

UPS Sustainability Highlights

At UPS, we are committed to moving our world forward by delivering what matters.

Our vision is one of an equitable, prosperous, resilient, healthy and safe global community that lives within the environmental limits of the planet. The Environment, Social, and Governance (ESG) achievements and goals that follow highlight our commitment to a sustainable UPS and a sustainable world.



Sustainability Goals*

Environmental Sustainability

Achieve carbon neutrality by 2050

UPS is determined to continue our leadership in decarbonizing the transportation sector. Our roadmap includes both existing goals and new targets.

By 2025:



40% alternative fuel in ground operations



25% renewable electricity in facilities

By 2035:



30% sustainable aviation fuel



50% reduction in CO₂ per global small package (2020 baseline)



100% renewable electricity in facilities

Governance Sustainability

Recent achievements

UPS remains committed to a transparent and inclusive governance structure.



31% ethnically diverse members on Board of Directors



46% women on Board of Directors



Published annual EEO-1 Report and first Task Force on Climate-related Financial Disclosures (TCFD) report in 2021



Appointed chief DEI officer, a new position on the Executive Leadership Team, and elevated the chief sustainability officer to report directly to the CEO

Social Sustainability

Positively impact 1 billion lives by 2040

UPS will deliver social impact through our commitment to diversity, equity and inclusion (DEI), employee engagement through volunteerism, and charitable giving through The UPS Foundation.



25% of charitable donations targeted toward underserved women, youth and marginalized communities



28% women in full-time management globally by 2022, while maintaining 35% ethnically diverse company management



30 million volunteer hours by 2030 (2015 baseline)



50 million trees planted by 2030 (2015 baseline)



*Company goals are aspirational and not guarantees or promises that all goals will be met, due to dependence on technological innovations and other available resources needed to drive environmental change. Statistics and metrics relating to ESG matters are estimates and may be based on assumptions or evolving standards.

A Letter from Carol B. Tomé, CEO UPS

I'm honored to lead a company with a rich history of doing the right thing for employees, customers, communities and shareowners, and 2020 was a great demonstration of that resolve. As the COVID-19 pandemic spread, UPSers around the world proved once again how essential they are, delivering vaccines, healthcare products and household goods. Our daily 1.7 million shipping customers and 11.8 million delivery customers were counting on us ... and we delivered.

Our successes in 2020 were due to the commitment of our people and the strength of our culture. Guided by a clear purpose to move our world forward by delivering what matters and our strategy – Customer First, People Led, Innovation Driven – we made sustainability a cornerstone of our business.

In the last year, we optimized our network to gain greater efficiencies, increased alternative fuel and advanced technology vehicles by over 30% and made changes to reflect our commitment to environmental, social and governance (ESG) leadership. We're confident we can achieve our ambitious goals of meaningful social impact by 2040 and carbon neutrality by 2050, in addition to maintaining the transparent and inclusive governance structure important for our success.

With our global footprint and customers in more than 220 countries and territories, we have seen how climate change, air quality and other socio-economic challenges intersect with the increase in package deliveries during the pandemic. In keeping with our purpose and mindful of the ESG issues that matter most to our stakeholders, we made key changes to our governance in 2020:

- We separated the chairmanship from the CEO to create the first independent chair in the company's history, and added five new directors, increasing board diversity with respect to gender and ethnicity.
- We elevated our chief sustainability officer position to the company's Executive Leadership Team.

“ We are thrilled to be named one of America's Most JUST Companies. UPS is committed to creating a more sustainable company – and world – by being customer first, people led and innovation driven. More than 543,000 UPSers work hard every day to move our world forward by delivering what matters. ”



Carol B. Tomé
Chief Executive Officer
UPS

- We created the role of chief diversity, equity and inclusion officer, a new position on the company's Executive Leadership Team.
- We enhanced disclosure on ESG topics important to our stakeholders by publishing our first Sustainability Accounting Standards Board report and have provided further transparency into 2021 by publishing EEO-1 data and preparing our first Task Force on Climate-related Financial Disclosures report.

