



# 2020 | GRI Content Index



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## Cautionary Note Regarding Forward-Looking Statements

This report contains and incorporates by reference “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 may relate to our intent, belief, forecasts of or current expectations about our strategic direction, prospects, future results or 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 forward-looking statements because such statements speak only as of the date when made and the future, by its very nature, cannot be predicted with certainty.

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: continued uncertainties related to the impact of the COVID-19 pandemic on our business and operations, financial performance and liquidity, 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; changes in the regulatory environment in the U.S. or internationally; increased or more complex physical or data security requirements; legal, regulatory or market responses to global climate change; results of negotiations and ratifications of labor contracts; strikes, work stoppages or slowdowns by our employees; 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; uncertainty from the expected discontinuance of LIBOR and transition to any other interest rate benchmark; our ability to maintain our brand image; our ability to attract and retain qualified employees; breaches in data security; disruptions to the Internet or our technology infrastructure; interruptions in or impacts on our business from natural or man-made events or disasters including terrorist attacks, epidemics or pandemics; our ability to accurately forecast our future capital investment needs; exposure to changing economic, political and social developments in international and emerging markets; changes in business strategy, government regulations or economic or market conditions that may result in impairment of our assets; increases in our expenses or funding obligations relating to employee health, retiree health and/or pension benefits; 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 acquisitions, dispositions, joint ventures or strategic alliances; our ability to realize the anticipated benefits from our transformation initiatives; cyclical and seasonal fluctuations in our operating results; our ability to manage insurance and claims expenses; and other risks discussed in our filings with the Securities and

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Exchange Commission from time to time, including our Annual Report on Form 10-K for the year ended December 31, 2020 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. Environmental, social and governance (ESG) matters are estimates and may be based on assumptions or developing standards.

## This Report

For the 2020 reporting cycle, we've updated this GRI Content Index with relevant data and information in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards Comprehensive option.

Management of United Parcel Service, Inc. ("UPS") is responsible for the completeness, accuracy and validity of the sustainability disclosures in the GRI Content Index. Management is responsible for the collection, quantification and presentation of the sustainability disclosures and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the sustainability disclosures. 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 of UPS asserts that the sustainability disclosures in the 2020 GRI Content Index as of and for the year ended December 31, 2020, are presented in accordance with the GRI Sustainability Reporting Standards under its Comprehensive option. We engaged Deloitte & Touche LLP to perform a review (limited assurance), on management's assertion relating to the sustainability disclosures in the 2020 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, 2020 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 2020 Annual Report - Form 10-K were audited by Deloitte & Touche LLP and its audit report, dated February 22, 2021, 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.

## General Disclosures

### Organizational Profile

<b>102-1</b>	<b>Report the name of the organization.</b>										
	United Parcel Service, Inc.										
<b>102-2</b>	<b>Report the activities, brands, products and services.</b>										
	UPS, founded in 1907, is the world’s largest package delivery company and a premier provider of global supply chain management solutions. We deliver packages each business day for 1.7 million shipping customers to 11.8 million delivery customers in over 220 countries and territories. In 2020, we delivered an average of 24.7 million pieces per day, or a total of 6.3 billion packages for the year. Total revenue in 2020 was \$84.6 billion. No UPS brands, products or services are banned in any of the markets where we operate.										
<b>102-3</b>	<b>Report the location of the organization’s headquarters.</b>										
	Atlanta, GA, USA										
<b>102-4</b>	<b>Report the locations where the organization operates.</b>										
	We serve more than 220 countries and territories around the world. We have a significant presence in all of the world’s major economies.										
<b>102-5</b>	<b>Report the nature of ownership and legal form.</b>										
	Publicly traded company.										
<b>102-6</b>	<b>Report the markets served (including geographic breakdown, sectors served and types of customers and beneficiaries).</b>										
	UPS serves more than 220 countries and territories in the operating regions of USA, Americas, Europe, Asia-Pacific and ISMEA (Indian Subcontinent, Middle East and Africa). UPS serves both the public and private sectors and most industry sectors.										
<b>102-7</b>	<b>Report the scale of the organization.</b>										
	<table border="1"> <tr> <td>Total number of employees</td> <td>Approximately 543,000</td> </tr> <tr> <td>Total number of operations</td> <td>Over 2,800 worldwide operating facilities</td> </tr> <tr> <td>Revenue</td> <td>\$84.6 billion</td> </tr> <tr> <td>Total capitalization</td> <td>\$25.3 billion (Debt = \$24.6B, Equity=\$0.7B)</td> </tr> <tr> <td>Quantity of products or services provided</td> <td>6.3 billion packages delivered</td> </tr> </table>	Total number of employees	Approximately 543,000	Total number of operations	Over 2,800 worldwide operating facilities	Revenue	\$84.6 billion	Total capitalization	\$25.3 billion (Debt = \$24.6B, Equity=\$0.7B)	Quantity of products or services provided	6.3 billion packages delivered
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Quantity of products or services provided	6.3 billion packages delivered										
<b>102-8</b>	<b>Report information on employees and other workers.</b>										
	See Disclosure 401-1 — New Employee Hires and Employee Turnover and Disclosure 405-1 — Diversity & Equal Opportunity.  UPS employees perform the majority of work associated with our organization’s activities.										

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	Employee census data is compiled in and extracted from internal systems.
<b>102-9</b>	<b>Describe the organization’s supply chain.</b>
	See Disclosure 204 — Procurement Practices.
<b>102-10</b>	<b>Report any significant changes during the reporting period regarding the organization’s size, structure, ownership or its supply chain.</b>
	<p>There have been no significant changes during the reporting period regarding the organization’s size, structure, ownership or its supply chain.</p> <p>To learn more, see our <a href="#">2020 Annual Report — Form 10-K</a>, Item 1, pages 1-16+.</p> <p>In the second quarter of 2021 we completed the disposition of our UPS Freight business. The disposition did not affect the information reported herein for the reporting period. Following the completion of the disposition of this business, we renamed our Supply Chain and Freight financial reporting segment the Supply Chain Solutions segment.</p>
<b>102-11</b>	<b>Report whether and how the precautionary approach or principle is addressed by the organization.</b>
	UPS has not adopted the precautionary principle. Adoption of the principle would apply primarily to potential harm related to use of fossil fuels and emission of greenhouse gases. We are aware of these risks and we manage our business to reduce, avoid or mitigate them. We also engage with stakeholders regarding these risks.
<b>102-12</b>	<b>List externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it endorses.</b>
	<p>Examples of major external initiatives we voluntarily engage in — other than those mentioned elsewhere in this report — include the following:</p> <p>The <a href="#">Greenhouse Gas Protocol</a>⇒ developed by the World Resources Institute and the World Business Council for Sustainable Development.</p> <p><a href="#">CDP’s climate change</a>⇒ program.</p> <p>The United States <a href="#">President’s Advisory Council on Doing Business in Africa</a>⇒, where UPS serves as co-chair.</p> <p><a href="#">The Business Roundtable</a>⇒, an association of CEOs promoting public policy in support of a thriving economy and advancing the Purpose of a Corporation to include all stakeholder interests.</p> <p>The Office of the <a href="#">United Nations High Commissioner for Refugees</a>⇒.</p> <p>International Trade Centre (<a href="#">ITC</a>) <a href="#">SheTrades Partnerships</a>⇒, a unique platform that allows women-owned businesses organizations, companies and partner institutions to connect, offer and source products and services and learn new skills.</p> <p><a href="#">Truckers Against Trafficking (TAT)</a>⇒, an organization with the aim to educate, equip, empower and mobilize members of the trucking, bus and energy industries to combat human trafficking.</p> <p>The United Nations <a href="#">Global LGBTI Standards of Conduct for Business</a>⇒, to help develop greater equality for lesbian, gay, bi, trans and intersex people throughout our global operations.</p>

	<p><u>The Business Statement for Transgender Equality</u>⇒, led by the Human Rights Campaign (HRC) and Out Leadership, to support the millions of people in America who identify as transgender or gender nonbinary or who are intersex, in our workplace, partnerships and the communities we serve.</p> <p>Served on the <u>UK’s Green Innovation Policy Commission</u>⇒ which brought together progressive businesses and leading academics to identify how policy can both support green innovation across the UK economy and help to grow the businesses that deliver it (finished Jan. 2021).</p> <p>Member of the UK government’s <u>Net Zero Transport Board</u>⇒, a small group of senior representatives from industry and academia convened by the Secretary of State for Transport to guide the transport sector towards achieving net zero greenhouse gas emissions by 2050.</p> <p>Member of advisory board of <u>Centre for Logistics and Traffic</u>⇒ at the University of Duisburg-Essen, Germany.</p>
<p><b>102-13</b></p>	<p><b>List memberships of associations (such as industry associations) and national or international advocacy organizations.</b></p>
	<p><u>The Green Innovation Policy Commission</u>⇒, a two-year independent commission, which advised government on how to catalyze the green economy in the UK.</p> <p><u>The U.S. Environmental Protection Agency Smart Way program</u>⇒, helping advance supply chain sustainability and improving freight transportation efficiency.</p> <p><u>Green Freight Asia</u>⇒, a transportation association addressing the climate impact of shipping.</p> <p><u>The North American Council for Freight Efficiency</u>⇒, an association committed to doubling the efficiency of North American goods movement.</p> <p><u>The National Clean Fleets Partnership</u>⇒, as part of the U.S. Department of Energy’s Clean Cities program, which works with large private fleets to reduce the use of petroleum-based fuels.</p> <p><u>Corporate Eco Forum</u>⇒, which provides a forum for leaders to strategize and exchange best-practice insights.</p> <p><u>BSR Future of Fuels</u>⇒, whose mission is to drive sustainable transition to low-carbon commercial road freight.</p> <p><u>BSR Sustainable Air Freight Alliance</u>⇒, a collaboration between shippers, freight forwarders and airlines to track and reduce carbon dioxide emissions from air freight and promote responsible freight transport.</p> <p><u>BSR Clean Cargo Working Group</u>⇒, a business-to-business leadership initiative that involves major brands, cargo carriers and freight forwarders dedicated to reducing the environmental impacts of global goods transportation and promoting responsible shipping.</p> <p><u>Airlines for America</u>⇒, which advocates and forms partnerships for airline safety, job creation, infrastructure modernization and environmental responsibility.</p> <p><u>Zemo Partnership</u>⇒, a UK-based, public-private organization with the mission of accelerating the shift to low-carbon road fuels and technologies.</p>

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	The Centre for Sustainable Road Freight⇒, a collaboration among academic institutions and the private sector to support the transition to sustainable logistics in the UK and beyond.
<b>Strategy</b>	
<b>102-14</b>	<b>Provide a statement from the most senior decision-maker of the organization.</b>
	A letter from our CEO is located in the 2020 sustainability highlights brochure available on our website located at: <a href="https://about.ups.com/us/en/social-impact/reporting.html">https://about.ups.com/us/en/social-impact/reporting.html</a> ⇒.
<b>102-15</b>	<b>Describe key impacts, risks and opportunities.</b>
	<p>We believe that our best opportunities are captured in, and we are focusing on, our three strategic growth initiatives: small- and medium- sized businesses (“SMBs”), healthcare and international markets. We seek to grow in these areas by providing the best digital experience powered by our global smart logistics network.</p> <p>For additional information see:</p> <ul style="list-style-type: none"> <li>• <a href="#">2020 Annual Report – Form 10-K</a>, Competitive Strengths, page 2+</li> <li>• <a href="#">2020 Annual Report – Form 10-K</a>, Item 1A Risk Factors, pages 9-16+</li> <li>• See Disclosure 102-46 — Topic Boundaries</li> <li>• See Disclosure 102-47 — Material Topics</li> </ul>
<b>Ethics &amp; Integrity</b>	
<b>102-16</b>	<b>Describe the organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.</b>
	See Disclosure 205 — Anti-Corruption.
<b>102-17</b>	<b>Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.</b>
	See Disclosure 205 — Anti-Corruption.
<b>Governance</b>	
<b>102-18</b>	<b>Report the governance structure of the organization, including committees of the highest governance body.</b>
	The highest governance body of the Company is the Board of Directors. The board has four committees composed entirely of directors meeting the NYSE’s and our director independence requirements: The Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, and the Risk Committee. Information about each of these committees is provided in the <a href="#">2021 Annual Meeting Proxy Statement</a> — Committees of the Board of Directors, page 31⇒. Our website also includes detailed information about other corporate governance matters at UPS, including our policies and processes.



<p><b>102-19</b></p>	<p><b>Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.</b></p>
	<p>The Board, which is responsible for strategic oversight of the company, delegates authority for day-to-day management of the company, including as it pertains to ESG topics, to management. Members of our Executive Leadership Team (ELT) – our most senior executive officers – report directly to our chief executive officer. The Board is regularly briefed on issues of concern for all stakeholders, including customers, unions, employees, retirees and investors. Furthermore, the Board oversees efforts of management to develop our values, strategies and policies related to ESG impacts. For example, our chief sustainability officer (CSO) and chief diversity, equity and inclusion officer (CDEIO) report directly to the Company’s chief executive officer and regularly report to the Board regarding implementing sustainability and diversity, equity and inclusion (DEI) strategies, priorities, goals and performance.</p>
<p><b>102-20</b></p>	<p><b>Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.</b></p>
	<p>UPS has multiple executive-level positions with responsibility for ESG topics, including: our chief legal and compliance officer, chief financial officer, CSO, chief human resources officer (CHRO) and CDEIO, all of whom are direct reports to the CEO.</p>
<p><b>102-21</b></p>	<p><b>Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics.</b></p>
	<p>Consultation between members of the Board of Directors and outside stakeholders occurs formally and informally throughout the year. Among the formal processes are reports to the Board by our CSO and our CDEIO, as described above. Stakeholder engagement is an essential aspect of our corporate governance. Our management team participates in numerous meetings throughout the year to discuss, among other things, ESG topics. Management shares feedback from these engagements with the Board and committees as appropriate. Stakeholders who wish to communicate directly with a member of our Board of Directors, or with our independent directors as a group, may do so by writing to UPS via our Corporate Secretary at:</p> <p>UPS, c/o Corporate Secretary  55 Glenlake Parkway, N.E.  Atlanta, Georgia 30328</p> <p>Advertisements, solicitations for business, requests for employment, matters that may be better addressed by management or other inappropriate materials will not be forwarded to our directors.</p>
<p><b>102-22</b></p>	<p><b>Report the composition of the highest governance body and its committees.</b></p>
	<p>See Disclosure 102-18 — Governance Structure.</p>
<p><b>102-23</b></p>	<p><b>Report whether the Chair of the highest governance body is also an executive officer.</b></p>
	<p>The Board Chair position is held by an independent member of the Board of Directors. The Board has a majority of independent directors who meet regularly in executive session without members of management present. Independent directors chair the Board’s Audit, Compensation, Risk and Nominating and Corporate Governance Committees, all of the members of which are independent. Other than our chief</p>

