presented in the [Proxy Statement](#) ⇒ under the caption "Selecting Director Nominees" and Board biographies under the caption "Our Board of Directors."

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 practices that benefit the long-term interests of all stakeholders. We regularly review and update our corporate governance 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, 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, consisting entirely of independent directors, 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, consisting entirely of independent directors, has additional oversight responsibility for climate-related risks and opportunities. The committee receives regular updates and discusses the Company's progress towards 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, consisting entirely of independent directors, is responsible for overseeing the annual engagement of the independent third party that provides assurance on the Company's annual sustainability report.

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 maintains a director engagement program where directors meet with individual 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 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 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 annually 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.

2-15 Conflict of interest

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

Our Audit Committee is responsible for overseeing 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 2022 that require 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. The Nominating and Corporate Governance Committee reviews a summary of this information and makes 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 and other priority climate-related topics.

In 2022, 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 climate-related topics. For example:

- We maintain a formal director engagement program in which directors meet with individual ELT members, visit company operations, participate in employee events and receive in-depth subject matter updates outside of regular board meetings on a quarterly basis. These engagements encourage the ongoing exchange of ideas and information between directors and management and facilitate the Board's oversight, including with respect to environmental, social and governance (ESG) topics.
- The Board and its Committees receive regular reports from our CCASO, CFO and Chief Human Resources Officer and Chief Diversity, Equity & Inclusion Officer (CHRO/CDEIO) 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.
- Additionally, knowledge is advanced with the Board's review of UPS's sustainability reports each year and the Audit Committee's oversight and approval to secure third-party assurance for the Company's sustainability reports.

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 2022, the Board Chair met individually with each director to discuss overall Board effectiveness and performance and potential 2023 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 plans to both full-time and part-time employees. We provide our union-represented employees with industry-leading pay and benefits. UPS policies provide for equal remuneration irrespective of gender 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 our executive officers; encourage long-term stock ownership and careers with UPS; and align the interests of our 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, and approving compensation for the executive officers. The 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 our U.S. employees are represented by unions, primarily those employees handling or transporting packages. In addition, approximately 3,400 of our pilots are represented by the Independent Pilots Association.

Feedback from stakeholder engagement is taken into account in setting and structuring compensation. The Compensation and Human Capital Committee conducts a review of director compensation generally every year to verify the program structure is 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 non-employee director compensation program and recommends changes to keep the program market competitive.

We provide 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. We will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.

GRI 2: GENERAL DISCLOSURES: Strategy, policies and practices

2-22 Statement on sustainable development strategy

As an innovation-driven company guided by a strong purpose, our culture centers around the values established by our founder Jim Casey. He believed that we should give back to the communities we serve and that we have a responsibility to all stakeholders for social and environmental stewardship. We approach sustainable development holistically to ensure our cross-functional sustainability initiatives align with our Customer First, People Led, Innovation Driven strategy. The execution of our strategy will help us reach our goals of carbon neutrality by 2050 and improving the well-being of one billion lives by 2040. We have an action plan to get us there, and we are committed to pursuing planet-friendly solutions that enable us to continue to take care of our employees and serve our customers, stakeholders and communities without compromising the ability of future generations to meet their own needs.

For the full length CEO letter, see our [Proxy Statement](#) ⇒

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 business.

2-24 Embedding policy commitments

The [UPS Code of Business Conduct](#) ⇒ sets out the behavior we expect from our employees, suppliers, consultants and third-party representatives. The Code is built on honesty and integrity. The Code is available in 22 languages so that our employees, agents, and third-party representatives in other countries and territories can fully understand our guiding principles. Our policy is to comply with all applicable laws, rules and regulations in the more than 220 countries and territories where we operate. The Code includes policies and procedures that prohibit UPS employees, and others acting on our 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. We do 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.

We promote understanding of our 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. Our current compliance and ethics trainings include:

- Anti-Corruption/Anti-Bribery Compliance
- Third-Party Anti-Corruption Compliance
- Third-Party Due Diligence Training
- 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 Training
- Lobbying Disclosure Training

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 other unions, associations, and work councils where we have collectives. Our U.S. agreements have specific provisions regarding the methods for resolving grievances. These provisions mandate periodic meetings of union and company representatives, with escalation to the next level if the parties cannot agree on a resolution.

2-26 Mechanisms for seeking advice and raising concerns

See Disclosure 205 – Anti-Corruption Management Approach.

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.

We are involved in a number of 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 legal proceedings when and to the extent a loss becomes probable and can be reasonably estimated. The actual costs of resolving legal proceedings may be substantially higher or lower than the amounts accrued on those claims.

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 where UPS plays a significant role:

- American Truckers Associations: leverages the strength and size of their membership in order to develop, advocate, and advance innovative research-based policies that promote highway safety, security, environmental sustainability and profitability.
- The North American Council for Freight Efficiency: an association committed to doubling the efficiency of North American goods movement.
- Zemo Partnership: a public-private organization with the mission of accelerating the shift to low-carbon road fuels and technologies.
- Airlines for America: advocates and forms partnerships for airline safety, job creation, infrastructure modernization and environmental responsibility.
- Sustainable Aviation Buyers Alliance: works to accelerate the path to carbon-neutral air transport by driving investment in sustainable aviation fuel (SAF), catalyzing SAF production and technological innovation, and supporting member engagement in policymaking efforts.

- Truckers Against Trafficking (TAT): an organization with the aim to educate, equip, empower, and mobilize members of the trucking, bus and energy industries to combat human trafficking.
- The United Nations Global LGBTI Standards of Conduct for Business: helps develop greater equality for lesbian, gay, bi, trans and intersex people throughout our global operations.

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 honest dialogue with our stakeholders is an important component of our corporate culture. As a component of this engagement, we regularly engage with a broad range of stakeholder groups through our public affairs external facing teams and others. We also respond to incoming correspondence from various stakeholder groups and consult with senior UPS leadership and outside firms to identify new stakeholder groups that are outside of our regular engagement efforts resulting from our public affairs and community relations programs.

