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The Sustainability Accounting Standards Board (SASB) is an independent non-profit organization that sets standards to guide the disclosure of financially material sustainability information by companies to their investors. The SASB reporting standards are sector specific, covering environmental, social and governance (ESG) reporting criteria for 77 different industries. Each SASB standard defines a minimum set of ESG-related topics that are reasonably likely to affect a company's long-term performance based on the industry it operates within.

SASB's use of the term "sustainability" refers to corporate activities that maintain or enhance the ability of a company to create value over the long term. Sustainability accounting reflects the governance and management of a company's environmental and social impacts arising from production of goods and services, as well as its governance and management of the environmental and social capitals necessary to create long-term value.

Based upon our classification within SASB's Sustainable Industry Classification System, we have evaluated the Air Freight and Logistics Sustainability Accounting Standard (TR-AF).

The table below sets out the topics addressed by that standard, the related SASB Code and accounting metric and our related disclosures. For more details on our overall strategy and report process please visit <https://about.ups.com/social-impact+>.

Management Assertion

Management of United Parcel Service, Inc (UPS) is responsible for the completeness, accuracy and validity of the metric disclosures in the 2020 SASB Standards Table. Management is also responsible for the collection, quantification and presentation of the sustainability metric disclosures and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability metric disclosures. Measurement of certain metric 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 of UPS asserts that the sustainability metric disclosures in the 2020 SASB Standards Table as of and for the year ended December 31, 2020, are presented in accordance with the Sustainability Accounting Standards Board Air Freight and Logistics Sustainability Accounting Standard. We engaged Deloitte & Touche LLP to perform a review (limited assurance) in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA), on management's assertion relating to the sustainability disclosures in the 2020 SASB Standards Table.

+ 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 2020 Annual Report - Form 10-K were audited by Deloitte & Touche LLP and its audit report, dated February 22, 2021, is included therein.

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Sustainability Disclosure Topics and Accounting Metrics

All Metric Disclosures are as of and for the year ended December 31, 2020

SASB Topic	SASB Code	Accounting Metric	2020 Disclosure
Greenhouse Gas Emissions	TR-AF-110a.1	Gross global Scope 1 emissions	<p>15,751,000 metric tonnes CO₂e (All Global Operations)</p> <p>For more information on UPS's Greenhouse Gas (GHG) global emissions, see Appendix B within our 2020 GRI Content Index.</p>
	TR-AF-110a.2	Discussion of long term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and analysis of performance against those targets.	<p>We help deliver what matters by providing transportation and logistics solutions that facilitate global commerce. This role requires the use of substantial amounts of energy, primarily in the form of fuel and electricity for our vehicles, aircraft, distribution facilities, warehouses and data centers. In addition to the energy used in our own network operations, we also rely on other third-party transportation providers who use fuel and energy on our behalf to transport goods via all modes of transportation, including air, ocean, road and rail.</p> <p>We take a comprehensive, global approach to reducing energy use and GHG emissions within our network, as well as major portions of our value chain, including customers and suppliers.</p> <p>We believe everyone shares responsibility to improve energy efficiency and to reduce GHG emissions in the atmosphere. UPS supports global efforts to mitigate the impact of climate change. Our Corporate Climate Change Statement is also publicly available at https://about.ups.com/our-company/governance+.</p> <p>Our optimized global smart logistics network, combined with our global GHG strategy, helps improve our efficiency and reduce our environmental impacts. This technology and innovation driven strategy includes:</p> <ul style="list-style-type: none"> • Maintaining a leadership role in decarbonizing the transportation and logistics of packages and freight; • Utilizing operational improvements through technology to create overall network and delivery efficiencies beyond reducing miles/fuel (e.g., higher trailer utilization, decreased sortation time, increased safety, reduced errors/duplication of work, higher asset utilization/less waste, etc.) that reduce our GHG footprint; • Expanding our fleet of alternative fuel and advanced technology vehicles, known as our Rolling Laboratory, in order to reduce the proportion of conventional fuels we use; • Supporting the testing and development of air solutions including drone delivery and expanding the use of sustainable aviation fuel (SAF); • Reducing conventional energy use and increasing the use of renewable energy in our facilities;