	<p>executive officer, all UPS directors are independent and have no material relationships with company management or the company other than as a UPS director.</p> <p>A complete discussion of our Board leadership structure can be found in our <a href="#">2021 Annual Meeting Proxy Statement</a> — Corporate Governance, pages 11-22⇒.</p>
<b>102-24</b>	<p><b>Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.</b></p>
	<p>The Nominating and Corporate Governance Committee of the Board reviews and recommends director nominees to the Board, including candidates to fill vacancies. When evaluating director candidates, the Nominating and Corporate Governance Committee considers factors such as personal character, values and disciplines, ethical standards, other outside commitments, professional background and skills. The Nominating and Corporate Governance Committee seeks to create a Board that reflects a range of professional backgrounds and skills relevant to our business, as well as diversity with respect to gender, age, ethnicity and other factors. This evaluation is done in the context of the Board’s current and expected future needs. Director nominees are presented to our shareholders as part of our Annual Meeting process, which, because of the nature of UPS shareholding, means stakeholders with a broad range of views and interests are able to influence whether nominees become directors.</p> <p>Additional information on board experience and independence considerations can be found in our <a href="#">2021 Annual Meeting Proxy Statement</a> — Corporate Governance, pages 11-22 &amp; Our Board of Directors, pages 23-30⇒.</p>
<b>102-25</b>	<p><b>Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.</b></p>
	<p>Our <a href="#">UPS Code of Business Conduct</a> section on Conflicts of Interest on pages 16-17⇒, and our <a href="#">Related Person Transaction Policy</a>, pages 1-2⇒, which are available on our investor relations website, set out our processes and policies for avoiding or managing conflicts of interest.</p> <p>Our Board Committee Charters are available in the Governance Documents section of our website and details the roles and responsibilities of each committee. This includes the Compensation Committee, who, at least annually, assesses whether the work of compensation consultants involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in the Company’s proxy statement. The Audit Committee assists the Board in discharging its responsibilities relating to the accounting, reporting and financial practices of the Company and its subsidiaries. This committee has sole authority to appoint and oversee a registered public accounting firm (as defined by applicable law) to serve as the Company's independent auditors.</p> <p>Additional information is disclosed to our stakeholders in the <a href="#">2021 Annual Meeting Proxy Statement</a> — Conflict of Interest and Related Person Transactions, page 17⇒ and Compensation Consultant Independence, page 36⇒.</p>
<b>102-26</b>	<p><b>Report the highest governance body’s and senior executives’ roles in the development, approval and updating of the organization’s purpose, value or mission statements, strategies, policies and goals related to economic, environmental and social impacts.</b></p>
	<p>We are committed to maintaining robust governance practices that benefit the long-term interests of all stakeholders. We regularly review and update our corporate governance</p>

	<p>practices in response to the evolving needs of our business, shareowner and other stakeholder feedback, regulatory changes, and other corporate developments.</p> <p>The Board of Directors regularly reviews policies related to material ESG topics, including the ESG impacts therefrom. In addition, the Board actively considers these factors in connection with its oversight responsibilities. The Board delegates authority for day-to-day management of ESG topics to management. Our CSO regularly reports to the Board regarding sustainability and climate-related risk and opportunity strategies, priorities, goals and performance. In addition, the Board is regularly briefed on issues of concern for customers, unions, employees, retirees and investors. Furthermore, the Board oversees efforts of management to develop our values, strategies and policies related to ESG impacts.</p> <p>UPS has multiple executive-level positions with responsibility for strategies and policies regarding ESG topics: our chief legal and compliance officer, chief financial officer, CSO, CHRO and CDEIO, all of whom are direct reports to the CEO.</p> <p>The CSO is responsible for leading the corporate sustainability team that manages UPS's overall sustainability strategy including:</p> <ul style="list-style-type: none"> <li>• assessing and managing climate-related risks and opportunities;</li> <li>• introducing innovative and environmentally responsible products to its customers;</li> <li>• establishing key performance indicators, goals and transparent reporting for the company;</li> <li>• partnering with the company's CDEIO to support the company's diversity goals; and</li> <li>• encouraging employee engagement in the communities where they live and work.</li> </ul> <p>The sustainability team works with cross-functional teams to implement programs that create value and drive progress toward UPS's sustainability goals. The sustainability team convenes individual working groups to address specific sustainability issues and initiatives, such as urban logistics and last mile delivery, electric vehicles (EVs), renewable electricity and airline efficiency. The CSO is also a member of the company's ELT Risk Committee, which is an internal group that meets quarterly to review the enterprise risk strategy. The president of social impact and The UPS Foundation and the president of sustainability are also members of UPS's DEI council.</p>
<p><b>102-27</b></p>	<p><b>Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.</b></p>
	<p>Our Board of Directors continually develops and enhances its knowledge of ESG topics.</p> <ul style="list-style-type: none"> <li>• We have instituted 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 of ESG topics.</li> <li>• The Board receives regular reports from our CFO, CSO, CHRO and CDEIO regarding ESG topics.</li> <li>• The Board oversees efforts by UPS management to develop, approve and update our vision, values, strategies, policies and goals related to ESG topics.</li> </ul>

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	<ul style="list-style-type: none"> <li>The Board reviews the contents of the UPS sustainability report each year and oversees our process of securing third-party assurance for the Report's contents through the Board's Audit Committee.</li> <li>The Board oversees strategic risk management efforts at UPS, including identifying and managing risks and opportunities associated with ESG topics.</li> </ul>
<b>102-28</b>	<b>Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics.</b>
	<p>The Board's Nominating and Corporate Governance Committee coordinates an annual self-evaluation of the Board of Directors and each of the Audit, Compensation, Nominating and Corporate Governance and Risk Committees. The evaluation includes a review of performance with respect to oversight of ESG topics. The Board and each committee review the results of the evaluations and take appropriate actions, as necessary, including changes in membership and organizational practice, to address any areas of concern.</p> <p>For additional information, please see <a href="#">2021 Annual Meeting Proxy Statement</a> – Formal Evaluation Process, page 14⇒, and the assurance reports provided in the appendices of this document.</p>
<b>102-29</b>	<b>Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities.</b>
	See Disclosure 102-26 — Governance Body's Roles.
<b>102-30</b>	<b>Report the effectiveness of the risk management process</b>
	See <a href="#">2021 Annual Meeting Proxy Statement</a> , page 15, Risk Oversight⇒; page 20, Human Capital Management and page 20, Sustainability⇒.
<b>102-31</b>	<b>Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.</b>
	See Disclosures 102-26 — Governance Body's Roles and 102-27 — Governance Body's Knowledge.
<b>102-32</b>	<b>Report the highest committee or position that formally reviews and approves the organization's sustainability report.</b>
	UPS's sustainability reports are reviewed by the Board of Directors prior to publication.
<b>102-33</b>	<b>Report the process for communicating critical concerns to the highest governance body.</b>
	Should a critical concern arise regarding economic, social or environmental issues, the Board of Directors would receive a report via the ELT, which communicates with all major corporate functions and is responsible for addressing and resolving such concerns.

<p><b>102-34</b></p>	<p><b>Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.</b></p>
	<p>See Disclosure 102-33 — Process for Communicating Critical Concerns. In 2020 no matters identified as critical concerns arose.</p>
<p><b>102-35</b></p>	<p><b>Report the remuneration policies for the highest governance body and senior executives.</b></p>
	<p>The Compensation Committee is responsible for reviewing and approving compensation for the Company’s executive officers, establishing the performance goals on which the compensation plans and programs are based, and setting the overall compensation principles that guide the Compensation Committee’s decision making.</p> <p>These policies are described in our <a href="#">2021 Annual Meeting Proxy Statement</a> — Executive Compensation, pages 34-46⇒. The Compensation Committee annually engages an independent compensation consultant to make recommendations concerning executive compensation, including input on trends that may be important to stakeholders.</p> <p>The Compensation Committee of the Board of Directors conducts a review of director compensation generally every other year to ensure the program structure is consistent with best practices and current trends. The Compensation Committee engages its independent compensation consultant to provide advice on the competitiveness of the Company’s non-employee director compensation program and recommends changes to ensure compensation remains market competitive.</p> <p>These policies are described in our <a href="#">2021 Annual Meeting Proxy Statement</a> — Director Compensation, page 32⇒.</p> <p>Generally, we do not pay discretionary bonuses in cash or stock, or make other discretionary payments, to our executives. In recent periods, however, in order to attract and retain senior executive talent to participate in the transformation of our business, the Committee determined it was appropriate to make certain limited payments to external executives hired to the Company’s Executive Leadership Team.</p> <p>For additional information, please see <a href="#">our 2021 Annual Meeting Proxy Statement</a> — Employment Transition Payments and Retention Arrangements, page 44⇒.</p> <p><i>Omitted: Information related to how performance criteria in the remuneration policy relate to the highest governance body’s and senior executives’ economic, environmental and social topics 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.</i></p>
<p><b>102-36</b></p>	<p><b>Report the process for determining remuneration.</b></p>
	<p>UPS offers competitive hourly wages, salaries and total compensation plans to both full-time and part-time employees. The primary process for setting compensation levels for our non-management employees is contract negotiations via collective bargaining. Unions represent more than 75 percent of all UPS workers in the United States. Many of our workers in other countries and territories are also represented by collective bargaining organizations. Through collective bargaining, unions have historically ensured broad equality in remuneration for union workers.</p> <p>UPS provides for equal remuneration policies with regard to women and men and complies with all applicable laws and regulations. In 2020, UPS commissioned an independent organization to conduct a comprehensive pay equity assessment to ensure</p>

	<p>UPSers are being paid fairly and equitably. The findings from the assessment show we pay our employees fairly and there is no systemic pay inequity.</p> <p>For additional information, please see our <a href="#">2021 Annual Meeting Proxy Statement - Compensation Discussion and Analysis</a>, page 34-36⇒.</p>
<b>102-37</b>	<b>Report how stakeholders’ views are sought and taken into account regarding remuneration.</b>
	<p>Stakeholder engagement is an essential aspect of our corporate governance. Our management team participates in numerous meetings throughout the year to discuss, among other things, our compensation policies and practices, specifically with respect to our executive officers and directors. Management shares feedback from these engagements with the Board and committees as appropriate.</p> <p>Beginning in 2020, we determined it was appropriate to provide shareowners the opportunity to vote annually, on an advisory basis, on the compensation of our named executive officers, as described in the Compensation Discussion and Analysis section and in the compensation tables and accompanying narrative disclosure in our 2021 Annual Meeting Proxy Statement. At the most recent vote, in May 2021, more than 90 percent of shares voted were in favor of our executive compensation.</p>
<b>102-38</b>	<b>Report the ratio of the annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median annual total compensation for all employees.</b>
	<p>See <a href="#">2021 Annual Meeting Proxy Statement</a> — Median Employee to CEO Pay Ratio, page 59⇒.</p> <p><i>Omitted: Information is currently unavailable for the following:</i></p> <ul style="list-style-type: none"> <li>• Highest paid individual for the reporting period as defined by total compensation, for each country of significant operations</li> <li>• Median annual total compensation for all employees except the highest paid individual, for each country of significant operations</li> <li>• Ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees, for each country of significant operations</li> </ul> <p><i>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.</i></p>
<b>102-39</b>	<b>Report the ratio of percentage increase in annual total compensation for the organization’s highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.</b>
	<p><i>Omitted: Due to confidentiality constraints, UPS does not report ratios based on individual compensation or make pay decisions based on these ratios. 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.</i></p>

## Stakeholder Engagement

<b>102-40</b>	<b>List of stakeholder groups.</b>
	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Active and Retired Employees</li> <li>• Communities</li> <li>• Environment</li> <li>• Investors</li> <li>• Suppliers</li> <li>• Policymakers and Government Officials</li> </ul>
<b>102-41</b>	<b>Report the percentage of total employees covered by collective bargaining agreements.</b>
	<p>More than 75 percent of our employees in the U.S. are covered by collective bargaining agreements, including almost everyone who handles or transports packages. The United States is our most significant area of operations and we do not track total employees covered by collective bargaining agreements in other countries and territories. In some countries and territories in which we operate, it is illegal to ask or track union membership.</p>
<b>102-42</b>	<b>Report the basis for identification and selection of stakeholders with whom to engage.</b>
	<p>We consider stakeholder engagement an essential aspect of UPS corporate governance. We are one of the world’s largest private employers; we serve millions of customers in more than 220 countries and territories; and hundreds of thousands of investors include UPS stock in their portfolios, either directly or via mutual funds. Stakeholder groups are defined during our materiality assessment in consultation with senior leadership and industry experts. We identify global stakeholders that can have an impact on our business and global stakeholders that we impact based on our business operations. Regular dialogue with all stakeholder groups through formal and informal channels is essential to conducting our business, as well as developing and implementing our sustainability strategies.</p> <p>Also see Disclosure 102-44 — Mechanisms for Engagement for stakeholder groups engaged.</p>
<b>102-43</b>	<b>Report the organization’s approach to stakeholder engagement.</b>
	<p>We maintain ongoing dialogue with a broad array of stakeholders — even those who may be critical of us. We stay in regular contact with stakeholders on emerging sustainability issues and trends and periodically receive inquiries and requests for engagement from stakeholder groups. Reflecting our commitment to our stakeholders, in 2020, we created a full-time director-level position to develop and manage a robust stakeholder engagement program. On an ongoing basis, we enhance existing, and evaluate new, engagement programs aligned to our various strategies.</p> <p>Also see Disclosure 102-44 — Mechanisms for Engagement.</p>

<p><b>102-44</b></p>	<p><b>Report key topics and concerns that have been raised through stakeholder engagement and how the organization has responded to those key topics and concerns.</b></p>		
<p>The following table summarizes the highlights of our stakeholder engagement on sustainability issues during 2020, including the mechanisms for engagement noting the type and frequency of engagements not routine or on-going.</p> <p>More in-depth discussions on many of these topics may be found throughout this GRI Content Index.</p>			
<p><b>Stakeholder Group</b></p>	<p><b>Mechanisms for Engagement</b></p>	<p><b>Stakeholder Expectations</b></p>	<p><b>Actions Taken</b></p>
<p><b>Customers</b></p>	<ul style="list-style-type: none"> <li>• Quarterly Business Reviews and regular meetings</li> <li>• Market research</li> <li>• UPS.com</li> <li>• Social media</li> <li>• UPS-sponsored events</li> <li>• UPS drivers</li> </ul>	<ul style="list-style-type: none"> <li>• Reliable service and on-time delivery</li> <li>• Consumer convenience</li> <li>• Innovative supply chain solutions</li> <li>• Streamlined returns</li> <li>• Support for diverse businesses</li> <li>• Digital tools to help with the pivot to e-commerce during the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>• Expanded last-mile service offerings to give customers more convenience and control: grew UPS My Choice® membership to approximately 76.6 million worldwide and expanded the UPS Access Point® network to approximately 40,000 global locations as of 2020.</li> <li>• Bolstered women entrepreneurs through the Women Exporters program.</li> <li>• Launched Storage On Demand, an innovative “valet storage” concept that provides customers an end-to-end pickup and retrieval storage solution.</li> <li>• Continued to take delivery of new, fuel-efficient Boeing 747-8 air freighters to address increasing demand and volume growth.</li> <li>• Introduced the Digital Access Program, which helps e-commerce platforms provide a comprehensive suite of order management, fulfillment and delivery services to simplify logistics complexity.</li> </ul>
<p><b>Active and retired employees</b></p>	<ul style="list-style-type: none"> <li>• UPS Culture Survey</li> <li>• Business Resource Groups</li> <li>• Daily prework communications meetings</li> <li>• Health &amp; Safety Committees</li> <li>• UPSers.com and UPSers Connect</li> <li>• Social media</li> <li>• Union representatives</li> <li>• Joint labor-management committees</li> <li>• Town Hall meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive pay and benefits</li> <li>• Clear communication</li> <li>• Work/life balance</li> <li>• Career and growth opportunities</li> <li>• Support of a diverse workforce</li> <li>• Effective off-boarding</li> </ul>	<ul style="list-style-type: none"> <li>• Established the Equity, Justice and Action (EJA) task force to ensure alignment with core DEI principles such as pay equity and equal employment opportunity.</li> <li>• Conducted the inaugural UPS Culture Survey to better understand how our beliefs and behaviors align with our strategy.</li> <li>• Expanded internal business incubation and disruption program to global employees, fostering new ideas and innovative solutions.</li> <li>• Created health and safety programs to reward employees throughout the pandemic</li> </ul>