For example, each year we undertake an Environmental, Social and Governance (“ESG”) stakeholder assessment in which we discuss progress on our ESG journey. We also are regularly enhancing existing and evaluating new engagement programs aligned to our goals. In recognition of the power of our large workforce to influence positive ESG actions both inside and outside UPS, in 2021 we launched the UPS Sustainability Trailblazers employee engagement program. This is an employee-led program spanning all functions of the Company, aiming to address ESG matters at UPS and in the communities we serve. In 2022, we expanded the program to our international business by launching chapters in Europe and the Middle East, with new programs in other regions launching soon. We also invested in the program through software that improves the employee ESG experience and provides greater access to ESG related educational materials.

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

- Communities: The UPS Foundation, employee volunteer program, humanitarian relief and resilience activities
- Customers: periodic business reviews and regular meetings, market research, UPS.com, social media, UPS-sponsored events, UPS drivers, employees
- 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
- Influencers: regular and proactive dialogue, topic-specific conferences and events
- Investors: investor conferences, quarterly earnings communications, annual shareholder meeting, [Annual Report on Form 10-K](#) +, Quarterly Report on Form 10-Q, [Proxy Statement](#) ⇒, press releases, one-on-one and small group meetings, ratings and rankings, investor website

- UPS Retirees: UPSers.com, virtual and in-person events
- Suppliers: top supplier meetings, supplier diversity strategy (including conferences, events, training, etc.), research and development of alternative vehicle technologies, one-on-one 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. In addition, approximately 3,400 of our pilots are represented by the Independent Pilots Association.

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 all company strategy
- Interviewing senior UPS managers around the world to better understand their points of view on issues relevant to their respective regions
- Gathering feedback from customers, regulators and other government agencies, 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 and positive impact, as well as broader sustainability trends. Each issue's relative importance 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 ESG 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

ESG Priority Topics Content		
ESG 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 ESG 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 ESG materiality process but does not map directly to a GRI Topic-Specific Standard.
Societal Benefits of Business Activities	all	This issue arose during the ESG materiality process but does not map directly to a GRI Topic-Specific Standard.
Sustainable Customer Solutions	7,11,13	This issue arose during the ESG materiality process but does not map directly to a GRI Topic-Specific Standard. However, see our Sustainable Services ⇒ page for additional information

3-3 Management of material topics

Community Impact of Operations

Today, more than half of the world's population lives in cities, with the share of urban dwellers expected to increase further over the coming decades. This growth contributes 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 like ride-sharing. 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 the Enterprise Risk Management process, UPS reviews multiple potential climate-related risks and opportunities. UPS prioritizes risks into one of two risk level classifications, Tier 1 or Tier 2. To determine Tier 1 and Tier 2 status, we use a risk assessment matrix and heat map. Climate-related risk and opportunities are evaluated based on the impact to Our Mission/Brand, as well as the impact to our Financial and Operational performance. The three specific elements are rated on a 1-5 scale. The results of the risk assessment are then plotted on a heat map to determine tier status. Risks and opportunities that require Board 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 (TUPSF) utilizes the company's global network to deliver targeted support to marginalized, underserved and remote communities globally. These efforts are organized around building 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 demands coordinated, swift relief efforts. These crises can disrupt businesses, destroy infrastructure and bring commerce to a halt.

In addition to addressing health and humanitarian crises, TUPSF works to advance equity and economic empowerment efforts. We address systemic educational and economic barriers by creating opportunities for underserved and underrepresented women, youth and marginalized communities.

The Women Exporters Program (WEP) helps women entrepreneurs around the world to trade across borders, overcome challenges and forge new futures by providing access to global markets. Through partnerships with organizations such as International Trade Centre (ITC) SheTrades, we help to strengthen women entrepreneurs' export skills, provide business opportunities that improve their technical competitiveness and foster an inclusive business ecosystem.

Sustainable Customer Solutions

We offer our customers sustainable solutions to help minimize 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 emissions, we offer optimization techniques that improve efficiency and reduce impact.
- Shipping - UPS carbon neutral shipping is an easy, cost-effective way to offset GHG emissions from shipments of any size. With our UPS Smart Pickup™ service, customers can schedule a pickup 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 - We simplify returns with turnkey packaging, preprinted labels and convenient drop-off locations. UPS Returns™ Manager allows customers to print return labels directly from the UPS tracking results page and provides merchants with online management and visibility of returns. UPS's reverse logistics solutions also help customers reclaim and refurbish products to be used again.

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, 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 the more than 220 countries and territories where 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 refresher 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 more than 1,500 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 Business Compliance and 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 conducted numerous Anti-Corruption and Fraud Risk Assessments of our business units in 2022 and used corruption-related metrics to prioritize audit activity. In 2022, we conducted 83 audits that included corruption testing, and 13 corruption-specific audits. These audits included businesses with which we have both direct and third-party relationships.

Omitted: UPS conducts a number of corruption-related audits but does not report on the percentage or significant risks due to confidentiality.

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

The [Code](#) ⇒ prohibits employees, and others acting on our behalf, from engaging in anti-corruption 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. More than 56,000 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 2022, 89% 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, as well as 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 2022.

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

We are involved in a number of 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 our 2022 [Annual Report on Form 10-K](#) +, and we intend to vigorously defend each matter.

Details related to any significant litigation and enforcement matters related to competition law are disclosed in our 2022 [Annual Report on Form 10-K](#) +, Note 10 — Legal Proceedings and Contingencies.

TOPIC-SPECIFIC STANDARDS: 302 Energy

302 (3-3) Management of material topics

UPS supports global efforts to mitigate the impact of climate change and contributes to public discussions about environmental sustainability. This includes collaborating with leading non-governmental organizations (NGOs) and regulators. We also participate in public policy forums, where we advocate for prudent innovation and investment in new technologies and infrastructure development. We are guided by a clear purpose to move our world forward by delivering what matters through our Customer First, People Led, Innovation Driven strategy.