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SASB Topic	SASB Code	Accounting Metric	2020 Disclosure
			<ul style="list-style-type: none"> • Providing customers with services that help them reduce their environmental impact; and • Helping increase supplier awareness about GHG emissions and how to reduce them. <p>We also contribute actively to public discussions about environmental sustainability. This includes collaborating with leading NGOs, regulators and industry consortiums. We also participate in public policy forums, where we advocate for prudent innovation and investment in new technologies and infrastructure development.</p> <p>In 2020, UPS broadened its ESG vision and outlined new goals that build upon our previous sustainability goals. Recently announced, the two primary sustainability goals include a social sustainability goal – positively impacting 1 billion lives by 2040 – and an environmental sustainability goal – achieving carbon neutrality by 2050. The road map to carbon neutrality by 2050 includes the following targets:</p> <ul style="list-style-type: none"> • By 2025 <ul style="list-style-type: none"> ◦ 25% renewable electricity for facilities (existing goal). ◦ 40% alternative fuel purchases as a percent of total ground fuel (existing goal). • By 2035 <ul style="list-style-type: none"> ◦ 30% sustainable aviation fuel. ◦ 100% renewable electricity for facilities. ◦ 50% reduction in CO₂ per package delivered for global small package (2010 baseline). <p><u>Current milestones on our journey to zero</u></p> <p>Increase Electricity from Renewable Sources to 25 Percent by 2025 In 2020, total electricity being generated from renewable sources reached 7.8 percent. This includes several rooftop solar arrays on UPS facilities and procurement of 88% renewable electricity within our European operations.</p> <p>Increase Use of Alternative Fuel to 40 Percent of Total Ground Fuel by 2025 In 2020, we continued investing in alternative fuels for our ground fleet, purchasing 142 million gallons of alternative fuels, which represented 22 percent of our total ground fuel usage.</p> <p>Increase Use of Sustainable Aviation Fuel to 30 percent by 2035 Today, the only decarbonization path for the aviation sector is sustainable aviation fuel (SAF). Over the next several years, UPS will work with the industry to accelerate the shift to SAF.</p>

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SASB Topic	SASB Code	Accounting Metric	2020 Disclosure		
			<p>Increase Electricity from Renewable Sources to 100 Percent by 2035 Renewable electricity for our facility load and electric fleet will be acquired over the next decade.</p> <p>Reduce the CO₂e per package delivered 50% for global small package by 2035 We have seen a 14% reduction in CO₂e per package from 2010 to 2020. Starting from a base year of 2020, we will reduce the CO₂e per package delivered by 50% by 2035. This will be achieved by the milestones described above, along with fleet electrification.</p> <p>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.</p>		
	TR-AF-110a.3	<p>Fuel Consumption Breakdown by Mode of Transportation and Fuel Type Fuel consumed by (1) road transport, percentage (a) natural gas and (b) renewable, and (2) air transport, percentage (a) alternative and (b) sustainable (Global Operations)</p>			
		Total Fuel Consumption for Road Transport	75,556,000 GJ	Total Fuel Consumption for Air Transport	137,555,000 GJ
		% Ground Fuel by Type		% Aircraft Fuel by Type	
		Conventional Fuel (gas, diesel, propane)	85%	Conventional Jet Fuel	100%
		Natural Gas	9%	Alternative Fuel	0%
		Renewable Fuel	6%	Sustainable Fuel	0%

SASB Topic	SASB Code	Accounting Metric	2020 Disclosure	
Air Quality	TR-AF-120a.1	<p>Air emissions of the following pollutants (1) NO_x (excluding N₂O), (2) SO_x, and (3) particulate matter (PM₁₀)</p>		
		NO _x (excluding N ₂ O) for Road Transport	10,359 metric tonnes (U.S. Operations)	
		Particulate Matter (PM ₁₀ or lower) for Road Transport	305 metric tons of PM _{2.5} (U.S. Operations)	
		SO _x and International NO _x and PM	<p><i>Omitted: UPS does not report this value as it is not tracked. As this is the case, UPS currently does not have the capacity to disclose this information. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i></p>	

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SASB Topic	SASB Code	Accounting Metric	2020 Disclosure
Labor Practices	TR-AF-310a.1	Percentage of drivers classified as independent contractors	In the United States, UPS has 0% of drivers classified as independent contractors. In some countries and territories in which we operate, it is illegal to ask or track union membership, thus UPS cannot disclose a global percentage.
	TR-AF-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	<i>Omitted: UPS does not report this value due to confidentiality constraints. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i>

SASB Topic	SASB Code	Accounting Metric	2020 Disclosure
Employee Health and Safety	TR-AF-320a.1	Total recordable incident rate for:	
		Direct employees (# of incidents × 200,000) / (hours worked)	7.90 (U.S. Operations)
		Fatality rate for:	
		Direct employees (# of fatalities × 200,000) / (hours worked)	0.0035 (All Global Operations)
		For more information on these metrics see our 2020 GRI Content Index, indicator 403-9 <i>Omitted: UPS does not report the global or contract employee total recordable incident rate or fatality rate for contract employees, as these values are not tracked. As this is the case, UPS currently does not have the capacity to disclose this information. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i>	

SASB Topic	SASB Code	Accounting Metric	2020 Disclosure		
Supply Chain Management	TR-AF-430a.1	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	<i>Omitted: UPS does not report this value, as it is not tracked. As this is the case, UPS currently does not have the capacity to disclose this information. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i>		
	TR-AF-430a.2	Total greenhouse gases (GHG) footprint across transport modes (metric tonnes CO ₂ e)		Scope 1 (UPS)	Scope 3 (Contracted)
			Air	10,120,000	4,266,000
			Ground	5,350,000	3,270,000
			Rail	0	466,000
Ocean	0	210,000			