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<b>Policymakers and government officials</b>	<ul style="list-style-type: none"> <li>• Global advocacy and relationship building</li> <li>• Multifaceted thought leadership strategy</li> <li>• Facility visits and targeted outreach</li> <li>• Collaborative partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitating cross-border commerce</li> <li>• Innovative solutions to congestion, noise and air pollution</li> <li>• Support for infrastructure investment and maintenance</li> <li>• Support for a level playing field with logistics operators and postal entities</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborated with city officials to continue developing sustainable urban delivery solutions.</li> <li>• Continued support of Expo 2020 Dubai, including making the largest-ever sustainable shipment ahead of the event opening in 2021.</li> <li>• Collaborated on assisting diverse exporters and small and medium size business during the pandemic.</li> <li>• Added women’s empowerment effort to eliminate obstacles to trade.</li> <li>• Served as lead logistics provider for Project Airbridge and Operation Warp Speed</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Investor conferences</li> <li>• Quarterly earnings communications</li> <li>• Annual shareholder meeting</li> <li>• Annual report on Form 10-K</li> <li>• Proxy statement</li> <li>• Press releases</li> <li>• One-on-one and small group meetings</li> <li>• Ratings and rankings</li> <li>• Investor website</li> </ul>	<ul style="list-style-type: none"> <li>• Return on investment</li> <li>• Continued investment in innovation</li> <li>• Transparent reporting with credible data</li> </ul>	<ul style="list-style-type: none"> <li>• Featured on Barron’s list of America’s Most Sustainable Companies for the fourth consecutive year.</li> <li>• Received a B by <u>CDP</u>⇒ for climate change management and disclosure practices.</li> <li>• Published inaugural SASB standards table .</li> <li>• Began work to enable publishing of inaugural TCFD report in 2021.</li> </ul>
<b>Communities</b>	<ul style="list-style-type: none"> <li>• The UPS Foundation</li> <li>• Employee Volunteer Program</li> <li>• Community involvement committees</li> <li>• Humanitarian relief and resilience activities</li> </ul>	<ul style="list-style-type: none"> <li>• Leveraging UPS expertise and resources to support humanitarian aid efforts</li> <li>• Employee volunteerism and local support</li> <li>• Road safety programs</li> </ul>	<ul style="list-style-type: none"> <li>• Transported over 2,700 shipments of humanitarian supplies supporting countries all over the world. Contributed more than \$20 million in funding, in-kind and technical support for community safety initiatives.</li> <li>• Contributed more than 3 million volunteer hours.</li> <li>• Delivered 6 million kilograms of PPE.</li> </ul>
<b>NGOs</b>	<ul style="list-style-type: none"> <li>• Regular dialogue</li> <li>• Topic-specific conferences and events</li> </ul>	<ul style="list-style-type: none"> <li>• Private-sector expertise and resources</li> <li>• Collaboration on innovative solutions</li> <li>• Transparent reporting with credible data</li> </ul>	<ul style="list-style-type: none"> <li>• In partnership with Freight in Time and Gavi, the Vaccine Alliance, expanded Uganda’s first last-mile cold-chain delivery and visibility network for the delivery of medicine, vaccines and other health commodities.</li> <li>• Delivered PPE and vaccines to communities.</li> <li>• Continued engagement with BSR’s Future of Fuels and Sustainable Air Freight</li> </ul>

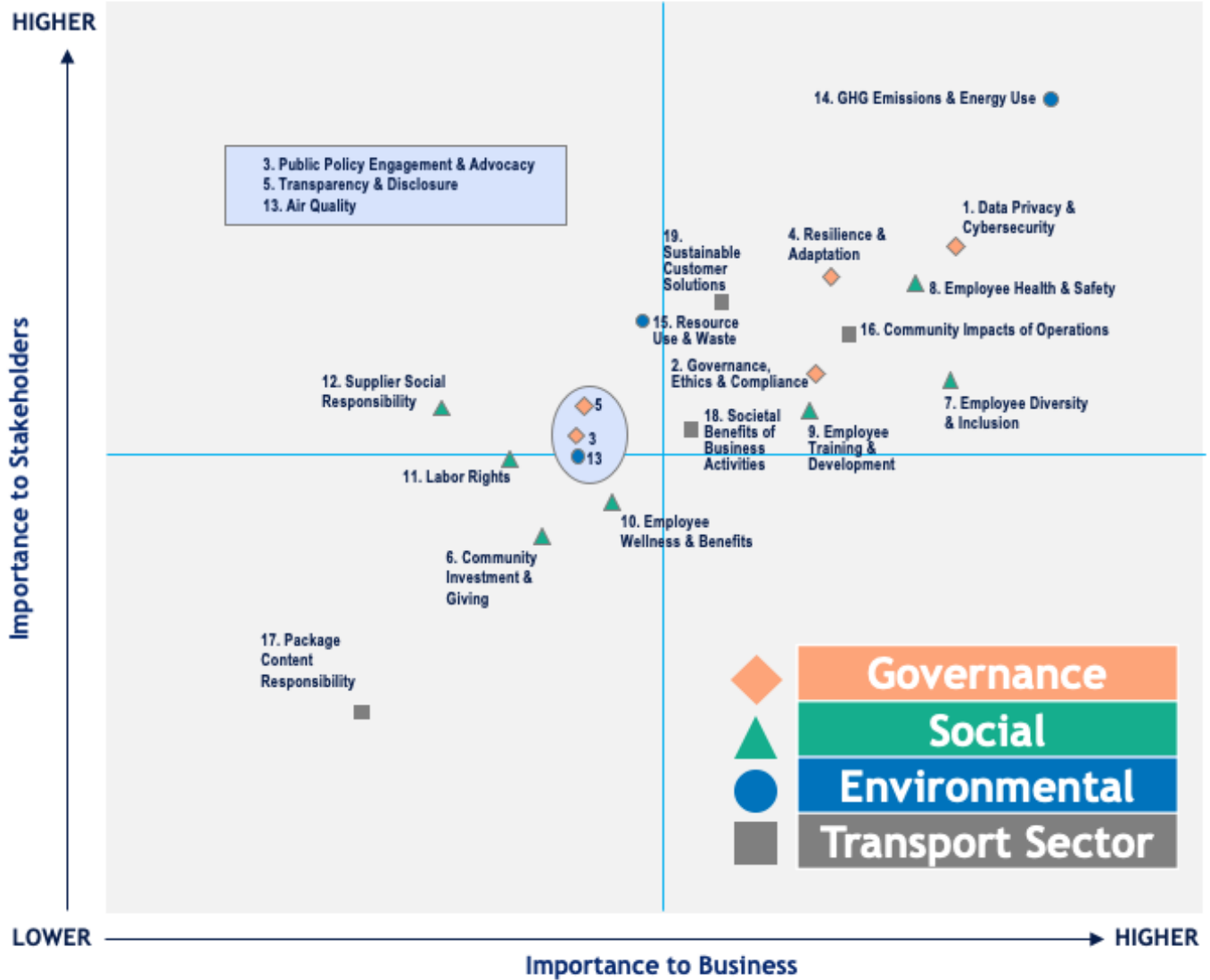
			Alliance programs and joined the Clean Cargo Working Group.
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Top Supplier meetings</li> <li>• Supplier Diversity Strategy, including conferences, events, training, etc.</li> <li>• Research and development of alternative vehicle technologies</li> <li>• One-on-one meetings with suppliers, including assessments and reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership in testing and scaling alternative fuels and vehicle technologies</li> <li>• Capacity-building support for local and diverse suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Spent \$2.9 billion in small and diverse supplier support programs.</li> <li>• Through collaborations with fuel suppliers and original equipment manufacturers, committed to purchase 250 million gallons of renewable natural gas (RNG) over the next several years, including the largest-ever U.S. investment in RNG.</li> <li>• Supported outside service providers in Western Europe and Asia to implement sustainable fleet initiatives.</li> </ul>

## Reporting Practices

<b>102-45</b>	<b>List all entities included in the organization’s consolidated financial statements or equivalent documents.</b>
	See <a href="#">2020 Annual Report — Form 10-K</a> , Product and Services; Reporting Segments, pages 2-5+. This Report’s environmental, financial and occupational health and safety data includes acquisitions through 2020. Human capital data does not include our Coyote Logistics or Marken entities, as this data is not currently available. We are exploring opportunities to capture this data for future reporting.
<b>102-46</b>	<b>Explain the process for defining the report content and the Topic Boundaries.</b>
	<p>ESG materiality is a critical input in our corporate sustainability strategy because it ensures that we provide our stakeholders with the sustainability information most relevant to them. To determine this, we conduct a global materiality assessment on a regular basis. This process occurred most recently in 2020. Our analysis:</p> <ul style="list-style-type: none"> <li>• Evaluated sustainability frameworks and standards, ratings and rankings assessments, in addition to general and industry specific external research reports.</li> <li>• Conducted a social media listening analysis.</li> <li>• Interviewed members of our ELT, who have direct responsibility for executing all company strategy.</li> <li>• Interviewed senior UPS managers around the world to better understand their points of view on issues relevant to their respective regions.</li> <li>• Gathered feedback from customers, regulators and other government agencies; nongovernmental organizations (NGOs), including social and environmental activists; academics; and investors.</li> </ul> <p>We began with a list of over 30 topics from the GRI framework and examined 19 issues in depth, including areas with potential organizational impact, as well as broader sustainability trends that affect UPS. Each issue’s relative importance was ranked based on an assessment of the aggregate feedback from stakeholders and UPS executives and supported us in making final adjustments to the ranking.</p> <p>The primary result of our materiality assessment process was a set of material ESG issues relating to UPS. We mapped these material issues on a materiality matrix set out</p>

below. The vertical axis of the matrix is Importance to Stakeholders and the horizontal axis is Importance to UPS.

## 2020 UPS MATERIALITY MATRIX



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<b>102-47</b>	<b>List all the material topics identified in the process for defining report content.</b>
<b>UPS ESG Materiality Content</b>	
<b>ESG Material Issue For UPS</b>	<b>UN Sustainable Development Goals Alignment</b>
<b>Corresponding GRI Standards Material Topic</b>	
<b>Data Privacy &amp; Cybersecurity</b>	16
<b>Resilience &amp; Adaptation</b>	1, 2, 3, 5, 7, 8, 9, 10, 11, 17
<b>Employee Health, Safety &amp; Wellness</b>	3, 8
<b>Employee Diversity &amp; Inclusion</b>	5, 8
<b>Greenhouse Gas Emissions &amp; Energy Use</b>	3, 7, 8, 9, 11, 12, 13, 14, 15
<b>Community Impact of Operations</b>	11
<b>Governance, Ethics &amp; Compliance</b>	12, 16
<b>Employee Training &amp; Development</b>	4, 5, 8
<b>Societal Benefits of Business Activities</b>	all
<b>Sustainable Customer Solutions</b>	7, 11, 13
<b>102-48</b>	<b>Report the effect of any restatements of information provided in previous reports and the reasons for such restatements.</b>
	We have made no restatements of information provided in previous reports.
<b>102-49</b>	<b>Report significant changes from previous reporting periods in the list of Material Topics and Topic Boundaries.</b>
	There have been no significant changes to ESG material topics. Reference 102-46 for Topic Boundaries.
<b>102-50</b>	<b>Reporting period for information provided.</b>
	The report presents data for the 2020 calendar year.
<b>102-51</b>	<b>Date of most recent report.</b>
	Our previous report presented data for the 2019 calendar year.
<b>102-52</b>	<b>Reporting cycle.</b>
	We issue our sustainability reports on an annual basis.

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<b>102-53</b>	<b>Provide a contact point for questions regarding the report or its contents.</b>
	<p>Please send comments or questions about this report to <a href="mailto:sustainability@ups.com">sustainability@ups.com</a> or in writing to:</p> <p>UPS            Attention: Sustainability            55 Glenlake Parkway            Atlanta, Georgia 30328</p>
<b>102-54</b>	<b>Report the 'in accordance' option the organization has chosen.</b>
	<p>This Report has been prepared in accordance with the GRI Standards, Comprehensive option. UPS has voluntarily followed GRI reporting guidelines since 2003.</p>
<b>102-55</b>	<b>Report the GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</b>
	<p>This document is organized by GRI topics and serves as our GRI Content Index.</p>
<b>102-56</b>	<b>Describe the organization's policy and current practice with regard to seeking external assurance for the report.</b>
	<p>We engage with experienced and respected third parties to assure and verify our sustainability reporting.</p> <p>Authorization for these engagements, and approval of the providers we select, comes from the Audit Committee of our Board of Directors, which is our highest governance body.</p> <p>For this report, we engaged Deloitte &amp; Touche LLP to conduct a review, in accordance with attestation standards established by the American Institute of Certified Public Accountants, to provide a limited level of assurance on management's assertion over the sustainability disclosures in the 2020 GRI Content Index. We also engaged Deloitte &amp; Touche LLP to conduct an examination, in accordance with attestation standards established by the American Institute of Certified Public Accountants, to provide a reasonable level of assurance on management's assertion over the Statement of Greenhouse Gas Emissions for the year ended December 31, 2020.</p> <p>See Appendix A and Appendix B for assurance reports.</p>

## Topic-Specific Standards

### 201 Economic Performance

**103-1, 2, 3**    **Management approach.**

We report on the structure of our organization, changes in structure and financial performance primarily through our Annual Report and required filings with the Securities and Exchange Commission, copies of which can be found at [www.investors.ups.com](http://www.investors.ups.com)<sup>+</sup>. In our sustainability reports, we focus on economic performance as it relates to sustainability. As a purpose driven company laser focused on moving our world forward by delivering what matters, our economic success ensures our long-term viability and enables us to execute our sustainability strategies. For this reason, we consider economic performance our most material aspect and a reference point by which we define all other material issues.

UPS contributes to sustainability by making logistics as resource efficient as possible. This capability will grow and become even more important as emerging markets develop, global population increases, and the flow of goods and services expands. In addition, we believe our ability to operate even more effectively will increase because of our proven capabilities for measuring, managing and mitigating greenhouse gas emissions, support of the emergence of new innovative technologies and ongoing collaboration with stakeholders.

**Tax Policy**

UPS’s fundamental tax policy is to ensure the tax results for our global entities are properly reported in accordance with applicable laws, rules and regulations. We operate our business where our customers are located. While tax management is important to the Company, how and where we conduct business activities aligns with our goal of providing superior customer service and increasing long-term shareowner value. We consider UPS’s reputation, brand and corporate responsibility when we evaluate our tax positions. Accordingly, we enter only into structures or transactions designed to further our commercial purpose. We believe in transparency and work to develop positive relationships with tax authorities based on trust and professional interactions. Where appropriate, we proactively seek agreement with tax authorities on positions taken on our tax returns.