Our guiding principles are:

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

In keeping with our purpose and mindful of the ESG issues that matter most to our stakeholders, we announced ambitious sustainability goals, including a goal of carbon neutrality across Scope 1, 2 and 3 emissions by 2050.

Roadmap to Carbon Neutrality by 2050

We set a goal to achieve carbon neutrality by 2050 across Scope 1, 2, and 3 emissions (as measured in CO₂e and using market-based Scope 2 emissions). Our targets are based on sound engineering principles. We do not currently believe that, based on such principles, scalable solutions for aircraft exist at this time that would allow for the achievement of a science-based target by 2030 or 2035, as required by the Science-Based Targets initiative (SBTi).

Setting goals alone does not define our strategy. Rather, a roadmap is necessary to show stakeholders how we intend to achieve these goals. We intend to have 40% alternative fuel used in our ground operations and 25% renewable electricity powering our facilities by 2025. By 2035, we intend to use 30% sustainable aviation fuel (SAF), achieve a 50% reduction in CO₂e per package delivered for our global small package operations (from a 2020 baseline), and use 100% renewable electricity to power our facilities.

UPS Environmental Sustainability Goals Defined:

40% alternative fuel used in our ground operations by 2025

Fuel in ground operations is defined as all fuel used in on-road and off-road vehicles for mobile ground operations. This includes our tractor-trailers (“feeders”), 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, such as compressed natural gas (CNG), liquified natural gas (LNG), propane, bio-diesel, renewable diesel, ethanol and renewable natural gas (RNG).

25% renewable electricity powering our facilities by 2025

Renewable electricity includes wind and solar renewable electricity outside of electricity currently provided on the grid from renewable sources. This energy may be sourced from on-site solar projects or the procurement of renewable electricity through power purchasing agreements (PPAs) and other financial methods.

30% SAF in our air network by 2035

We are committed to sourcing 30% of our aviation fuel from sustainable sources by 2035. SAF is a biofuel used to power aircraft and has similar properties to conventional jet fuel but with a lesser carbon footprint. Current SAF availability is limited, and its cost is approximately two to four times greater than conventional jet fuel. We have joined a buyer alliance for sustainable aviation fuel to help send demand signals to increase supply and lower cost.

50% reduction in CO₂e per package delivered by 2035 (2020 baseline)

We recognize that as we continue to serve customers around the world and meet their shipping needs, we must delink the growth of our business from increases in GHG emissions. The key indicator of our carbon reduction performance is CO₂e per package delivered. Included in this metric are the total Scope 1 and 2 emissions for our global operations. Rather than only calculating CO₂, we use CO₂e, the equivalent sum of CO₂, CH₄ and N₂O.

We are focused on five levers to achieve carbon neutrality by 2050: (1) efficiency and innovation, (2) increasing SAF procurement, (3) fleet electrification, (4) renewable/biofuel interval solutions, and (5) renewable electricity transition strategies.

Efficiency and innovation

Starting from the base year of 2020, we have set a goal to reduce CO₂e per package delivered by 50% by 2035. We aim to achieve this by meeting the milestones described above, along with network efficiencies to reduce miles driven and flown, fleet electrification and enabling more sustainable packaging to flow through our sortation equipment. We continue to work to reduce energy consumption in other ways as well, such as switching to LED lighting and more efficient conveyor motors.

Our GHG emissions strategy includes improving our operational efficiency and reducing fuel consumption. Specific examples include investing in new technologies like electric vertical take-off and landing (eVTOL) aircraft, and we are exploring using electric aircraft in our small feeder network, as well as reducing emissions through engine washing and reducing discretionary fuel carried.

Efficiency is core to sustainability: the greenest mile is the one not driven or flown. UPS continues to enhance its 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 UPSNav, 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.

Increasing SAF procurement

In air transportation we have committed to source 30% of our aviation fuel from sustainable sources. At the current time, SAF supply remains limited. It has not reached economies of scale in production, making it cost prohibitive for wide adoption. Over the next several years, UPS will continue to work within the industry, including with fuel producers, customers and peers to accelerate the commercial availability, scale, cost-effectiveness, and the shift to SAF, such as through our membership of the Sustainable Aviation Buyers Alliance (SABA).

Fleet electrification

A key part of our carbon reduction strategy involves electrifying our package delivery cars. We are collaborating with vehicle manufacturers to ensure alignment with UPS specifications, which includes advanced control and safety features. We are utilizing electric-assist cycles to reduce our emissions and to help reduce congestion in densely populated areas. We have worked with our suppliers to deploy e-assist cycles specifically designed with changes in urban delivery in mind. We intend to increase the deployment of these solutions in the future. Targeted deployment is already occurring within European cities and select U.S. cities.

Renewable / biofuel interval solutions

We are investing in alternative fuel vehicles within our ground operations. This serves as a bridging solution that will contribute to carbon reductions as we transition our fleet to zero-emission tailpipe vehicles. In 2022, we purchased 162 million gallons of alternative fuels, which represented 26.5% of our total ground fuel usage, up from 25.9% in 2021.

Renewable electricity transition strategies

We will continue to acquire renewable electricity for use in our facilities. In 2022, 8% of our total electricity was generated from renewable sources for owned and leased facilities. This includes rooftop solar arrays on facilities and procured renewable electricity used in our operations.