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SASB Topic	SASB Code	Accounting Metric	2020 Disclosure		
			Total	15,470,000	8,212,000
Accident & Safety Management	TR-AF-540a.1	Description of implementation and outcomes of a Safety Management System	<p>Strong health and safety programs are the result of appropriate process and risk control and depend on factors ranging from methods followed to proper employee training and engagement. We develop a culture of health and safety by:</p> <ul style="list-style-type: none"> investing in safety training and audits; promoting wellness practices which mitigate risk; and offering benefits that keep employees safe in the workplace and beyond. <p>UPS maintains a health and safety management process called the UPS CHSP. UPS's CHSP program is materially similar to national health and safety system standards such as OHSAS 18001 (U.K.) or ANSI Z10 and the FAA (U.S.) in terms of its operational requirements and goals. While CHSP is not formally recognized under OHSAS 18001 — in the limited sense 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.</p> <p>For more information on UPS's management approach for health and safety, see our 2020 GRI Content Index, indicator 403.</p> <p><i>Omitted: UPS does not report all elements of this metric. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i></p>		
	TR-AF-540a.2	Number of Aviation Accidents	0 (Global Operations)		
	TR-AF-540a.3	Number of road accidents and incidents	<p>8.31</p> <p>(#of vehicle accidents) per 100,000 driver hours</p> <p>UPS is disclosing accident rate instead of raw numbers, to align with how the industry discloses and measures a company's on-road safety record.</p>		
	TR-AF-540a.4	<p>Safety Measurement System BASIC Percentiles</p> <p>(1) Unsafe Driving, (2) Hours-of-Service Compliance, (3) Driver Fitness, (4) Controlled Substances/Alcohol, (5) Vehicle Maintenance, and (6) Hazardous Materials Compliance</p> <p>BASIC (Behavior Analysis and Safety Improvement Categories) group carriers by the number of safety events; these carriers are then rated, and a percentile is assigned where the lower the percentile the better the performance. For more information on the Federal Motor Carrier Safety Administration's Safety Measurement System, visit: https://ai.fmcsa.dot.gov/SMS/ =></p>			

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SASB Topic	SASB Code	Accounting Metric	2020 Disclosure	
			UPS Actual Percentile (U.S. Operations) (for the period ending December 2020)	U.S. Federal Motor Carrier Safety Administration Threshold Percentile
		(1) Unsafe Driving		
		U.S. Small Package	8%	65%
		U.S. Supply Chain Solutions	12%	65%
		UPS Freight	9%	60%
		(2) Hours of Service Compliance		
		U.S. Small Package	26%	65%
		U.S. Supply Chain Solutions	0%	65%
		UPS Freight	51%	60%
		(3) Driver Fitness		
		U.S. Small Package	66%	80%
		Supply Chain Solutions	0%	80%
		UPS Freight	73%	75%
		(4) Controlled Substances / Alcohol		
		Small Package	8%	80%
		Supply Chain Solutions	0%	80%
		UPS Freight	3%	75%
		(5) Vehicle Maintenance		
		Small Package	28%	80%
		Supply Chain Solutions	23%	80%
		UPS Freight	42%	75%
		(6) Hazardous Materials Compliance		
		Small Package	0%	80%
		Supply Chain Solutions	0%	80%
		UPS Freight	53%	80%

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	SASB Code	Activity Metric	2020 Disclosure	
	TR-AF-000.A	Revenue ton kilometers (RTK)	Road Transport	Omitted: UPS does not report this value, as it is not tracked. As this is the case, UPS currently does not have the capacity to disclose this information. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.
			Air Transport	
	TR-AF-000.B	Load Factor	Road Transport	Omitted: UPS does not report this value, as it is not tracked. As this is the case, UPS currently does not have the capacity to disclose this information. UPS will be reviewing ways to address all requirements of this disclosure on a yearly basis as we define the need to capture this information.
			Air Transport	
	TR-AF-000.C	Number of Employees	543,000	
		Number of Truck Drivers	222,000	

INDEPENDENT ACCOUNTANTS' REVIEW 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 metric disclosures in the 2020 Sustainability Accounting Standards Board (SASB) Standards Table of the Company as of and for the year ended December 31, 2020 (the "2020 SASB Standards Table") are presented in accordance with the SASB Air Freight and Logistics Sustainability Accounting Standard. 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") in AT-C Section 105, *Concepts Common to All Attestation Engagements*, and AT-C Section 210, *Review Engagements*. 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. A review is substantially less in scope 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. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we conducted inquiries and performed analytical procedures, and for a selection of amounts performed tests of mathematical accuracy of computations and reviewed supporting documentation in regard to the accuracy of the data in the 2020 SASB Standards Table.

The preparation of the sustainability metric disclosures in the 2020 SASB Standards Table requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain disclosures includes estimates and assumptions that are subject to substantial inherent measurement uncertainty. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and metrics. The selection by management of different but acceptable measurement methods, input data, or model assumptions may have resulted in materially different amounts or metrics being reported.

The 2020 SASB Standards Table includes certain information relating to goals and progress against goals. Any information relating to goals and progress against those goals 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 metric disclosures in the 2020 SASB Standards Table of the Company for the year ended December 31, 2020 are presented in accordance with the SASB Air Freight and Logistics Sustainability Accounting Standard, in order for it to be fairly stated.



August 18, 2021