**201-1**    **Direct economic value generated and distributed.**

UPS Financial Highlights		
(IN US\$)	2020	2019
<b>Revenue</b>	\$84.6 billion	\$74.1 billion
<b>Operating Costs</b>	\$76.9 billion	\$66.3 billion
<b>Employee Compensation &amp; Benefits</b>	\$44.5 billion	\$38.9 billion
<b>Taxes Paid</b>	\$4.0 billion <sup>1</sup>	\$3.6 billion
<b>Long-Term Debt Repaid</b>	\$3.4 billion	\$3.1 billion
<b>Dividends Paid to Shareholders</b>	\$3.6 billion	\$3.3 billion
<b>Payments to Small &amp; Diverse Suppliers</b>	\$2.9 billion	\$2.4 billion

	<b>Total Charitable Contributions</b>	\$122.3 million	\$123.8 million
	<b>Retained Earnings</b>	\$6.9 billion	\$9.1 billion
	<p>(1) Taxes paid includes UPS’s share of payroll taxes attributable to 2020 wages. We have elected to defer payment of certain payroll taxes under the Coronavirus Aid, Relief and Economic Security Act.</p> <p><i>Omitted: Information is currently unavailable for the following:</i></p> <ul style="list-style-type: none"> <li>• <i>Payments to governments by country</i></li> <li>• <i>Economic value retained: ‘direct economic value generated’ less ‘economic value distributed’</i></li> <li>• <i>Where significant, economic value generated and distributed separately at country, regional, or market levels, and the criteria used for defining significance</i></li> </ul> <p><i>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.</i></p>		
<b>201-2</b>	<b>Financial implications and other risks and opportunities due to climate change.</b>		
	<p>See <a href="#">2020 Annual Report — Form 10-K</a>, Item 1A Risk Factors<sup>+</sup>. Climate-specific references are included on page 15<sup>+</sup>.</p> <p><i>Omitted: Information for the following aspects of risks and opportunities is currently unavailable:</i></p> <ul style="list-style-type: none"> <li>• <i>Financial implications</i></li> <li>• <i>Methods used for management</i></li> <li>• <i>Costs of management actions</i></li> </ul> <p><i>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.</i></p>		
<b>201-3</b>	<b>Defined benefit plan obligations and other retirement plans.</b>		
	<p>We provide detailed disclosures and discussions about our pension and postretirement plan obligations in our <a href="#">2020 Annual Report — Form 10-K</a>, primarily in Notes 6 and 7 to the Consolidated Financial Statements beginning on page 80<sup>+</sup>.</p> <p><i>Omitted: Information regarding the pension plans’ liabilities and any actions taken to cover these liabilities (through funds or other methods), as well as percentages of salary contributed and level of participation in retirement plans 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.</i></p>		
<b>201-4</b>	<b>Financial assistance received from government.</b>		
	<p>UPS does not receive significant financial assistance from government. We do participate in public-private partnerships that may involve tax incentives, grants or certain incentives related to the purchase of alternative fuel vehicles or fuel.</p>		

202 Market Presence	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	See Disclosure 201 — Economic Performance Management Approach.
<b>202-1</b>	<b>Ratios of standard entry-level wage by gender compared to local minimum wage.</b>
	<p>The ratio of our standard entry-level hourly wage to local minimum wage varies from location to location around the world. This variation is necessary to comply with local conditions and with national wage minimums in countries and territories that set them. In the United States, which comprises 84 percent of our employee base, we comply with local minimum-wage laws in each state and pay no less than the local minimum wage or the federal minimum wage. We do not vary entry-level compensation by gender. We do not have a significant proportion of other workers (excluding employees) performing the organization’s activities that are compensated based on minimum wage rules.</p> <p><i>Omitted: Information regarding the ratio of the entry level wage to the minimum wage by gender, as well as the breakdown by gender of the variability or absence of local minimum wages at significant locations of operations, is currently unavailable. We will be reviewing ways to address this disclosure on a yearly basis as we define the need to capture this information.</i></p>
<b>202-2</b>	<b>Proportion of senior management hired from the local community.</b>
	We hire nearly all senior managers, defined as managers that are two levels from the CEO, within their home country. More than 99 percent of full-time management employees, from entry level to senior management, worked in their home country in 2020. Because UPS serves more than 220 countries and territories around the world, it is extremely difficult to define “local” operations.
203 Indirect Economic Impacts	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p>See Disclosure 201 — Economic Performance Management Approach.</p> <p>Much of our indirect economic impact is provided through the global Health &amp; Humanitarian Relief program by The UPS Foundation (our corporate philanthropy arm). This effort is organized around building more effective public-private partnerships to catalyze innovation and enhance community disaster risk reduction and preparedness efforts, supporting urgent response and speeding post-crisis recovery.</p> <p>Every year, global crises create devastating human suffering that demands coordinated, swift relief efforts. These crises can disrupt businesses, destroy infrastructure and bring most forms of productive commerce to a halt.</p> <p>2020 was no exception. The COVID-19 pandemic disrupted the world and affected all life immeasurably. As a global leader in logistics, UPS stepped up to the challenge of the pandemic. In March 2020, the U.S. Federal Emergency Management Agency (FEMA) and the White House Coronavirus Taskforce launched Project Airbridge to expedite the movement of much needed personal protective equipment (PPE) from other countries and territories to U.S. hospitals. UPS was selected to be a part of Project Airbridge as a result of The UPS Foundation’s ongoing engagement in pandemic preparedness efforts since 2015. UPS provided air freight brokerage services, opened a 450,000 square-foot healthcare distribution center and provided a UPS Supply Chain Expert on Mission to manage over 250 flights transporting nearly 6 million kilograms of PPE. We provided</p>



	<p>similar assistance in countries and territories around the world, capitalizing on our expertise in reaching all international environments.</p> <p>In addition to humanitarian relief and resilience efforts, The UPS Foundation also works with leading health organizations and ministries of health to support public health systems, as well as enhance response and resilience in the face of complex health challenges including the COVID-19 pandemic. The UPS Foundation promotes access to immunization and life-saving healthcare products throughout the world through innovative delivery networks, thought leadership and support for technological advancements that optimize end-to-end transport of medical supplies.</p> <p>During 2020, The UPS Foundation began preparing for equitable vaccine distribution before vaccines became available. Plans were developed to distribute vaccines and freezers to underprivileged communities globally.</p> <p>In addition to addressing health crises, UPS is ready to leverage our extensive global assets and logistics expertise to speed relief and recovery to those in need when a natural or man-made disaster strikes. At the core of our preparedness, response and recovery efforts are the strong relationships we have developed with the world’s leading humanitarian relief organizations. Select UPS employees train alongside first responding agencies and are available to deploy within 72 hours of a disaster. UPSers around the world are empowered to volunteer and provide relief assistance to their local communities during sudden-onset disasters.</p> <p>The breadth and depth of talent among UPS employees provides a valuable platform to help speed disaster response and recovery. UPSers work alongside our strategic partners and play an integral role in our humanitarian relief program. The UPS Humanitarian Experts on Mission program places UPS logistics professionals on long-term assignment to our partner organizations. We also participate in formal programs such as the Logistics Emergency Teams (LET), which provide proficiency and response services to the Global Logistics Cluster of the United Nations led by the World Food Programme. LET companies, which are large global logistics and transportation businesses, provide pro bono assets and services and deploy highly trained experts to assist the United Nations staff in disaster areas. It’s important to us that our employees and customers live in strong and safe communities that are equipped to recover from disasters in a timely manner to minimize long-term social and economic impact.</p> <p>UPS was also a key logistics partner for Operation Warp Speed to expedite the delivery of vaccines in the U.S. and globally.</p> <p>The key performance indicator for indirect economic benefit is the sum of our charitable contributions by UPS, The UPS Foundation, UPS employees, retirees and their families, as reported in 203-2 Significant indirect economic impacts.</p>
<p><b>203-1</b></p>	<p><b>Infrastructure investments and services supported.</b></p>
	<p>Our business generates a wide range of indirect economic benefits globally, including charitable contributions, access to markets through our local points of presence in the form of retail outlets, procurement activity throughout our supply chain and venture capital funding. We provide retail access through over 5,300 UPS Store locations; approximately 1,133 UPS Customer Centers; more than 9,200 Authorized outlets; more than 37,000 UPS Drop Boxes; and approximately 40,000 UPS Access Point locations. These local entry points help small and diverse businesses participate more fully in the global economy. UPS’s support of and advocacy for free trade around the world benefits businesses, communities and countries and territories of all sizes. Similarly, continual</p>

	<p>investments in our global logistics network benefits all of our communities by facilitating commerce and providing jobs.</p> <p>We also use our scale to stimulate the markets for alternative fuels and advanced fleet technologies. Our continued investments help drive supply and demand for these promising sustainable solutions.</p>																		
<b>203-2</b>	<b>Significant indirect economic impacts.</b>																		
	<p>Solely funded by UPS, The UPS Foundation provides cash and in-kind contributions to organizations that promote its four focus areas: Health &amp; Humanitarian Relief, Equity and Economic Empowerment, Local Engagement and Planet Protection. In-kind donations are primarily transportation services, including ground, ocean and air shipments.</p> <p>For example, in 2020, UPS transported over 2,700 shipments of humanitarian supplies supporting countries all over the world, pre-positioning supplies and life-sustaining relief shipments. The Company continued supporting long-term recovery efforts in the Bahamas following Hurricane Dorian, and in Mozambique and Zimbabwe following Cyclone Idai. UPS contributed more than \$33 million in funding, in-kind and technical support for Health &amp; Humanitarian initiatives to enhance preparedness, urgent disaster response and recovery, public health strengthening and road safety.</p> <p>In 2016, UPS set three 2020 goals to support our communities around the world. We are proud to have achieved all of these goals one year early:</p> <p><b>Goal:</b> \$117 million in annual charitable contributions (total: \$122.3 million in 2020)<sup>1</sup>  <b>Goal:</b> 20 million volunteer hours (total: 1.2 million in 2020, 22.9 million since 2011)  <b>Goal:</b> 15 million trees planted (total: 1.6 million in 2020, 17.0 million since 2012)</p> <p>In 2020, The UPS Foundation expanded its tree planting goal with a new commitment to plant 50 million trees by the end of 2030, to align with the United Nations Sustainable Development Goals.</p> <p>(1) In 2018, we adjusted this goal from the previously stated goal of \$127 million to \$117 million to reflect enterprise-wide transformation initiatives.</p> <table border="1" data-bbox="310 1272 1495 1900"> <thead> <tr> <th colspan="2" data-bbox="310 1272 1495 1346"><b>Total Charitable Contributions</b></th> </tr> <tr> <th data-bbox="310 1346 1167 1444"><b>Program Area (Year Ended December 31, 2020)</b></th> <th data-bbox="1167 1346 1495 1444"><b>2020 Allocation (US\$ in Millions)</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="310 1444 1167 1509">Local grants</td> <td data-bbox="1167 1444 1495 1509">10.1</td> </tr> <tr> <td data-bbox="310 1509 1167 1575">Corporate grants</td> <td data-bbox="1167 1509 1495 1575">32.0</td> </tr> <tr> <td data-bbox="310 1575 1167 1640">In-kind services</td> <td data-bbox="1167 1575 1495 1640">6.3</td> </tr> <tr> <td data-bbox="310 1640 1167 1705">Internal scholarship programs</td> <td data-bbox="1167 1640 1495 1705">2.1</td> </tr> <tr> <td data-bbox="310 1705 1167 1770">United Way corporate contribution</td> <td data-bbox="1167 1705 1495 1770">8.2</td> </tr> <tr> <td data-bbox="310 1770 1167 1835">Charitable contributions and sponsorships</td> <td data-bbox="1167 1770 1495 1835">10.0</td> </tr> <tr> <td data-bbox="310 1835 1167 1900"><b>The UPS Foundation contribution total</b></td> <td data-bbox="1167 1835 1495 1900"><b>68.7</b></td> </tr> </tbody> </table>	<b>Total Charitable Contributions</b>		<b>Program Area (Year Ended December 31, 2020)</b>	<b>2020 Allocation (US\$ in Millions)</b>	Local grants	10.1	Corporate grants	32.0	In-kind services	6.3	Internal scholarship programs	2.1	United Way corporate contribution	8.2	Charitable contributions and sponsorships	10.0	<b>The UPS Foundation contribution total</b>	<b>68.7</b>
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United Way employee contribution (active and retired)	53.6
<b>Total charitable contributions</b>	<b>122.3</b>

*Omitted: Information regarding the significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas, is currently unavailable. We will be reviewing ways to address this disclosure on a yearly basis as we define the need to capture this information.*

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.

**204 Procurement Practices**

**103-1, 2, 3 Management approach.**

UPS has a highly distributed and diverse supply chain, with providers ranging from global multinationals to local small businesses. As a service provider, the UPS supply chain is primarily dependent on goods and services that are highly regulated or commodity based, such as transportation, brokerage and energy. Therefore, UPS considers our supply chain to be resilient and at low risk to problems related to the environment, labor practices and human rights.

At the same time, we continue to enter into additional contractual relationships with third parties, such as agents, providers, outside service providers and authorized service contractors, who may interact with government officials or outside parties on behalf of UPS. We reinforce how important it is that all third-party representatives convey UPS’s integrity and commitment to compliance when they represent our brand, products and services in the marketplace. We consider effective management of such representatives as important to the sustainability of our business.

Because we believe that DEI helps to create value for UPS and contribute to the economic development of the communities we serve, the use of small and diverse suppliers has also been a core component of our procurement processes since 1992. UPS’s Supplier Diversity strategy includes having documented policies, established goals, accountability for results and a plan for continuous improvement that is reviewed and adjusted regularly.

Since UPS is a service provider, 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 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, build and maintain. Our supply chain includes a number of suppliers of strategic, high-value assets that we purchase in limited numbers in select years, such as jet aircraft and alternative fuel or advanced technology vehicles. We work on a continual basis with

	<p>original equipment manufacturers to design and develop our ground and air fleets in a way that minimizes their environmental impacts.</p> <ul style="list-style-type: none"> <li>• <b>Support Suppliers</b> provide standardized products and services that support our business, such as marketing, advertising, human resources, shipping materials and other professional services.</li> </ul> <p>During our assessment of potential suppliers, we survey the market and analyze supplier risks, including those related to ESG issues, if deemed necessary. We require suppliers with access to sensitive UPS data to execute a security agreement to ensure compliance with UPS privacy and security standards. Procurement professionals are available to help suppliers understand and meet our requirements.</p> <p>The UPS Code of Business Conduct, which applies to UPS entities globally, governs our relationships with third-party representatives. We direct them to the Code as part of the Supplier’s Principles Agreement provided during the proposal process and they must certify they have read the Code and are aware that compliance with the Code is both expected and subject to audit. To ensure the requirements of the UPS Code of Business Conduct are clear, we produce an Anti-Corruption Compliance Manual for Third-Party Representatives. This manual, available in 20 languages, further explains our expectations and requirements, including the need to report actual or suspected compliance violations.</p>
<b>204-1</b>	<b>Proportion of spending on local suppliers.</b>
	<p>UPS spent approximately 26 percent of our 2020 procurement budget on local suppliers, which we define for purchases in the US and Canada as being based within 500 miles of the operation to which the procured items were delivered and, for purchases outside of North America as being within the same country as the operation to which the items were delivered. For the purposes of this disclosure, we define significant areas of operation as any country or territory where UPS has owned operations.</p>
<b>205 Anti-Corruption</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p>UPS is a company of honesty, quality and integrity. This legacy is fundamental to our ability to earn customer trust, support the communities in which we operate and protect our reputation. Ethical business practices enable us to take proven compliance practices and core values with us when we enter new markets; identify suppliers that align with our approach to compliance; and successfully identify, acquire and integrate businesses that fit into our culture of integrity.</p> <p>The UPS Code of Business Conduct 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. 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.</p> <p>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.</p>