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)	2022	2021	Percent Change (2022/2021)	Base Year (2020)
Direct Energy	222,447	218,659	1.7%	209,483
Indirect Energy	7,206	6,885	4.7%	6,939
Total Energy	229,653	225,544	1.8%	216,422

Energy Consumption Within the Organization by Source				
Global Energy ('000 GJs)	2022	Percent to Total Energy 2022	2021	Base Year (2020)
Direct Energy				
Airline Fuel	146,119	63.6%	144,179	137,555
Conventional	146,119	63.6%	144,179	137,539
Renewable	0	0.0%	0	16
Ground Vehicle Fuel	69,471	30.3%	69,055	66,684
Diesel	32,371	14.1%	33,300	33,372
Gasoline	24,939	10.9%	23,720	21,957
CNG	4,637	2.0%	4,478	4,497
Propane/LPG	664	0.3%	795	797
LNG	985	0.4%	1,330	1,892
Renewable Fuel (Biomass)	5,875	2.6%	5,432	4,169
Facility Heat	6,857	3.0%	5,425	5,244
Natural Gas	6,511	2.8%	5,275	5,076
Heating Oil	22	0.0%	27	49
Propane	324	0.1%	123	119
Direct Energy Subtotal	222,447	96.9%	218,659	209,483
Indirect Energy				
Electricity	6,660	2.9%	6,577	6,412
Renewable Electricity	546	0.2%	308	527
Indirect Energy Subtotal	7,206	3.1%	6,885	6,939
Total Energy	229,653	100.0%	225,544	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)	2022	2021	Percent Change (2022/2021)	Base Year (2020)
Upstream				
1. Purchased Goods and Services ¹	Not Reported	Not Reported		Not Reported
2. Capital Goods ¹	Not Reported	Not Reported		Not Reported
3. Fuel and Energy-Related (not incl. Scope 1 and 2) ¹	Not Reported	Not Reported		Not Reported
4. Transportation and Distribution	112,292	136,402	(17.7)%	113,042
5. Waste Generated in Operations ¹	Not Relevant	Not Reported		Not Reported
6. Business Travel	679	620	9.6%	625
7. Employee Commuting	24,546	30,939	(20.7)%	30,418
8. Leased Assets ²	Not Relevant	Not Relevant		Not Relevant
Downstream				
9. Transportation and Distribution ²	Not Relevant	Not Relevant		Not Relevant
10. Processing of Sold Products ²	Not Relevant	Not Relevant		Not Relevant
11. Use of Sold Products ²	Not Relevant	Not Relevant		Not Relevant
12. End-of-life Treatment of Sold Products ¹	Not Relevant	Not Reported		Not Reported
13. Leased Assets ²	Not Relevant	Not Relevant		Not Relevant
14. Franchises	Not Relevant	377		390
15. Investments ²	Not Relevant	Not Relevant		Not Relevant
Total Energy Consumption Outside the Organization	137,517	168,338	(18.3)%	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			
	2022	2021	Base Year (2020)
Revenue (\$M)	\$100,338	\$96,223	\$81,479
Direct Energy	2.217	2.272	2.571
Indirect Energy	0.072	0.072	0.085
Total Energy	2.289	2.344	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 2022 vs. 2020 ('000 gigajoules) ¹	2022 Energy Intensity	2020 Energy Intensity	Comments
Absolute Energy Avoided				
Package intensity	(16,662)	37.08	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 2022 # of packages) — (2022 energy intensity x 2022 # of packages)
Absolute Energy Avoided				
Revenue intensity	37	2.29	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 2022 revenue) — (2022 energy intensity x 2022 revenue)

¹ Absolute energy avoided in 2022 was estimated from the energy intensity factor improvements from 2020 (baseline year) to 2022. 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 as we define the need to capture this information.

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 as we define the need to capture this information.

TOPIC-SPECIFIC STANDARDS: 305 Emissions

305 (3-3) Management of material topics

UPS is committed to 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

2022 Carbon Intensity Emissions Avoided Since Base Year (2020)				
	Absolute CO ₂ e Emissions Avoided Since 2020 (metric tonnes)	2022 CO ₂ e Intensity	2020 CO ₂ e Intensity	Comments
Package Intensity	(1,109,000)	2.66	2.51	1) CO ₂ e intensity factor expressed in kg CO ₂ e per package 2) Scope is UPS global, scope 1 and scope 2 3) Avoided absolute CO ₂ e = (2020 CO ₂ e Intensity x 2022 # of packages) – (2022 CO ₂ e Intensity x 2022 # of packages)
Revenue Intensity	14,000	0.33	0.42	1) CO ₂ e intensity factor expressed in MT CO ₂ e. Revenue in millions 2) Scope is UPS global, scope 1, scope 2 and scope 3 3) Avoided absolute CO ₂ e = (2020 CO ₂ e Intensity x 2022 revenue) – (2022 CO ₂ e Intensity x 2022 revenue)

TOPIC-SPECIFIC STANDARDS: 401 Employment

401 (3-3) Management of material topics

Throughout our 115-year history, UPS has transformed from messengers on bicycles to a nationwide package delivery company to a worldwide network of approximately 536,000 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.	Europe	APAC	Americas	ISMEA
Absolute Number	8,231	8,603	1,710	13,552	4,992	9,380	2,303	1,920	4,745	196
Rate ²	44%	47%	9%	73%	27%	51%	12%	10%	26%	1%

Turnover ¹										
Employee Categories	Age Group			Gender		Geography				
	<30	30-50	>50	Male	Female	U.S.	Europe	APAC	Americas	ISMEA
Absolute Number	22,152	38,571	19,633	53,010	27,346	69,265	4,061	1,629	5,188	213
Rate ²	28%	48%	24%	66%	34%	86%	5%	2%	7%	0%

Global hire rate = 7%

Global turnover rate = 30%

¹ Information through 9/30/2022 to account for year-round employees rather than seasonal peak hires in Q4-2022. Table based on 526,309 reported subtotal in 2-7 (also for period 1/1/22 - 9/30/22)

² This is a percent to total calculation within the categories. For example, 28% of the total turnovers occurred within the <30 age group.

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 who are covered by union-administered plans. These contributions are for our employees and their eligible dependents.

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.:

- 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 (FT employees only)
- Child/eldercare spending accounts
- Pretax healthcare spending and savings accounts
- Supplemental health plans (critical illness, hospital and accident)

- Identity protection
- Pet insurance
- 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 private 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.

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 insurance 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 2022, 344,451 employees (80% male/20% female) were eligible for FMLA leave and 45,217 (80% male/20% female) qualified for FMLA, meaning applied and were approved. Of this latter group, 13,001 employees (76% male/24% female) qualified for FMLA with reasons related to parental and/or leave for family health, pregnancy, bonding, adoption or care of a newborn. 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 which is as comprehensive as systems allow.