What follows is just a sample of our work to integrate sustainability into everything we do. I encourage you to learn more about our efforts by visiting our website for more in-depth information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carol B. Tomé', written in a cursive style.

Carol B. Tomé

Program Summary

Vision

At UPS, sustainability is not just a promise, it reflects our plan of action. As a global logistics and transportation company, we operate one of the largest airlines in the world, as well as the world's largest private fleet of alternative-powered vehicles.

We believe we have a responsibility to put sustainability at the core of our operations. We're investing in innovation to create more equitable, safer and healthier communities to build a better planet. This means the creation of more environmentally sustainable solutions: introducing innovative delivery methods for crowded cities, investing in next-generation vehicles and route optimization technologies, and developing people to drive the innovations needed for a carbon neutral future.



Strategy

To meet the challenges of today and tomorrow, we align our sustainability efforts with our corporate strategy – **Customer First, People Led, Innovation Driven.**



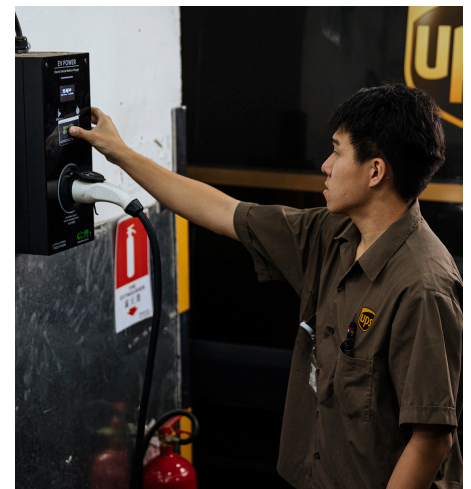
Customer First

Sustainability begins with our commitment and service to our customers. We are delivering more sustainable solutions that help reduce climate impacts across customer supply chains around the world.



People Led

Our success depends on our people. And at UPS, our people are empowered to share diverse perspectives, realize their full potential, take innovative action and advance positive change. They will help write the next chapter for our company's success.



Innovation Driven

We are reimagining our network through an innovation-driven strategy that includes electric ground and air vehicles, cleaner-burning fuel and climate-conscious facilities.

Recent Accomplishments and Recognition

UPS is unstoppable. Amid a global pandemic, economic uncertainty, and social unrest, UPSers approached every challenge as an opportunity, working together with determination to deliver what matters.

- Rolled out a purpose statement – Moving our world forward by delivering what matters – that has rallied our workforce of more than 543,000.
- Delivered COVID-19 PPE supplies and over half a billion (and counting) vaccines to ensure more equitable access in over 100 countries around the world.
- Provided industry-leading 99.9% service levels for delivery of vaccines while also leading the industry in on-time performance through peak season throughout the U.S.
- Reduced CO₂ per package delivered by almost 15% from 2010 to 2020.
- Named to GreenBiz's Top 25 Most Sustainable Fleets of 2020, which included more than 13,000 alternative fuel and advanced technology vehicles worldwide, with an ongoing commitment to more innovative investments.
- Invested more than \$1 billion over the past decade in alternative fuel and advanced technology vehicles and fueling stations.
- Announced plans to purchase up to 10,000 electric vehicles from Arrival and other electric solutions including eVTOL aircraft.
- Committed to purchase 250 million gallon equivalents of renewable natural gas (RNG) over the next several years, becoming the largest consumer of RNG in the transportation industry.
- Planted more than 15 million trees by 2020, exceeding our original goal.
- Made significant investments in training, including unconscious bias and DE&I for all global management.
- Reached 35% ethnically diverse company management.
- Achieved 26% women in full-time management globally.
- Volunteered over 20 million hours, exceeding original 2020 volunteer commitment.
- Diversified board representation and expanded public ESG reporting.



Learn more about UPS's sustainability program at about.ups.com/socialimpact