	<p>We ensure understanding of these regulations with refresher courses and job-specific courses on compliance and ethics to employees, using a risk-based approach to identify the most appropriate audiences. Anti-corruption training is required for management, including the ELT.</p> <p>We encourage employees to raise concerns about compliance, ethics or business conduct with their direct supervisors or human resources representatives. Employees may also submit a report to the UPS Ethics Hotline online or by phone. Both of these channels are monitored by an independent service provider and are available 24 hours a day, 7 days a week. Reports may be anonymous, and translators are available to assist when needed.</p> <p>Our policy is that employees will not face retaliation if they report any violation or suspected violation in good faith. In 2020, UPS received more than 15,050 reports of employee concerns through the UPS Ethics Hotline and other reporting avenues. We investigated these cases and took corrective or disciplinary action where appropriate.</p> <p>We follow a multilayered process designed to ensure that compliance is continuously improving within our U.S. Domestic Package, International Package and Supply Chain and Freight business segments. Our global compliance team facilitates this process for employees around the world.</p> <p>UPS managers and select non-managers receive training on compliance matters. We regularly review the UPS Code of Business Conduct with these employees and we periodically conduct comprehensive training on ethics and compliance.</p> <p>We analyze our business units for compliance risks. One of our primary tools is our Business Compliance and Ethics Questionnaire, which we use to survey our management team each year to identify events, situations or relationships that could pose ethical or legal risks. In 2020, 51,628 employees completed the questionnaire.</p> <p>Beyond training, we conduct systematic risk assessments of UPS sites, auditing methodically for evidence of fraud, corruption and other process risks. As part of our audit process, we also pay particular attention to significant changes in a UPS business entity or its regulatory environment that could increase the risk of unethical practices or inadequate controls.</p> <p>The information we generate through these activities is provided to our senior management, up to and including the ELT, for prompt review and response.</p> <p>Our Nominating and Corporate Governance Committee of the Board of Directors maintains organizational responsibility for our business conduct and compliance policies and our chief legal and compliance officer holds administrative responsibility. In addition, the UPS Audit Committee of the Board of Directors oversees the Company's compliance obligations related to auditing (both financial and operational), accounting and financial reporting. The chief internal audit and compliance &amp; ethics executive reports to the Audit Committee.</p> <p>The Board of Directors' Risk Committee provides oversight for management's identification and evaluation of enterprise risks, including the Company's risk management framework and the policies, procedures and practices employed to manage risks.</p>
<p><b>205-1</b></p>	<p><b>Operations assessed for risks related to corruption.</b></p>
	<p><i>Omitted: UPS conducts a number of corruption-related audits but does not report on the percentage or significant risks due to confidentiality. We will be reviewing ways to</i></p>

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	<i>address all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i>
<b>205-2</b>	<b>Communication and training about anti-corruption policies and procedures.</b>
	<p>As part of our Director Orientation Program, new Board members are provided with the UPS Code of Business Conduct, which includes a section on our Anti-Corruption Program and sets forth standards applicable to all representatives of UPS.</p> <p>More than 58,000 UPS employees are eligible to receive anti-corruption training, including all full-time managers, supervisors and specialists, all employees of International Finance and Accounting and all non-management employees who may interact with non-U.S. government employees. As of December 2020, 88.2 percent of eligible employees had completed this training.</p> <p>UPS also vets third-party providers worldwide and monitors their compliance with our ethical standards.</p> <p><i>Omitted: Information regarding the breakdown of anti-corruption policy communications 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.</i></p>
<b>205-3</b>	<b>Confirmed incidents of corruption and actions taken.</b>
	We are not aware of any material incidents of corruption in 2020.
<b>206 Anti-Competitive Behavior</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	See Disclosure 205 — Anti-Corruption Management Approach.
<b>206-1</b>	<b>Legal actions for anti-competitive behavior, anti-trust and monopoly practices.</b>
	All material litigation and enforcement matters related to competition law are disclosed and available in our <a href="#">2020 Annual Report — Form 10-K</a> , Note 10 — Legal Proceedings and Contingencies, page 102+.

<b>302 Energy</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<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>

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 on the About UPS website.

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:

- 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 the use of sustainable aviation fuel (SAF);
- Reducing conventional energy use and increasing the use of renewable energy in our facilities;
- Providing customers with services that help them reduce their environmental impact; and
- Helping increase supplier awareness about GHG emissions and how to reduce them.

We 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 with governments around the world.

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:

By 2025

- 25% renewable electricity for facilities (existing goal)
- 40% alternative fuel purchases as a percent of total ground fuel (existing goal)

By 2035

- 30% sustainable aviation fuel
- 100% renewable electricity for facilities
- 50% reduction in CO<sub>2</sub> per package delivered for global small package (2010 baseline)

[Current milestones on our journey to zero](#)

### **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.

### **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.

### **Increase Use of Sustainable Aviation Fuel to 30 percent by 2035**

Today, the only decarbonization path for the aviation sector is SAF. Over the next several years, UPS will work with the industry to accelerate the shift to SAF.

### **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.

### **Reduce the CO<sub>2</sub>e per package delivered 50% for global small package by 2035**

We have seen a 14% reduction in CO<sub>2</sub>e per package from 2010 to 2020. Starting from a base year of 2020, we will reduce the CO<sub>2</sub>e per package delivered by 50% by 2035. This will be achieved by the milestones described above, along with fleet electrification.

#### Previous targets

We measured the effectiveness of our energy and greenhouse gas emission strategy by tracking progress toward several previously established 2025 and 2020 targets.

### **Reimagined: Reduce Absolute GHG Emissions 12 Percent Across Global Ground Operations by 2025**

In 2016, we committed to reducing absolute GHG emissions 12 percent across our global ground operations by 2025 (2015 baseline). When we set this goal, we expected modest growth in e-commerce, which increases residential package deliveries and the total number of shipments we complete. The recent global pandemic rapidly accelerated e-commerce growth as consumers became accustomed to immediate delivery, resulting in more miles driven.

In 2020, absolute emissions increased 13.2 percent above the 2015 baseline. We have broadened our planning horizons to focus on carbon neutrality by 2050. UPS is determined to continue our leadership in decarbonizing the transportation sector by committing to close the existing technology gaps and continuing to charge toward a future with zero emissions.

### **Achieved: Reduce Transportation Intensity Index (TII) 20 percent by 2020**

We continue to report on the TII, introduced in 2010. This index captures the overall efficiency of our global network by measuring GHG emissions associated with transporting packages and freight for our customers in a given year. Separate carbon intensity metrics measuring the Scope 1 and Scope 2 CO<sub>2</sub>e emissions for each of our three business segments are included in this index. Our goal was to reduce overall carbon intensity 20 percent by 2020 (2007 baseline). At the end of 2020, UPS realized an overall carbon intensity reduction of 20.2 percent from the baseline, meeting this goal. This decrease comprises a 23 percent emissions reduction within our U.S. small package business segment, a 13.4 percent reduction attributable to our global airline and a 28 percent reduction within our U.S. supply chain and freight segment.



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### **Achieved: In 2020, 25 Percent of Total Vehicles Purchased are Alternative Fuel & Advanced Technology Vehicles**

UPS's fleet of more than 13,000 alternative fuel and advanced technology vehicles includes all-electric, hybrid electric, hydraulic hybrid, ethanol, compressed natural gas (CNG), liquefied natural gas (LNG) and propane vehicles. In 2020, we continued expanding this specialized fleet, achieving our goal to purchase at least 25% alternative fuel vehicles. We have also made commitments for additional natural gas-powered vehicles, committed to purchase up to 10,000 all-electric vehicles from EV manufacturer Arrival and made a minority investment in Arrival.

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.**

Global Energy ('000 GJ's)	2020	2019	% Change 2020/2019	Base Year (2015)
Direct Energy	218,505	197,426	10.7%	173,665
Indirect Energy	7,147	6,503	9.9%	5,861
<b>Total Energy</b>	<b>225,652</b>	<b>203,929</b>	<b>10.6%</b>	<b>179,526</b>

#### **Energy Consumption Within the Organization by Source**

Global Energy ('000 GJ's)	2020	Percent to Total Energy 2020	2019	Base Year (2015)
<b>Direct Energy</b>				
<b>Airline Fuel</b>	<b>137,555</b>	<b>61.0%</b>	<b>122,545</b>	<b>104,279</b>
Conventional	137,539	61.0%	122,545	104,279
Renewable	16	0%	0	0
<b>Ground Vehicle Fuel</b>	<b>75,556</b>	<b>33.4%</b>	<b>69,206</b>	<b>64,804</b>
Diesel	41,633	18.5%	38,374	46,240
Gasoline	21,996	9.7%	18,443	12,096
CNG	4,497	2.0%	5,079	751
Propane/LPG	1,040	0.4%	1,006	1,101
LNG	2,013	0.9%	2,476	3,109
Renewable Fuel (Biomass)	4,377	1.9%	3,828	1,507
<b>Facility Heat</b>	<b>5,395</b>	<b>2.4%</b>	<b>5,675</b>	<b>4,582</b>
Natural Gas	5,182	2.3%	5,446	4,365
Heating Oil	52	0.0%	62	72
Propane	161	0.1%	167	145
<b>Direct Energy Subtotal</b>	<b>218,505</b>	<b>96.8%</b>	<b>197,426</b>	<b>173,665</b>
<b>Indirect Energy</b>				

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<b>Electricity</b>	<b>6,591</b>	<b>2.9%</b>	<b>6,481</b>	<b>5,850</b>
<b>Renewable Electricity</b>	<b>556</b>	<b>0.3%</b>	<b>22</b>	<b>11</b>
<b>Indirect Energy Subtotal</b>	<b>7,147</b>	<b>3.2%</b>	<b>6,503</b>	<b>5,861</b>
<b>Total Energy</b>	<b>225,652</b>	<b>100.0%</b>	<b>203,929</b>	<b>179,526</b>

### Energy Consumption Within the Organization by Business Unit

	U.S. Domestic Package			International Package		
Global Energy ('000 GJs)	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Direct Energy	141,866	127,269	102,865	66,793	60,091	58,757
Indirect Energy	5,558	5,169	4,231	623	394	549
<b>Total Energy</b>	<b>147,424</b>	<b>132,438</b>	<b>107,096</b>	<b>67,416</b>	<b>60,485</b>	<b>59,306</b>
	Supply Chain & Freight			Totals		
Global Energy ('000 GJs)	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Direct Energy	9,846	10,066	12,043	218,505	197,426	173,665
Indirect Energy	966	940	1,081	7,147	6,503	5,861
<b>Total Energy</b>	<b>10,812</b>	<b>11,006</b>	<b>13,124</b>	<b>225,652</b>	<b>203,929</b>	<b>179,526</b>

Not relevant to UPS are cooling and steaming consumption, electricity, heating, cooling and steam sold. In order 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 where UPS has operational control. For additional information please refer to 305-1 section GHG Reporting Scope and Boundary.

### 302-2 Energy consumption outside the organization.

Global Energy ('000 GJs)	2020	2019	% Change 2020/2019	Base year (2015)
<b>Upstream</b>				
1. Purchased Goods and Services	Not Reported	Not Reported		Not Reported
2. Capital Goods	Not Reported	Not Reported		Not Reported
3. Fuel & Energy-Related (not incl. Scope 1&2)	Not Reported	Not Reported		Not Reported
4. Transportation & Distribution	115,482	115,344	0.1%	104,276
5. Waste Generated in Operations	Not Relevant	Not Relevant		Not Relevant
6. Business Travel	631	987	-36.1%	1,107
7. Employee Commuting	31,399	30,728	2.2%	26,570

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8. Leased Assets	Not Relevant	Not Relevant		Not Relevant
<b>Downstream</b>				
9. Transportation & Distribution	Not Relevant	Not Relevant		Not Relevant
10. Processing of Sold Products	Not Relevant	Not Relevant		Not Relevant
11. Use of Sold Products	Not Relevant	Not Relevant		Not Relevant
12. End-of-life Treatment of Sold Products	Not Relevant	Not Relevant		Not Relevant
13. Leased Assets	Not Relevant	Not Relevant		Not Relevant
14. Franchises	390	399	-2.2%	356
15. Investments	Not Relevant	Not Relevant		Not Relevant
<b>Total Energy Consumption Outside the Organization</b>	<b>147,902</b>	<b>147,458</b>	<b>0.2%</b>	<b>132,309</b>

*Omitted: Information regarding standards, methodologies, assumptions, calculation tools, and conversion factors used are 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.*

### 302-3 Energy intensity.

Energy Intensity Within the Organization by Business Unit						
	U.S. Domestic Package			International Package		
Global Energy (^000 GJs/ \$M Revenue)	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Revenue (\$M)	\$53,499	\$46,493	\$36,747	\$15,945	\$14,220	\$12,149
Direct Energy	2.652	2.738	2.799	4.189	4.226	4.836
Indirect Energy	0.104	0.111	0.115	0.039	0.028	0.045
<b>Total Energy</b>	<b>2.756</b>	<b>2.849</b>	<b>2.914</b>	<b>4.228</b>	<b>4.254</b>	<b>4.881</b>
	Supply Chain & Freight			Totals		
Global Energy (^000 GJs/ \$M Revenue)	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Revenue (\$M)	\$15,184	\$13,381	\$9,467	\$84,628	\$74,094	\$58,363
Direct Energy	0.648	0.752	1.272	2.582	2.665	2.976
Indirect Energy	0.064	0.070	0.114	0.084	0.088	0.100
<b>Total Energy</b>	<b>0.712</b>	<b>0.822</b>	<b>1.386</b>	<b>2.666</b>	<b>2.753</b>	<b>3.076</b>

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302-4		Reduction of energy consumption.		
Energy Saved Due to Conservation and Efficiency Improvements	Absolute Energy Avoided 2020 vs. 2015 (gigajoules) <sup>(1)</sup>	2020 Energy Intensity	2015 Energy Intensity	Comments
<b>U.S. Domestic Package: absolute energy avoided</b>				
<b>Contributing factors/initiatives:</b> Implementation of telematics, improved vehicle routing, conducting proactive maintenance on our vehicles, shifting travel to low-emission vehicles.	(1,698,000)	27.35	27.03	Energy Intensity factor expressed in gigajoules per 1,000 packages.  Scope is U.S. Domestic Package Operations.  Includes all direct and indirect energy usage for this specific business segment.  Avoided absolute energy = (2015 energy intensity x 2020 # of packages) – (2020 energy intensity x 2020 # of packages)
<b>International Package: absolute energy avoided</b>				
<b>Contributing factors/initiatives:</b> Miscellaneous initiatives in our airline, including lower flight speeds, computer- optimized flight plans, single-engine taxi.	9,793,000	74.9	85.65	Energy intensity factor expressed in gigajoules per 1,000 packages.  Scope is International Package Operations.  Includes all direct and indirect energy usage for this specific business segment.  Avoided absolute energy = (2015 energy intensity x 2020 # of packages) – (2020 energy intensity x 2020 # of packages)
<b>Supply Chain &amp; Freight: absolute energy avoided</b>				
<b>Contributing factors/initiatives:</b> Implementation of telematics, improved dispatching of drivers, consolidation of shipments, loading efficiency in ways that keep miles driven to a minimum.	533,000	1.16	1.21	Energy intensity factor expressed in gigajoules per 1,000 lbs. of freight hauled.  Scope is Supply Chain & Freight Operations.  Includes all direct and indirect energy usage for this specific business segment.  Avoided absolute energy = (2015 energy intensity x 2020 lbs. of

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				freight) — (2020 energy intensity x 2020 lbs. of freight)
<b>Total</b>	<b>8,628,000 gigajoules</b>			
<sup>(1)</sup> Absolute energy avoided in 2020 was estimated from the energy intensity factor improvements from 2015 (baseline year) to 2020.				

*Omitted: Information is currently unavailable for the following:*

- *Rationale for choosing the base year*
- *Standards, methodologies, assumptions, and/or calculation tools used*

*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.*

### **302-5 Reductions in energy requirements of products and services.**

See Disclosure 302-4 — Reduction of Energy Consumption.

*Omitted: Information is currently unavailable for the following:*

- *Reductions in the energy requirements of sold products and services achieved during the reporting period, in joules or multiples*
- *Rationale for choosing the base year*
- *Standards, methodologies, assumptions, and/or calculation tools used*

*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.*

## **303 Water**

### **103-1, 2, 3 Management approach.**

**NOTE:** *Water is not a material issue for UPS, as determined by our ESG materiality assessment. We provide some perspective in this report for those stakeholders who have an interest in this issue.*

Over the next few decades, UPS, like many other companies around the world, will see water scarcity and water stress issues that affect a significant number of locations where we have operations. While our own water needs are modest relative to other industries, water scarcity and water stress can be harmful to local communities. To address this concern, UPS has a global water stewardship strategy based on three pillars:

**Transparency** — Disclosing comprehensively measured water data for our domestic and international operations.

**Conservation** — Applying best practices for water conservation throughout the Company, focusing on the top 20 percent of facilities with the highest water use. These facilities represent 80 percent of our total water usage and cost.