Omitted: Information is currently unavailable for the following: employees that returned to work after parental leave ended and return to work and retention rates of employees that took parental leave. We will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.

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 keep employees safe 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 be responsive to the ever-changing health and safety needs of our employees and our business.

403-1 Occupational health and safety management system

UPS's Occupational Health and Safety Management System is unique to the Company and is internally referenced as CHSP. The system was voluntarily created by UPS to establish methodologies for employee health and wellness specific to UPS operations. The CHSP covers all UPS employees and workers. It does not cover UPS contractors, agents or outside service providers.

CHSP is similar to national health and safety system standards such as OHSAS 18001 (U.K.) and ANSI Z10 (U.S.) in terms of its operational requirements and goals. While CHSP is not formally recognized under OHSAS 18001 — in that it is not accredited under that specific program — UPS believes that the CHSP provides an equivalent or greater health and safety management process for the Company.

403-2 Hazard identification, risk assessment and incident investigation

Employees may report work-related hazards and hazardous situations to management through local CHSP committees or through the 24-hours a day, 7 days a week, global UPS Ethics Hotline.

CHSP committees also conduct facility and equipment audits, perform work practice and behavioral analysis, conduct coaching, and recommend work process and equipment changes. Audit findings are used to facilitate improved safety processes at the local level, which are then shared with district health and safety managers for potential wider implementation. In addition, the CHSP is regularly audited and evaluated both internally and externally by third-party, independent service providers. The CHSP program is also used by workers to identify and remove themselves from work situations that they believe could cause injury or ill health. UPS has open door and non-reprisal policies for all these methods. Work-related incidents are investigated, reported and tracked globally through G-SHRMIS. G-SHRMIS provides visibility into injury and auto accident trends globally, as well as the ability to analyze data to identify risks and implement control measures. After investigation and root causes are determined, precise educational and prevention activities are developed to address the causes. Prevention activities are developed for both the individual directly involved and other employees in the work group.

403-3 Occupational health services

The CHSP assists in identifying the key issues causing injuries and auto accidents at UPS and developing effective risk mitigation plans. CHSP committees conduct regular worksite analysis to identify risks and hazards. CHSP methods include data analysis, behavior observation and feedback, facility audit, and injury and auto accident investigation. Results are reported through G-SHRMIS.

Data on workers' personal health-related information from these analyses, investigations, audits and similar processes are kept confidential. UPS protects access to systems to safeguard personal health-related information and complies with all related regulatory requirements.

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

The CHSP covers all UPS employees and workers. It does not cover our contractors, agents, or outside service providers. Our local health and safety committees coach employees on UPS's safety processes and can share best practices across work groups. Meeting frequency of CHSP committees is determined at the local level.

Employees throughout the enterprise are encouraged to participate in occupational health and safety through committee involvement where non-management co-chairs and hourly employees address concerns by developing formal corrective action plans and through workforce engagement. Committee members coach and market the importance of working safe, promote safety process adherence, mentor new employees and perform observations. In work groups with organized labor unions, safety items are part of the bargaining process and are integrated into labor agreements.

403-5 Worker training on occupational health and safety

Training, coaching and recognition are critical components to fostering a culture of safety. Safety professionals at UPS teach a comprehensive range of workshops, certifying frontline managers and supervisors who instruct employees in the specifics of each course. The catalog of workshops includes topics such as safe work methods, safe driving, wellness, safety committee training and regulatory compliance. In 2022, UPS spent more than \$343 million on safety training courses (27% of total training spend) and UPSers spent more than 6.7 million hours (36% of total training time) in safety training classes. Formal training is supplemented with mentoring programs that enable employees to learn from others with more experience. Employees with exceptional safety records are recognized, such as through our Circle of Honor program which honors an elite group of UPS drivers who have not had an avoidable accident for 25 years or more.

403-6 Promotion of worker health

UPS provides benefits to full-time and part-time employees that facilitate workers' access to non-occupational medical and healthcare services. See 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees for additional details. In addition, UPS offers an Employee Assistance Program for all employees in the U.S. and 69 additional countries. This service is offered through an independent health insurer, which maintains confidentiality and assists with non-work-related health and wellness issues. These include work/life balance, financial concerns, childcare, substance abuse, addiction counseling, mental health counseling and other wellness matters.

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

We conduct periodic health and safety audits. UPS collaborates with contractors, agents and outside service providers to share safety lessons learned and best practices. We expect all of these parties to abide by the general conditions of our contract and complete any necessary addenda regarding safety.

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

UPS does not have a legal requirement to implement an Occupational Health and Safety Management System. However, UPS has implemented a voluntary Occupational Health and Safety Management System unique to the Company (CHSP). For more details, see 403-1 Occupational health and safety management system.

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 2022, our lost-time injury rate was 2.75 per 200,000 employee hours. The increase from the previous year was primarily due to a continued increase in new employees hired and employee attrition in a competitive labor market.

UPS experienced 22 employee fatalities worldwide in 2022. Our rate of fatalities per 200,000 hours worked was 0.01. The total number of hours worked by UPS employees was nearly 828 million in 2022. The main types of work-related injuries to UPS employees are auto accidents, slips and falls, and lift-lower injuries. We categorize lost-time injuries by severity as required by the laws in the areas we operate. For instance, in the U.S., we categorize injuries based on OSHA standards.

In 2022, our auto accident rate was 8.32 per 100,000 driving hours, a 2% increase from 8.16 per 100,000 driving hours in 2021. The increase reflects higher traffic volumes and a return to pre-pandemic norms. We are expanding investments in enhanced driver training techniques and advancements in vehicle technology.

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 0.42 per million miles against an industry rate of 1.4 per million miles in 2020.

Our research indicates a disproportionate number of injuries occur during the first year of employment. We engage local health and safety committees to coach new hires as they learn and adapt to UPS's safety processes. We are tracking new hire safety metrics as we seek to improve in this area. In 2022, we focused on training employees in their first ninety days and implemented a metric for evaluating their performance. We have observed improvements in our operational injury metrics since implementing this additional training for new hires.

The enterprise uses Days Away Restricted or Transferred (DART) and Lost Time (LT) injuries as a measures of severity and/or high consequence injuries. In 2022, we began focusing on a more upstream metric of recordables, inclusive of both DART and LT. However, we continue to track and monitor out comes for DART and LT on a year over year basis. Through robust analysis of DART and LT outcomes we identify trends and apply the hierarchy of controls to mitigate risk. In 2023, we are implementing formal Risk Assessment Process to ensure corrective action plans are in place to mitigate risks.

Omitted: UPS does not track or report the global employee total recordable incident rate or fatality rate for workers who are not employees. 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

For 2022, we were not aware of any occupational diseases among UPS employees or of any incidents or high risk of disease related to occupations at UPS. UPS takes action to avoid occupational disease and we comply with regulatory requirements in our operations.

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.

Data for this disclosure does not include Coyote, Marken, Bomi, Roadie, Ware2Go or Delivery Solutions.

404-1 Average hours of training per year per employee

2022 Employee Training	
Employee Category	Average Number of Training Hours per Employee
Senior/Middle Management	52
Entry-Level Management	57
Administrative/Technical	12
Non-management	25
By Gender	Average Number of Training Hours per Employee
Women	36
Men	32

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. UPS helps our people finance 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.

When it comes to ongoing development, we focus on helping employees sharpen 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 constructive feedback, and coaching and counseling from managers and co-workers. Employees receive formal and informal development delivered through live and virtual classes, on-the-job training, committee participation and special assignments. Additionally, self-development opportunities are available through our extensive online library of training modules and classes at UPS University, our enterprise-wide learning management system and a component of our global talent management system.

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

Omitted: Information pertaining to training assistance programs to facilitate continued employability and the management of career ending results from termination or retirement is not currently available. We will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.

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 2022, 98% of employees in senior and middle management roles received regular performance reviews, irrespective of gender. The table below only includes employee bases where gender is captured. Due to local regulations, not all reporting globally captures gender.

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

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.

We have recently taken a number of actions to expand DEI efforts at the Company.

- Our actions align with our DEI statement, "You Belong at UPS," which was introduced in 2021. We are committed to building an inclusive, diverse workplace. "You," represents that the global collection of UPS people, customers, and community members, are welcomed and valued at UPS.
- 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 towards our 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 nearly 200 chapters in 34 countries with more than 15,000 members. This includes 11 diverse 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 sponsors and advisors among senior management and sponsors among local management who support their strategy and growth. BRG executive sponsors help connect BRGs with people at the highest levels of UPS, so the BRG can best align their objectives with those of the Company. BRGs at UPS make significant contributions to growing the business, developing our people and supporting the communities we serve.

405-1 Diversity of governance bodies and employees

Diversity is critical to innovation and our sustained success; the real benefit comes with inclusion, starting with equity and equal access to opportunity. Diversity in leadership matters to and at UPS. This diversity starts at the top with the composition of our Board of Directors. That diversity is also continued throughout our management ranks. This is evident through our extensive BRG engagement groups and our goal to increase women and ethnically diverse management team members to 30% and 40% respectively.

2022 Governance Body Diversity (As of 12/31/2022)									
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%	54%	46%	23%	0%	8%	0%
Executive Leadership Team (ELT)	0%	0%	100%	67%	33%	22%	0%	11%	0%

2022 Statistical Snapshot of UPS Diversity ¹ (As of 09/30/2022)									
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	13%	58%	29%	73%	27%	16%	13%	6%	3%
Entry Level Management	42%	42%	16%	62%	38%	24%	19%	2%	5%
Administrative /Technical	26%	52%	22%	44%	56%	25%	13%	4%	3%
Non-management	31%	46%	23%	83%	17%	25%	19%	2%	4%
Total	30%	47%	23%	78%	22%	24%	19%	3%	4%

1 Data collected on 9/30/22 to account for year-round employees rather than seasonal peak hires. Does not include acquisitions after 2015.

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 any acquisitions from 2015 through the present.

Following is our aspirational goal for global women representation 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 December 31, 2022, we were at 27%.
- 40% ethnically diverse full-time management in the United States UPS workforce. As of December 31, 2022, we were at 37%.

Increasing the percentage of women in operations roles will be important to our success. We are expanding our initiatives to further our representation of women in operations management roles, specifically in our hubs and package center facilities. Working with our Women in Operations BRGs and senior leaders, we are building specific training, mentoring and development programs to ensure candidates are given the skills and support to successfully advance.

We continue to see accelerated progress of our ethnically diverse representation through our sustained commitment to investing in our people, employee engagement, and fostering a culture where equity and a sense of belonging are the norm in our workplace. Our UPSers represent the rich 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 as we define the need to capture this information.

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. As potential threats to digital and physical assets evolve — from cybercrime to terrorism — we undertake activities to help prevent, detect and minimize the effects of cybersecurity incidents.

We have invested and continue to invest in technology security initiatives, information technology risk management and disaster recovery plans.

Confidentiality and customer relationships are critical components of our asset security program, and therefore we cannot disclose specific details about the techniques employed.

UPS has developed a Global Privacy Program to address compliance with privacy laws in the countries in which we operate. The Program is supported by a network of Data Protection Officers and other trained employees.

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

To date we are unaware of any material data breach or system disruption, including a cyber-attack. We cannot provide any assurances that such events and impacts will not occur and be material in the future.

Our efforts to deter, identify, mitigate and/or eliminate future breaches may require significant additional effort and expense and may not be successful.

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 2022 Global Reporting Initiative ("GRI") Content Index as of and for the year ended December 31, 2022 (the "2022 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 (AICPA). 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 and inquiries. For a selection of the sustainability disclosures in the 2022 GRI Content Index, we performed tests of mathematical accuracy of computations, compared the disclosures to underlying records, or observed the data collection process in regard to the 2022 GRI Content Index.