**Engagement** — Collaborating with world leaders on water and reporting, by sharing our knowledge and helping them disseminate ideas and guidance.

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<b>303-1</b>	<b>Interactions with water as a shared resource.</b>				
<b>Total Water Consumption — Absolute (millions m<sup>3</sup>)</b>					
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>% CHANGE 2020/2019</b>
U.S. Domestic Package	4.05	3.66	4.18	3.92	10.9%
International Package	0.99	1.66	0.73	0.64	-40.3%
Supply Chain & Freight	0.74	1.23	0.95	0.86	-40.1%
<b>Total Water Consumption</b>	<b>5.78</b>	<b>6.55</b>	<b>5.86</b>	<b>5.42</b>	<b>-11.7%</b>
<b>305 Emissions</b>					
<b>103-1, 2, 3</b>	<b>Management approach.</b>				
	See Disclosure 302 — Energy Management Approach.				
<b>305-1</b> <b>305-2</b> <b>305-3</b> <b>305-4</b>	<b>Direct (Scope 1) GHG emissions</b> <b>Indirect (Scope 2) GHG emissions</b> <b>Other Indirect (Scope 3) GHG emissions</b> <b>GHG emissions intensity</b>				
	See Appendix B at end of document				
<b>305-5</b>	<b>Reduction of GHG emissions.</b>				
<b>2020 Carbon Intensity Emissions Avoided Since Base Year (2015)</b>					
<b>Emissions reduction description: the following three metrics are the components of the UPS Transportation Intensity Index.</b>	<b>Absolute CO<sub>2</sub>e Emissions Avoided Since 2015 (metric tonnes)</b>	<b>2020 CO<sub>2</sub>e Intensity</b>	<b>2015 CO<sub>2</sub>e Intensity</b>	<b>Comments</b>	
U.S. Domestic Package: absolute CO <sub>2</sub> e avoided (Ground operations only)	1,188,000	2.14	2.36	1) CO <sub>2</sub> e Intensity factor expressed in lbs. CO <sub>2</sub> e per Package 2) Scope is U.S. Domestic Package ground movements 3) Avoided absolute CO <sub>2</sub> e = (2015 CO <sub>2</sub> e Intensity x 2020 # of packages) - (2020 CO <sub>2</sub> e Intensity x 2020 # of packages)	
Global UPS Airlines: absolute CO <sub>2</sub> e avoided	1,003,000	1.33	1.40	1) CO <sub>2</sub> e Intensity factor expressed in lbs. CO <sub>2</sub> e per Package 2) Scope is UPS Airlines - Global Operations 3) Avoided absolute CO <sub>2</sub> e = (2015 CO <sub>2</sub> e Intensity x 2020 ATM) - (2020 CO <sub>2</sub> e Intensity x 2020 ATM)	

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U.S. Supply Chain & Freight: absolute CO <sub>2</sub> e avoided	387,000	0.19	0.19	<p>1) CO<sub>2</sub>e Intensity factor expressed in lbs. CO<sub>2</sub>e per lb. of freight</p> <p>2) Scope is UPS Freight<sup>R</sup> LTL ground movements</p> <p>3) Avoided absolute CO<sub>2</sub>e = (2015 CO<sub>2</sub>e Intensity x 2020 lbs. of freight) – (2020 CO<sub>2</sub>e Intensity x 2020 lbs. of freight)</p>
<b>Total</b>	<b>2,578,000 metric tonnes</b>			

### 2020 Intermodal Shift Emissions Avoidance

Emissions Reduction Description	Absolute CO <sub>2</sub> e Emissions Avoided in 2020 (metric tonnes)	Total Absolute CO <sub>2</sub> e Emissions Avoided Since 2015 (metric tonnes)
Air to Ground Mode Shift (U.S. Package Operations)	4,497,000	16,154,000
Ground to Rail Mode Shift (U.S. Package Operations)	841,000	4,707,000
<b>Total</b>	<b>5,338,000</b>	<b>20,861,000</b>

Additional information regarding the included greenhouse gases, base year, GWP and calculation standards can be found in 305-1/305-2. Emissions avoided include combined scopes 1 and 2 of primary effects. No secondary effects are significant. Intermodal shift avoidance is calculated based on emissions estimates if the original mode were used.

#### 305-6 Emissions of ozone-depleting substances (ODS).

This indicator is not applicable since UPS does not produce, import or export ODS.

#### 305-7 Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>) and other significant air emissions.

### Particulate Emissions Reduction

U.S. Domestic Package & U.S. Freight Operations

	2020	2019	BASE YEAR (2012)	2020 GOAL
PM2.5 Emissions per Ground Vehicle (kg PM2.5/vehicle)	3 (83% reduction)	4	18	75% reduction from 2012 baseline
NO <sub>x</sub> Emissions per Ground Vehicle (kg NO <sub>x</sub> /vehicle)	94 (81% reduction)	130	503	60% reduction from 2012 baseline

SO<sub>x</sub>, POP, HAP are not measured. Emissions are calculated based on equipment type and model year, using emission factors published by EPA SmartWay.

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.

**306 Waste**

<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p><b>NOTE:</b> Waste is not a material issue for UPS, as determined by our ESG materiality assessment. We provide some perspective in this report for those stakeholders who have an interest in this issue.</p> <p>UPS is currently collecting and disclosing data for solid, hazardous and nonhazardous waste for operations in the U.S., based on information provided by our waste disposal vendors. Because UPS is not involved in manufacturing, our management and mitigation of effluents and waste is limited primarily to solid waste disposal and recycling from supplier packaging, pallets, scrap metal, office paper, plastics and mixed recycling, as well as generated waste from aircraft maintenance, vehicle maintenance and facility operations. UPS’s reporting of waste is currently on that generated by our own activities and none that are generated upstream or downstream in our value chain.</p> <p><b>Solid Waste Management</b> Efforts to improve our recycling programs and reporting have led to an increase in reported tonnage of solid waste recycled. By expanding our recycling programs and fully utilizing national recycling vendors, UPS is better equipped to manage recycling efforts and report data more comprehensively. Achievements include increased national vendor contracts and enhanced recycling reporting. In the U.S in 2020, UPS diverted 60% of waste from landfills; our goal is to increase this to 75%.</p> <p><b>Hazardous and Nonhazardous Waste Management</b> The hazardous and nonhazardous wastes we manage come from aircraft, vehicles and facility operations. These wastes typically include spent antifreeze, used oil, spent solvents, spill residues, paint wastes, used filters, batteries, e-waste, scrap metal and leaking packages. We work with national vendors to recycle or dispose of hazardous and nonhazardous waste, and local vendors to recycle or dispose of nonhazardous waste. Hazardous waste vendors dispose offsite and are well-established, observe industry standard safety procedures and are regularly audited by UPS and/or an environmental consultant to ensure compliance with laws and regulations. Our contracts with national and local vendors specify that we receive a certification letter that details responsible waste and disposal methods.</p>
<b>306-1</b>	<b>Waste generation and significant waste-related impacts</b>
	See Disclosure 306 — Management Approach
<b>306-2</b>	<b>Management of significant waste-related impacts</b>
	See Disclosure 306 — Management Approach
<b>306-3</b>	<b>Waste generated</b>

<b>U.S. Waste Disposal &amp; Recycling Trend (metric tons)</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Solid Waste Disposal Total	313,539	171,082	105,782	89,167
Solid Waste Recycling Total	412,758	327,347	255,220	232,309
Hazardous Waste Total	2,231	1,905	1,707	1,597
Nonhazardous Waste Total	54,932	52,262	68,500	56,310



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Total Waste	783,460	552,598	431,209	379,383	
<b>2020 U.S. Waste Disposal &amp; Recycling (metric tons)</b>					
U.S. Domestic Package, Supply Chain & Freight	Incinerated	Landfilled	Recovery	Recycled	Total
<b>Solid Waste Disposal Total</b>	<b>0</b>	<b>345,617</b>	<b>0</b>	<b>0</b>	<b>345,617</b>
National Vendors	-	191,168	-	-	191,168
Local Vendors	-	122,370	-	-	122,370
<b>Solid Waste Recycling Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>454,988</b>	<b>454,988</b>
Corrugated Containers — National Vendors	-	-	-	65,242	65,242
Pallets & Wood Waste — National Vendors	-	-	-	304,345	304,345
Metals — National Vendors	-	-	-	9,665	9,665
Mixed Recycling — National Vendors	-	-	-	31,682	31,682
Office Paper — National Vendors	-	-	-	1,714	1,714
Plastics — National Vendors	-	-	-	110	110
<b>Hazardous Waste Total</b>	<b>688</b>	<b>12</b>	<b>1,021</b>	<b>510</b>	<b>2,231</b>
Auto, Aircraft, Facility Maintenance, Damaged Packages, Etc. — National Vendors <sup>1</sup>	688	12	1,021	510	2,231
Auto, Aircraft, Facility Maintenance, Damaged Packages, Etc. — Local Vendors	-	-	-	-	-
<b>Nonhazardous Waste Total</b>	<b>1,371</b>	<b>187</b>	<b>2,862</b>	<b>50,512</b>	<b>54,932</b>
Auto, Aircraft, Facility Maintenance, Damaged Packages, Etc. — National Vendors	1,006	131	2,021	5,095	8,254
Electronic Waste — National Vendors	-	-	-	542	542
Batteries — National Vendors <sup>2</sup>	-	-	-	18	18
Scrap Metal From Vehicle Retirement	-	-	-	42,575	42,575
Auto, Aircraft, Facility Maintenance, Damaged Packages, Etc. — Local Vendors	365	56	841	2,282	3,543
<b>Total Waste By Disposal Method</b>	<b>2,059</b>	<b>313,738</b>	<b>3,883</b>	<b>463,780</b>	<b>783,460</b>

1. Approved national vendor – approval process consists of vendor site visits, audits and other internal controls; data collected directly from vendor.

2. Rechargeable and no rechargeable batteries, excluding automotive batteries.

U.S national waste vendors provide tonnage data which is then compiled along with local vendor information from internal procurement systems.

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<b>306-4</b>	<b>Waste diverted from disposal</b>			
	See Disclosure 306-3 – Waste generated			
<b>306-5</b>	<b>Waste directed to disposal</b>			
	See Disclosure 306-3 – Waste generated			
<b>307 Environmental Compliance</b>				
<b>103-1, 2, 3</b>	<b>Management approach.</b>			
	<p><b>NOTE:</b> Environmental compliance is not a material issue for UPS, as determined by our ESG materiality assessment. We provide some perspective in this report for those stakeholders who have an interest in this issue.</p> <p>Through our Corporate Environmental Affairs Department, we have established site- and activity-specific programs for environmental compliance and pollution prevention. We continually evaluate new technologies and seek opportunities to improve environmental performance where possible. Everyone who is part of UPS is expected to support efforts to maintain a leadership role in protecting the environment.</p> <p>Our management approach includes an Environmental Policy Statement and a set of Environmental Guidance Statements that specify how the policy is to be implemented. These Statements are available on the <a href="#">Our Company</a>⇒ section of our website.</p>			
<b>307-1</b>	<b>Noncompliance with environmental laws and regulations.</b>			
	<p>UPS operates in a highly regulated environment due to the volume of various materials, wastes and effluents required to maintain a large number of operating facilities and a diverse fleet of ground vehicles and aircraft. Compliance procedures are extensive and detailed and even seemingly small procedural errors in documenting our compliance can lead to financial penalties. Nevertheless, we strive for error-free performance and the lowest possible risk to UPS and our stakeholders. We therefore cooperate fully with all environmental regulatory agencies that oversee our facilities and activities and report transparently on the results of their inspections.</p> <p>In 2020, U.S. federal and state environmental agencies conducted 789 environmental inspections at UPS facilities, 663 in our U.S. Domestic Package segment and 126 in our Supply Chain &amp; Freight segment. We had a total of 95 notices of violation, on which we received 8 fines amounting to a total of \$166,334.</p> <p>The overall success of our environmental program is reflected in the result of the metric – Penalties as a Percent of Total Environmental Inspections below.</p>			
<b>Penalties as a Percent of Total Environmental Inspections</b>				
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
U.S. DOMESTIC PACKAGE	0.91	2.12	0.4	0.13
U.S. SUPPLY CHAIN & FREIGHT	1.59	2.84	0.64	0.00
<b>308 Supplier Environmental Assessment</b>				
<b>103-1, 2, 3</b>	<b>Management approach.</b>			
	See Disclosure 204 — Procurement Practices.			

<b>308-1</b>	<b>New suppliers that were screened using environmental criteria.</b>
	<p><i>Omitted: UPS does not report specific numbers or percentages related to screening or impact assessments, as this information is subject to confidentiality constraints within our supplier contracts. 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.</i></p> <p>In 2020, we were not aware of any significant environmental, social or labor concerns related to our suppliers.</p>
<b>308-2</b>	<b>Negative environmental impacts in the supply chain and actions taken.</b>
	<p><i>Omitted: UPS does not report specific numbers or percentages related to screening or impact assessments, as this information is subject to confidentiality constraints within our supplier contracts. 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.</i></p> <p>In 2020, we were not aware of any significant environmental, social or labor concerns related to our suppliers.</p>

**401 Employment**

<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p>Throughout our 114-year history, UPS has reinvented itself again and again. We have transformed from messengers on bicycles to a nationwide package delivery company to a worldwide network of 543,000 UPS employees using various means to deliver. As we expand and enter new markets, we need employees to grow and innovate along with us. That’s why reinventing the UPS employee experience is foundational to our transformation’s success.</p> <p>Reimagining the employee experience requires a thoughtful balance between the culture we have cultivated over the years and the new perspectives we need to take us into the future. We started this process by proactively assessing how we want our business to look in five to ten years and identifying the capabilities to get us there. Next, we invested not only in those capabilities, but in opportunities for people who will support growth.</p> <p>These transformative changes have required a shift in outlook — for our Company and our people. As we make decisive changes, we are encouraging employees to be equally as bold. We are strengthening mindsets and behaviors as it relates to UPS leadership attributes, innovating for the future and adopting modern technologies and processes. Our transformation is still underway. Here are a few actions we’ve taken to change what it’s like to be part of the UPS team:</p> <ul style="list-style-type: none"> <li>• Incorporating a better business model to provide both challenging and rewarding employee experiences. This includes: redesigning roles and responsibilities to more effectively leverage our people with strong communications and/or policy experience, programming and political acumen to enhance engagement and improve retention; eliminating overlaps and redundancies across teams and driving more alignment in order to support more mission-focused, problem-solving and policy advocacy; and rebalancing the team to strengthen capabilities in domestic and international operations versus a previous corporate-centric structure.</li> <li>• Conducting the inaugural UPS Culture Survey to better understand how our beliefs and behaviors align with our strategy. Focused on what motivates, empowers and inspires our employees, the Survey helped us identify existing strengths, as well as</li> </ul>