The preparation of the sustainability disclosures in the 2022 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 disclosures includes estimates and assumptions that are subject to substantial inherent measurement uncertainty resulting, for example, from 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 2022 GRI Content Index. The selection by management of different but acceptable measurement methods, input data, or assumptions, may have resulted in materially different amounts or disclosures being reported.

Information outside the sustainability disclosures in the 2022 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, were 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 that the sustainability disclosures presented within the 2022 GRI Content Index as of and for the year ended December 31, 2022 are presented in accordance with the GRI Sustainability Universal Reporting Standards, in order for it to be fairly stated.

Deloitte + Touche LLP

Atlanta, Georgia

April 11, 2023

APPENDIX B

Statement of Greenhouse Gas (GHG) Emissions for the year ended December 31, 2022

305-1 Direct (Scope 1) GHG emissions

305-2 Indirect (Scope 2) GHG emissions

Global CO ₂ e Emissions (^{'000} tonnes)				
	2022	2021	% Change (2022/2021)	Base Year (2020)
Scope 1	15,845	15,668	1.1%	15,088
Scope 2 (market-based)	632	654	(3.4)%	728
Gross Scope 1 and 2	16,477	16,322	0.9%	15,816
Scope 3	16,862	19,486	(13.5)%	18,595
Gross Scope 1, 2 and 3	33,339	35,808	(6.9)%	34,411
Total voluntary carbon offsets for carbon neutral shipping	(337)	(298)	13.1%	(273)
Net Global CO ₂ e Emissions	33,002	35,510	(7.1)%	34,138

Global CO ₂ e Emissions ('000 tonnes)			
Emissions by Business Unit			
U.S. Domestic Package			
	2022	2021	Base Year (2020)
Scope 1	8,773	11,825	10,129
Scope 2	493	561	632
Total Scope 1 and 2	9,266	12,386	10,761
Scope 3	6,983	9,945	10,269
Total Scope 1, 2, and 3	16,249	22,331	21,030
International Package			
	2022	2021	Base Year (2020)
Scope 1	6,741	3,782	4,908
Scope 2	48	32	19
Total Scope 1 and 2	6,789	3,814	4,927
Scope 3	3,766	2,540	2,656
Total Scope 1, 2, and 3	10,555	6,354	7,583
Supply Chain Solutions			
	2022	2021	Base Year (2020)
Scope 1	331	61	51
Scope 2	91	61	77
Total Scope 1 and 2	422	122	128
Scope 3	6,113	7,001	5,670
Total Scope 1, 2 and 3	6,535	7,123	5,798
Totals			
	2022	2021	Base Year (2020)
Scope 1	15,845	15,668	15,088
Scope 2	632	654	728
Total Scope 1 and 2	16,477	16,322	15,816
Scope 3	16,862	19,486	18,595
Total Scope 1, 2 and 3	33,339	35,808	34,411

Emissions by Greenhouse Gas Scope & Type ('000 tonnes)						
Greenhouse Gas Type	Scope 1			Scope 2		
	2022	2021	Base Year (2020)	2022	2021	Base Year (2020)
Carbon Dioxide (CO ₂)	15,657.3	15,478.0	14,913.4	628.9	650.9	723.5
Methane (in CO ₂ e)	47.1	45.5	39.7	1.3	1.4	1.8
Methane (CH ₄)	1.7	1.6	1.4	0.0	0.1	0.1
Nitrous Oxide (in CO ₂ e)	140.8	138.3	128.7	1.8	2.0	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		
	2022	2021	Base Year (2020)	2022	2021	Base Year (2020)
Carbon Dioxide (CO ₂)	16,795.0	19,396.4	18,509.7	33,081.2	35,526.5	34,148.1
Methane (in CO ₂ e)	7.6	10.1	10.2	56.1	57.1	51.7
Methane (CH ₄)	0.3	0.4	0.4	2.0	2.0	1.8
Nitrous Oxide (in CO ₂ e)	59.0	79.6	74.8	201.7	219.8	205.9
Nitrous Oxide (N ₂ O)	0.2	0.3	0.3	0.8	0.8	0.8

Biomass CO₂ Emissions ('000 tonnes, not included in above totals)				
	2022	2021	% Change (2022/2021)	Base Year (2020)
Mobile Combustion – Biomass CO ₂ (e.g., ethanol, bio-diesel)	737	663	11.16%	470
Stationary Combustion – Biomass CO ₂	0	0		0
Total Biomass CO₂ (reported separately as per GHG Protocol)	737	663	11.2%	470
Scope 2 CO₂e Emissions ('000 tonnes)				
	2022	2021	% Change (2022/2021)	Base Year (2020)
Scope 2 (market-based method)	632	654	(3.36)%	728
Scope 2 (location-based method)	660	676	(2.37)%	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, 2022 to December 31, 2022. 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 more than 220 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, truckload brokerage, logistics and distribution 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, pickup and deliver small packages
- International Package Operations: All diesel and gasoline used in UPS-owned/leased vehicles to transport, pickup and deliver small packages
- Supply Chain Solutions: Diesel and gasoline used in UPS-owned/leased vehicles to transport, pickup and deliver freight or packages

Source: Scope 1 - CNG (mobile)

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

Source: Scope 1 - Biomass (mobile)

- U.S. Package Operations: Renewable natural gas, 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: Renewable natural gas, 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: Renewable natural gas, 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: Definition from prior year considered usage of primary data (e.g. fuel used) versus secondary data (e.g. estimates using miles). Definition now being used is whether data is available within internal systems or obtained from supplier. Please note, 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 general ledger codes 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: 13%

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

As calculations of GHG emissions contain uncertainty for a variety of reasons, we conducted an uncertainty analysis to quantify estimates of the likely or perceived difference between the reported GHG emissions and a qualitative description of the likely causes of the difference such as uncertainty in data inputs and calculation methodologies; uncertainty associated with mathematical equations used to characterize the relationship between various parameters and emission processes; and uncertainty associated with quantifying the parameters used as inputs to estimation models. Using the GHG Protocol “Measurement and Estimation Uncertainty of GHG Emissions” guidance, we analyzed the data collected to inform our estimate of each emission source and qualitatively evaluated the uncertainty associated with the estimate. We then performed Monte Carlo simulations via @Risk statistical analysis software at a 95% confidence interval to estimate the uncertainty for our current year GHG inventory as follows:

Scope	Uncertainty	Main Source of Uncertainty	Comments
Scope 1	± 1%	Jet Fuel	Based on the uncertainty of the sub components of Scope 1, Jet Fuel has the largest range of uncertainty between the upper and lower limits.
Scope 2	± 4%	Domestic Operations	Based on the uncertainty of the sub components of Scope 2, Domestic Operations has the largest range of uncertainty between the upper and lower limits.
Scope 3	± 7%	Capitalized Goods	Based on the uncertainty of the sub components of Scope 3, Capitalized Goods has the largest range of uncertainty between the upper and lower limits.