	<p>opportunity areas, that drive business results and support UPS’s continuous transformation. To measure our success, we have started monitoring an employee likelihood to recommend score.</p> <ul style="list-style-type: none"> <li>• Creating a new 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 division’s additional priorities.</li> <li>• Streamlining Health &amp; 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.</li> <li>• Ensuring all UPS employees have a voice and seat at the table. By deepening our commitment to inclusion and openness to new ideas, UPS will have its greatest opportunity for exponential growth.</li> <li>• Encouraging innovative solutions and thinking from all employees.</li> <li>• Continuing to implement collaborative engagement tools and technologies that enable us to be more agile, act faster and gather diverse ideas.</li> </ul> <p>Data for this disclosure does not include acquisitions from 2015 on, including our Coyote Logistics and Marken entities.</p>																																
<p><b>401-1</b></p>	<p><b>New employee hires and employee turnover.</b></p>																																
	<p>(Through September 2020, to account for year-round employees rather than seasonal peak hires.)</p> <table border="1"> <thead> <tr> <th data-bbox="302 1020 1187 1073"></th> <th data-bbox="1187 1020 1511 1073">2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="302 1073 1187 1125"><b>Total Non-Peak Employees</b></td> <td data-bbox="1187 1073 1511 1125">543,000</td> </tr> <tr> <td data-bbox="302 1125 1187 1178"><b>Peak Holiday Shipping Season Hires</b></td> <td data-bbox="1187 1125 1511 1178">100,000</td> </tr> <tr> <td data-bbox="302 1178 1187 1325"><b>Workforce by Type</b></td> <td data-bbox="1187 1178 1511 1325"></td> </tr> <tr> <td data-bbox="302 1230 1187 1262">Full Time</td> <td data-bbox="1187 1230 1511 1262">51%</td> </tr> <tr> <td data-bbox="302 1262 1187 1314">Part Time</td> <td data-bbox="1187 1262 1511 1314">49%</td> </tr> <tr> <td data-bbox="302 1325 1187 1472"><b>Workforce by Location</b></td> <td data-bbox="1187 1325 1511 1472"></td> </tr> <tr> <td data-bbox="302 1377 1187 1409">United States</td> <td data-bbox="1187 1377 1511 1409">84%</td> </tr> <tr> <td data-bbox="302 1409 1187 1461">Outside U.S.</td> <td data-bbox="1187 1409 1511 1461">16%</td> </tr> <tr> <td data-bbox="302 1472 1187 1619"><b>Workforce by Gender</b></td> <td data-bbox="1187 1472 1511 1619"></td> </tr> <tr> <td data-bbox="302 1524 1187 1556">Men</td> <td data-bbox="1187 1524 1511 1556">79%</td> </tr> <tr> <td data-bbox="302 1556 1187 1608">Women</td> <td data-bbox="1187 1556 1511 1608">21%</td> </tr> <tr> <td data-bbox="302 1619 1187 1671"><b>New Permanent Global</b></td> <td data-bbox="1187 1619 1511 1671">218,520</td> </tr> <tr> <td data-bbox="302 1724 1187 1860"><b>New U.S. Employees by Gender</b></td> <td data-bbox="1187 1724 1511 1860"></td> </tr> <tr> <td data-bbox="302 1776 1187 1808">Men</td> <td data-bbox="1187 1776 1511 1808">75%</td> </tr> <tr> <td data-bbox="302 1808 1187 1860">Women</td> <td data-bbox="1187 1808 1511 1860">25%</td> </tr> </tbody> </table>		2020	<b>Total Non-Peak Employees</b>	543,000	<b>Peak Holiday Shipping Season Hires</b>	100,000	<b>Workforce by Type</b>		Full Time	51%	Part Time	49%	<b>Workforce by Location</b>		United States	84%	Outside U.S.	16%	<b>Workforce by Gender</b>		Men	79%	Women	21%	<b>New Permanent Global</b>	218,520	<b>New U.S. Employees by Gender</b>		Men	75%	Women	25%
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	<p><b>New U.S. Employees by Age</b></p> <p>Under 30 years old 69%</p> <p>30-50 years old 25%</p> <p>Over 50 years old 5%</p> <hr/> <p><b>Full-Time Global Employee Retention Rate</b> 80%</p> <hr/> <p><b>Full-Time Global Retention Rate: Men Employees</b> 82%</p> <hr/> <p><b>Full-Time Global Retention Rate: Women Employees</b> 69%</p> <hr/> <p><b>Full-Time Global Retention Rate: Age Under 30</b> 60%</p> <hr/> <p><b>Full-Time Global Retention Rate: Age Over 50</b> 10%</p> <hr/> <p><b>Full Time Retention Rate by Region</b></p> <p>U.S. 77%</p> <p>Europe 92%</p> <p>Asia-Pacific 92%</p> <p>Americas 91%</p> <p>ISMEA 92%</p>	
	<p><i>Omitted: Information regarding new hires broken out by region 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.</i></p>	
<p><b>401-2</b></p>	<p><b>Benefits provided to full-time employees that are not provided to temporary or part-time employees.</b></p> <p>UPS provides health benefits for many employees, retirees and their dependents through several 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.</p> <p>While there are variations in available plans, the following is an example of typical benefits provided to UPS employees in the U.S., where a majority of our employees are located:</p> <ul style="list-style-type: none"> <li>• Medical care, including a prescription drug program</li> <li>• Dental care</li> <li>• Vision care</li> <li>• Life insurance</li> <li>• Supplemental life insurance</li> <li>• Business travel accident insurance</li> <li>• Short-term and long-term disability coverage</li> <li>• Child/eldercare spending accounts</li> <li>• Pretax healthcare spending and savings accounts</li> </ul>	

	<ul style="list-style-type: none"> <li>• Work-life balance programs</li> <li>• Employee Assistance Program, including work/life issues (financial concerns, childcare, substance abuse, mental health and more)</li> </ul> <p>To support our people during the unprecedented times of 2020, an Emergency Paid Leave compensation program was made available beginning March 17, 2020 to union employees under certain circumstances and to union-free UPSers who are unable to work remotely and who meet specific conditions. The program will continue until the national emergency is lifted in the United States.</p> <p>In most countries and territories, we contribute to the mandatory social security systems that generally provide health, unemployment, disability and retirement benefits for employees in that country. In addition to these mandatory government systems, we provide healthcare, life, disability and/or retirement benefits to some employees outside the United States. Some of these programs are mandatory, whereas others are provided to employees as part of the normal market practice.</p> <p>In many countries and territories outside the United States, legislation or national practice provides citizens with benefits programs as an integral part of the social system. We offer private benefit plans to our international operations to supplement these programs.</p> <p>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 United States, these other benefits are generally provided to non-union employees without regard to full-time or part-time status.</p> <p>Certain benefits are not available to all or some part-time employees. These include long-term disability coverage, business travel accident insurance and tuition assistance; availability may vary by location and employee position.</p> <p>Furthermore, some of these benefits may, in practical terms, apply only to management employees, such as those taking advantage of our relocation programs. Our union employees bargain collectively for their benefits via their union representatives. Temporary employees and seasonal workers are generally ineligible for UPS benefits.</p>
<p><b>401-3</b></p>	<p><b>Parental leave.</b></p>
	<p>Under the U.S. Family and Medical Leave Act (FMLA), UPS employees 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. Additionally, any UPS employee who is not eligible according to the 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.</p> <p>In 2020, nearly 492,000 employees qualified for FMLA leave as well as short-term disability maternity leave. In addition, there are state laws that offer greater protections or have eligibility requirements that differ from the federal law.</p> <p>Due to changes in collective bargaining agreements and HR information tracking systems, UPS does not have visibility into the leave, return or retention rates for union employees. There is currently no plan to begin collecting this data.</p> <p><i>Omitted: The breakdown of employee related information regarding parental leave is currently unavailable. We will be reviewing ways to address this disclosure on a yearly basis as we define the need to capture this information.</i></p>

402 Labor/Management Relations	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p>UPS is one of the world’s largest private employers. More than three-quarters of our employees in the U.S. are represented by unions, including almost everyone who handles or transports packages. In addition, approximately 2,900 pilots who flew for UPS Airlines in 2020 are represented by the Independent Pilots Association (IPA). Throughout its global operations, the Company works with many other unions, associations and work councils where we have collectives.</p> <p>We bargain in good faith on all matters involving our unions and the employees they represent. This includes dealing with union leaders at the national level, working with local chapters throughout the United States and participating in work councils and associations outside the U.S., which allow us to respond to emerging regional and national issues. This work helps our operations to build and maintain relationships with our employees. We are not aware of any operations or suppliers in which the right to exercise freedom of association and collective bargaining may violate applicable laws or be at significant risk.</p> <p>We communicate frequently with our people and their unions at many levels of the Company to ensure that all parties are working toward positive results for our employees and other major stakeholders.</p> <p>Our U.S. agreements also 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. Non-union employees have an alternative process available for dispute resolution.</p> <p>To help us maintain and enhance successful relationships with our unions, we do not publish the number of grievances related to collective bargaining agreements filed, addressed or resolved during current or prior reporting periods.</p> <p>UPS also works with organized labor on key environmental issues. For several years we have served on the Corporate Advisory Board of the Blue-Green Alliance, a group of labor and environmental organizations, to discuss emerging environmental issues and solutions.</p> <p>UPS evaluates the success of labor relations based on continued collaborative working relationships with unions, associations and work councils, as we have over the past 90 years. In the U.S., the current National Master Agreement with the International Brotherhood of Teamsters (“IBT”) and related local agreements expire on July 31, 2023.</p>
<b>402-1</b>	<b>Minimum notice periods regarding operational changes.</b>
	<p>UPS’s collective bargaining agreements include minimum notice periods regarding operational changes, which vary by master agreement and also according to specific requirements for local chapters of our unions. For example, the labor agreement covering U.S. package delivery operations requires a minimum notice period of 45 days.</p>
403 Occupational Health & Safety	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p>Strong health and safety programs are the result of appropriate processes and risk controls 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"> <li>• investing in safety training and audits;</li> </ul>

	<ul style="list-style-type: none"> <li>• promoting wellness practices which mitigate risk; and</li> <li>• offering benefits that keep employees safe in the workplace and beyond.</li> </ul> <p>In light of the global public health pandemic in 2020, we focused on keeping employees safe, such as adjusting our operating procedures; rapidly enhancing cleaning procedures for facilities, vehicles and aircraft; and quickly deploying and replenishing resources such as gloves, hand sanitizer and face masks.</p> <p>On-road safety is a priority focus area. Vehicle crashes have represented a significant portion of UPS employee fatalities and are the leading cause of death and injury in the workplace, according to the National Safety Council. In addition to providing in-depth training for drivers, we are equipping our vehicles with new technologies, such as advanced collision mitigation systems, to help reduce vehicle crashes. Telematics data gathered in our U.S. Domestic Small Package Operations allows us to promote and coach safe driving behaviors by leveraging data retrieved from the vehicle. In addition, we continue to enforce compliance with regulations pertaining to working hours, rest hours and leave times for people who drive and operate vehicles.</p> <p>Beyond training, we use a Comprehensive Health and Safety Process (CHSP) to improve the overall health and safety environment of UPS employees. Working closely with our unions, there are more than 3,600 CHSP committees worldwide, which are co-chaired by employees and management. The committees conduct facility and equipment audits, perform work practice and behavioral analysis, conduct training and recommend work process and equipment changes. Meeting frequency of CHSP committees is determined at the local level. The framework for the Comprehensive Health and Safety Process allows for approximately 10 percent of the workforce to participate on safety committees, representing all employees.</p> <p>We follow a global wellness guide called the “Five Being Habits” that focuses on five areas of wellness: fitness, sleep, nutrition, stress management and hydration. These habits serve as actionable steps that employees and their families can take toward creating healthy lifestyles.</p> <p>We use Quality Validation Assessments (QVAs) to verify and measure the effectiveness of safety and wellness leadership; daily planning and execution; and communication and coaching. By the end of 2020, the total number of UPS management employees who received Quality Validation Training was more than 10,000.</p> <p>Our Safety Health Risk Management Information System (SHRMIS) tracks important H&amp;S data in Canada, Puerto Rico and the United States. Outside of those areas, we use the International Incident Report Tool (IIRT) to track injuries, auto crashes and near-misses. The tools provide daily visibility of injury and auto crash trends globally, as well as the ability to perform data analysis to identify risks and implement control measures.</p>
<p><b>403-1</b></p>	<p><b>Occupational health and safety management system.</b></p>
	<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.) and ANSI Z10 (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. The system was voluntarily created by UPS to establish methodologies for employee health and wellness specific to UPS operations.</p>



	The CHSP covers all UPS employees and workers, but not those of our contractors, agents or outside service providers, who have their own health and safety programs and management systems.
<b>403-2</b>	<b>Hazard identification, risk assessment and incident investigation.</b>
	<p>Hazards are identified by employees and by the local CHSP committees, which conduct facility and equipment audits, perform work practice and behavioral analysis, conduct training and recommend work process and equipment changes. Results of these audits lead to improved safety processes at the local level, which are shared with district health &amp; safety managers for potential wider implementation. In addition, there are regularly scheduled audits and evaluations of the CHSP both internally and externally through our partnerships with Keter Consultants and Liberty Mutual. In 2020, we conducted 11 examinations of the process.</p> <p>Workers may report work-related hazards and hazardous situations to management through local CHSP Committees, which are co-chaired by employees and management, or through the UPS Ethics Hotline. This same process is used for workers to remove themselves from work situations that they believe could cause injury or ill health. UPS has open door and no reprisal policies for all of these methods.</p> <p>Work-related incidents are investigated and reported through SHRMIS, which tracks this data for Canada, Puerto Rico and the United States, and through IIRT for other international locations. These digital tools provide daily visibility of injury and auto accident trends globally, as well as the ability to perform data analysis 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 employee directly involved and other employees in the work group.</p>
<b>403-3</b>	<b>Occupational health services.</b>
	<p>The CHSP process is designed to assist the work group in identifying the key issues causing injuries and auto accidents at UPS and in developing the effective mitigation strategies needed to address those issues.</p> <p>CHSP committees conduct worksite analysis regularly to identify risks and hazards. This analysis consists of several methods of examination aimed to identify not only existing hazards, but also conditions and operations in which changes might occur to create hazards. The methods are: data analysis, behavior observation and feedback, facility audit and injury and auto accident investigation. Results are reported through SHRMIS and IIRT.</p> <p>Data on workers’ personal health-related information from these analyses, investigations, audits and similar processes are maintained as confidential through UPS data privacy standards. UPS protects access to systems to ensure that workers’ personal health-related information and participation in health services are not used for any favorable or unfavorable treatment of workers and in compliance with regulatory requirements.</p>
<b>403-4</b>	<b>Worker participation, consultation and communication on occupational health and safety.</b>
	For additional information on CHSP responsibilities see 403-2 and 403-3; worker representation and communications, see 403-2; meeting frequency and decision-making authority, see 403-3.
<b>403-5</b>	<b>Worker training on occupational health and safety.</b>
	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

	<p>managers and supervisors who instruct employees in the specifics of each course. In 2020, UPS spent more than \$259 million on safety training courses (27 percent of total training spend) and UPSers spent more than 6.1 million hours (38 percent 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. Our employees with exceptional safety records are recognized and encourage others to strive for the same high standards, such as through our Circle of Honor program.</p> <p><i>Omitted: Information regarding training on specific work-related hazards, hazardous activities, or hazardous situations 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.</i></p>
<b>403-6</b>	<b>Promotion of worker health.</b>
	<p>See 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees. In addition, UPS offers an Employee Assistance Program for all employees. This service is offered through Aetna, which maintains confidentiality of data and assists with non-work-related health and wellness issues, including work/life balance, financial concern, childcare, substance abuse, addiction counseling and other wellness matters.</p>
<b>403-7</b>	<b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.</b>
	<p>The health and safety systems of contractors, agents and outside service providers are reviewed prior to the beginning of any business relationship to ensure they are operating safely and comply with local laws. Audits are conducted intermittently to ensure health and safety processes are being followed. UPS collaborates with contractors, agents and outside service providers to share safety lessons learned and best practices.</p>
<b>403-8</b>	<b>Workers covered by an occupational health and safety management system.</b>
	<p>See 403-1 Occupational health and safety management system.</p> <p><i>Omitted: Information regarding occupational health and safety management systems pertaining to employees and workers who are not employees but whose work and/or workplace is controlled by the organization, broken down by number and percentage of coverage, as well as whether such systems have been internally or externally audited, 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.</i></p>
<b>403-9</b>	<b>Work-related injuries.</b>
	<p>UPS is committed to sustaining our track record of industry-leading employee health, safety and wellness programs across a growing workforce.</p> <p>In 2016 we set a goal to improve our lost time injury frequency (LTI)* 1 percent by 2020. By doing so, we would reduce our rate of LTI incidents from 1.82 to 1.80 occurrences per 200,000 hours worked. In 2020 society experienced challenges like never before. In the throes of the pandemic our people demonstrated why they are truly essential. We saw virtually every headwind experienced in the past exacerbated. Our drivers delivered more packages, made more stops and worked longer hours. We added a record number of new drivers, to meet the demands of a booming e-commerce economy. As a result of the increase in drivers and miles, and the increase in residential e-commerce deliveries which present higher risks, the LTI rate deteriorated to 2.19, a 21.1 percent increase over the baseline, primarily within US Small Package Operations. LTI decreased to 1.69 in</p>