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) Category 6: EPA Emission Factors for GHG Inventories, March 2018 Category 4, 7, 14: GHG Protocol Emission Factors from Cross-Sector Tools, March 2017 Categories 5 and 12: 2020 UK Government GHG Conversion Factors for Company Reporting

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 additionally, 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 table below is a summary of carbon offsets purchased on behalf of our customers.

Project Name	Project Location	Offset Standard	Project Type	2022 Metric Tonnes Retired	2021 Metric Tonnes Retired
Acre Amazonian Rainforest	Brazil	VCS	Forest Conservation	n/a	110,000
Ulubelu Geothermal	Indonesia	CER	Geothermal	9,705	10,295
Wolf Creek Landfill	U.S. (Georgia)	CAR	Landfill Gas	n/a	56,050
Chol Charoen Group Wastewater Treatment with Biogas System 1	Thailand	VCS	Wastewater Methane Destruction	18,863	113,130
Darkwoods	Canada	VCS	Reforestation	n/a	8,409
Amayo Wind Power Project	Nicaragua	Gold	Renewable Energy	10,832	n/a
Antai Waste Gas	China	GS VER	Waste Gas Recovery	10,000	n/a
Gas Distribution Leak Reduction	Bangladesh	CDM	Resource Recovery	43,000	n/a
Gola Rainforest Protection REDD+	Sierra Leone	VCS	Forest Protection	46,685	n/a
Portfolio - Nicaragua Amayo	Nicaragua	Gold	Renewable Energy	77,414	n/a
Wind Portfolio Power	India, China	CDM	Renewable Energy	14,677	n/a
Praktijkcentrum Sterksel	Netherlands	VCS	Methane Recovery	4,340	n/a
Rucas Amazonian Rainforest	Brazil	VCS	Forest Conservation	101,769	n/a
Total Carbon Offsets				337,285	297,884

305-3 Other indirect (Scope 3) GHG emissions

Global CO ₂ e Emissions ('000 tonnes)		2022	2021	Base Year (2020)
Total Scope 3 Emissions		16,862	19,486	18,595
Upstream				
1	Purchased Goods and Services	1,611	1,740	1,828
2	Capital Goods	2,424	2,544	3,821
3	Fuel and Energy Related (not incl. Scope 1 and 2)	3,250	3,198	2,703
	Jet A (well to pump)	1,825	1,800	1,700
	Diesel (well to pump)	505	520	516
	Gasoline (well to pump)	428	406	371
	CNG (well to pump)	77	75	69
	Propane/LPG (well to pump)	9	11	10
	LNG (well to pump)	32	43	58
	Biomass (well to pump)	260	240	-114
	Natural Gas, Heating Oil, Propane (stationary)	78	66	55
	Electricity (T&D losses/generation of)	37	37	38
4	Transportation and Distribution	7,868	9,712	8,036
	Subcontracted Air	3,782	4,683	4,266
	Subcontracted Ground	3,655	4,527	3,136
	Subcontracted Rail	319	365	425
	Subcontracted Ocean	112	137	209
5	Waste Generated in Operations	Not Relevant	90	37
6	Business Travel	48	43	44
7	Employee Commuting	1,661	2,093	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	12	11
13	Leased Assets	Not Relevant	Not Relevant	Not Relevant
14	Franchises	Not Relevant	54	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		
	2022	2021	Base Year (2020)
Revenue in millions	\$100,338	\$96,223	\$81,479
Scope 1	0.158	0.163	0.185
Scope 2	0.006	0.007	0.009
Total Scope 1 and 2	0.164	0.170	0.194
Scope 3	0.168	0.203	0.228
Total Scope 1, 2 and 3	0.332	0.373	0.422

Global CO ₂ e Emissions				
('000 tonnes)				
CO ₂ e by Fuel Type				
	2022	2022 Percent to Total	2021	Base Year (2020)
Airline Fuel	10,751	65.2%	10,608	10,120
Ground Vehicle Fuel	4,762	28.9%	4,778	4,695
Diesel	2,426	14.7%	2,496	2,501
Gasoline	1,867	11.3%	1,776	1,644
CNG	267	1.6%	258	259
Propane/LPG	45	0.3%	54	54
LNG	107	0.7%	145	206
Biomass (CH ₄ and N ₂ O only)	50	0.3%	43	25
HFCs (fugitive)	Not Material	%	6	6
Facility Fuel	332	2.0%	282	273
Natural Gas	309	1.9%	272	262
Heating Oil	2	0.0%	2	3
Propane	21	0.1%	8	8
Facility Electricity	632	3.8%	654	728
Grand Total	16,477	100%	16,322	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, 2022 (the "2022 Statement of GHG Emissions") in Appendix B of the Company's 2022 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 relating to the engagement.

The preparation of the 2022 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 resulting, for example, from 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 different, but acceptable measurement methods, input data, or model assumptions may have resulted in materially different amounts or disclosures being reported.

Information outside the sustainability disclosures in the 2022 Statement of GHG Emissions 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, were not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

In our opinion, management's assertion that the 2022 Statement of GHG Emissions for the year ended December 31, 2022 is presented in accordance with the GHG Protocol is fairly stated, in all material respects.

Deloitte + Touche LLP

Atlanta, Georgia
 April 11, 2023