	<p>International Operations and to 1.03 in Airline Operations, both substantially better than overall goal of 1.81. The total number of hours worked by UPS employees was more than 855.3 million in 2020 and the main types of work-related injuries to UPS employees were auto accidents, slips and falls and lift-lower injuries. In the United States, Canada and Puerto Rico, our largest area of operations, 76.9 percent of injuries involved men and the remaining 23.1 percent involved women.</p> <p>In 2016, we also set a goal to reduce the number of auto accidents, from 9.04 to 8.77 per 100,000 driver hours, representing a 3 percent reduction by 2020. In 2019, we surpassed this goal one year ahead of schedule and continued the trend in 2020 with a 5.1 percent reduction, driven by continued investments in enhanced driver training techniques and advancements in vehicle technology.</p> <p>UPS experienced 15 fatalities worldwide in 2020, all in the U.S. and all men. Our global rate of fatalities per 200,000 hours worked was 0.0035.</p> <p>In 2021 we look forward to emerging from the pandemic stronger by stabilizing the workforce and improving our health and safety (H&amp;S) practices.</p> <p>In addition to the aforementioned initiatives, a new H&amp;S structure has been put in place. A president and vice president have been added to manage US H&amp;S Operations. Safety committees will help support enterprise efforts to bring innovation and engagement to the forefront. Additional information on management approaches to eliminate these work-related hazards are explained in 403 Occupational Health and Safety Management Approach.</p> <p>Due to confidentiality constraints, UPS does not currently track or report this data for contractors.</p> <p>*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.</p> <p><i>Omitted: The following information is currently not available to be disclosed in this reporting period: (1) the total number of work-related injuries, (2) The number and rate of high-consequence work-related injuries (excluding fatalities), and (3) detailed breakdown of information pertaining to the work-related hazards that pose a risk of high-consequence injury. 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.</i></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>
<p><b>403-10</b></p>	<p><b>Work-related ill health.</b></p>
	<p>For 2020, we were not aware of any occupational diseases among UPS employees or of any incidence or high risk of disease related to occupations at UPS. UPS manages for occupational disease to regulatory compliance levels in the areas of our owned operations. In light of the global coronavirus pandemic, we’re taking actions to keep employees safe, such as adjusting our operating procedures; rapidly enhancing cleaning procedures for facilities, vehicles and aircraft; and quickly deploying and replenishing resources like gloves, hand sanitizer and face masks.</p> <p><i>Omitted: Information pertaining to the breakdown of number of fatalities, cases of work-related ill health, and the main types of work-related ill health are not currently available, as they were not recorded by the established data processes during the year. Additionally, due to confidentiality constraints, UPS does not currently track or report this data for</i></p>

*contractors. 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 Training & Education**

**103-1, 2, 3 Management approach.**

We believe that UPS employees are among the most motivated, highest-performing people in the industry and they represent a meaningful competitive advantage for our Company. This makes it critical to recruit the best people and keep them for the long term — an especially important aim amid changes to our industry, customers and the world’s transportation infrastructure.

Once we have successfully recruited new employees, we retain them by promoting from within, offering a range of continuous training and talent development opportunities and identifying employee potential early to accelerate career development. These offerings combine experience, exposure and education for employees at every level of our organization.

We continue to focus our human capital strategies on the employee experience. This extends to recruitment efforts, our point-of-entry in the employee life cycle. Our approach spans both hourly and professional candidate pools, where we tailor our methodologies to suit the needs of these two distinct recruitment groups. Communicating a compelling Employee Value Proposition (EVP) is key to our ability to successfully recruit a qualified, diverse workforce in competitive markets. As we evolve our EVP to remain competitive, we continually enhance recruitment messages in advertising, social media, recruitment events and other communication vehicles.

U.S. veterans remain an ongoing focus of the UPS military recruitment strategy. Separating service member and veteran specific recruitment and engagement tools drive our success among this important demographic. Through the UPS Veteran Career Gateway, UPS continues to expand our recruitment strategy, which includes a newly created Career Skills Program offering employment opportunities specifically to service members that desire employment as an on-road supervisor. We maintain our recruitment engagements with our UPS Military Fellowship Program. Additionally, we utilize military outreach mechanisms such as recruitment fairs and information sessions as well as working through veteran friendly organization to announce employment opportunities. As we grow our UPS Military Spousal recruitment program, we will provide even more offerings designed to enhance our presence in the military recruitment space.

In addition to recruiting the right people, we also want to ensure we are developing our people. Central to our EVP is our investment in the careers of our people through the Education Assistance program. UPS helps our people finance their education through one of the more generous tuition reimbursement programs in the marketplace. Students can use up to \$25,000 for their education and attend school while working part-time or full-time at UPS. This is an important recruiting and retention tool; turnover among program participants in part-time positions is significantly lower than among nonparticipants.

When it comes to ongoing development, we focus on helping UPSers hone the skills needed to excel in their roles and achieve their long-term career goals. We are working toward a more self-directed development model in which UPSers and their managers collaborate to determine the most beneficial training programs and development opportunities on an individual basis.

Training and development opportunities include constructive feedback, coaching and counseling from managers and co-workers. Employees receive formal and informal

development delivered through live and virtual classrooms, on-the-job training, committee participation and special assignments. Additionally, self-development opportunities are available around the clock through an extensive eLearning library in UPS University, our enterprise-wide learning management system and component of our global talent management system, My Talent Center. In 2020, UPS invested nearly \$1 billion in training programs and UPSers dedicated more than 16 million hours in training at an average investment-per-learner of approximately \$1,069.

We continue to focus our human capital strategies on the employee experience and culture. This past year, UPS launched Professionalism and Performance training for all full-time supervisors and above. Employee feedback shows that this training is effective at reinforcing our company’s inclusive culture and values.

Data for this disclosure does not include acquisitions from 2015 on, including Coyote Logistics and Marken, as this data is not currently available for acquisitions after 2015.

**404-1 Average hours of training per year per employee.**

2020 Employee Training	
EMPLOYEE CATEGORY	AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE
Senior/Middle Management	24
Entry-Level Management	16
Administrative/Technical	6
Non-management	32
BY GENDER	AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE
Women	36
Men	30

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

In many cases, 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 our people. 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.

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

*Omitted: Information pertaining to a program to handle continued employability and the management of 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.**

In 2017, we embarked on an enterprise-wide initiative involving the redesign of many talent management processes and the implementation of a newly integrated technology

	<p>platform. This initiative included comprehensive behavior training on managing performance and career development to help effectively execute the new processes.</p> <p>This technology aided the preparation and identification of meaningful annual career development plans. Management utilized performance discussions, assessments on leadership skills and UPS values and continuous feedback. To develop plans for future growth, management employees identify areas of interest, aspirations and opportunities for career progression. Through regular discussions, assessments and coaching, employees determine their strengths and opportunities and are encouraged to focus on career goals.</p> <p>In 2020, 99 percent of employees in senior and middle management roles in the U.S. received regular performance reviews.</p> <p><i>Omitted: Information pertaining to the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period 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.</i></p>
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**405 Diversity & Equal Opportunity**

**103-1, 2, 3 Management approach.**

	<p>UPS’s values are rooted in DEI that thrives inside and outside our walls. DEI benefits the economic performance of our business by helping us to better understand and meet customer needs, as well as strengthen our workplace environment so employees can be more successful. By leveraging diverse perspectives, strengthening our commitment to equity and creating inclusive environments, we have the opportunity to improve organizational effectiveness, cultivate innovation and drive growth. DEI is a strategic business imperative that enables us to adapt and excel in an ever-evolving global marketplace.</p> <p>As a global company serving more than 220 countries and territories, we recognize that diversity is defined differently around the world. The process of building a diverse global workforce begins with recruiting talented people, regardless of visible characteristics such as race, gender and age, or less obvious characteristics such as personality, ethnicity, ability, sexual orientation, education, religion, lifestyle, values, beliefs, experiences, backgrounds, preferences, family situations or behaviors. We then reward and promote people based on their skills, knowledge, experience and performance.</p> <p>UPS is a people-led company guided by a strong purpose. We value the contributions of all our people and encourage everyone to bring their unique perspectives, backgrounds, talents and skills to work every day. UPS’s bold vision for DEI includes a new statement introduced to all UPSers around the globe: <b>You belong at UPS.</b> You, the global collection of UPS people, customers and community members, are welcomed and valued here. We will live this vision by unlocking the power of diversity by seeking distinct perspectives and backgrounds.</p> <p>In 2020, UPS established an EJA task force to research and ensure alignment with core DEI principles like pay equity and equal employment opportunity. UPS also formalized a DEI department and named a c-suite level CDEIO. This CDEIO leads DEI efforts globally, supported by UPS’s long-standing DEI Council. The council, which meets regularly throughout the year, is chaired by our CEO and composed of senior leaders who set and support strategies for the organization while serving as visible champions for DEI.</p>
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	<p>One key measure of inclusion is UPS Business Resource Groups (BRGs). BRGs offer networking and learning opportunities to UPSers domestically and internationally from a variety of backgrounds. All BRGs have advisors and sponsors among senior management. BRG sponsors, who are members of our ELT, help connect BRGs with people at the highest levels of UPS, so the BRG can best align their objectives with those of the Company. With hundreds of chapters across the globe, BRGs at UPS make significant contributions to growing the business, developing our people and supporting the communities we serve.</p> <p>Lasting change requires shifting our culture and we are driving this transformation from the top as well as through grassroots efforts. We are building on UPS's rich history of centering our company on our people and maintaining our core values of fairness, dignity and respect. A diverse, equitable and inclusive environment will help UPS attract and retain the best talent, drive innovation and exceed our financial targets.</p> <p>Data for this disclosure does not include acquisitions from 2015 on, including our Coyote Logistics and Marken entities, as this data is not currently available for acquisitions after 2015.</p>
<b>405-1</b>	<b>Diversity of governance bodies and employees.</b>
	<p>Our focus on DEI in our operations and management is also reflected in the composition of our Board of Directors.</p> <p>We know that diversity is essential to innovation and our continued success. But diversity by itself is just a numbers game. The real benefit comes with inclusion, starting with equity and equal access to opportunity.</p>

### 2020 Governance Body Diversity

(as of 12/31/20)<sup>(1)</sup>

Governance Bodies	AGE GROUP			GENDER		MINORITY GROUP (UNITED STATES) <sup>(2)</sup>			
	<30	30-50	>50	Men	Women	African-American	Latino	Asian-American	Other <sup>(3)</sup>
Board of Directors	—	7%	93%	60%	40%	20%	—	7%	—
ELT	—	9%	91%	64%	36%	18%	9%	—	—

<sup>(1)</sup> As of July 1, 2021, the UPS Board of Directors consisted of 46% Women, 23% African-American and 8% Asian-American members. The ELT consisted of 33% women, 25% African-American and 8% Latino members.

<sup>(2)</sup> Minority group restricted to U.S. employees.

<sup>(3)</sup> Indicates two or more.

### 2020 Statistical Snapshot of UPS Diversity<sup>(1)</sup>

Employee Categories	AGE GROUP			GENDER		MINORITY GROUP (UNITED STATES) <sup>(2)</sup>			
	<30	30-50	>50	Men	Women	African-American	Hispanic	Asian-American	Other <sup>(3)</sup>
Senior/Middle Management	12%	57%	31%	74%	26%	15%	11%	6%	2%
Entry Level Management	42%	43%	15%	63%	37%	25%	17%	3%	5%

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Administrative/Technical	24%	51%	24%	42%	58%	24%	13%	4%	3%
Non-management	33%	45%	22%	84%	16%	24%	19%	2%	4%
<b>Total</b>	<b>32%</b>	<b>46%</b>	<b>22%</b>	<b>79%</b>	<b>21%</b>	<b>23%</b>	<b>18%</b>	<b>3%</b>	<b>3%</b>

(1) Data collected on 9/30/20 to account for year-round employees rather than seasonal peak hires.

(2) Minority group restricted to U.S. employees.

(3) Indicates two or more.

### Employment Type by Category (Global)<sup>(1)</sup>

Employee Categories	MEN		WOMEN		Total
	Full Time	Part Time	Full Time	Part Time	
Senior/Middle Management	74%	—	26%	—	100%
Entry Level Management	13%	50%	9%	28%	100%
Administrative/Technical	36%	6%	45%	13%	100%
Non-management	43%	41%	4%	12%	100%

(1) Data collected on 9/30/20 to account for year-round employees rather than seasonal peak hires.

To see workforce demographic information using U.S. government mandated reporting categories, see our [FFO-1 Report](#). ⇒

In 2016, we set goals for women (globally) and minority (United States) representation for our full-time management positions. These aspirational goals, along with other measures of diversity, were published internally and had a five-year target date of December 2021. We were able to exceed our aspirational goal for minority representation in the United States a full year ahead of plan through senior leadership commitment and internal and external development opportunities. We will continue to monitor and maintain similar hiring and promotion rates across all levels of management to ensure a lasting impact, reflection of our community and benefits from a diverse workforce.

We are committed to the continued progress for representation of women across the globe at UPS by developing a new aspirational goal and a renewed focus on the pathway to achieve our intended results. This includes regular updates and discussion around human capital transformation efforts, employee survey results related to culture and other matters, hiring and retention, employee demographics, succession planning and other employee initiatives. In light of recent trends and the Company's renewed commitment to DEI, we are taking the additional step of disclosing this goal publicly. The following is our aspirational goal for global women representation in our full-time management positions, with a target year of 2022.

#### Global Women – Workforce Representation

2022 Aspirational Goal

**Full-time Management**

28%

Research shows that women have been disproportionately affected economically in the leadership ranks due to the pandemic. With the challenges of balancing work, children and homeschooling, women voluntarily exited the workforce at unprecedented levels. We know these issues, among others, will have



far-reaching consequences on gender diversity across society. As a result, organizations like ours must be more intentional than ever to provide our employees at all levels the resources, skills, experiences and opportunities to ensure their continued progression and success.

We are evaluating additional longer-term goals as part of our global strategy to help build not only a more inclusive and equitable UPS, but also a more inclusive and equitable world for our customers, suppliers and communities.

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.

<b>405-2</b>	<b>Ratio of basic salary and remuneration of women to men.</b>
	<p>UPS provides for equal remuneration policies globally with regard to women and men and has policies and procedures in place to support our compliance with applicable laws and regulations.</p> <p><i>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 all requirements of this disclosure on a yearly basis as we define the need to capture this information.</i></p>
<b>407 Freedom of Association &amp; Collective Bargaining</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	See Disclosure 402 — Labor Relations Management Approach.
<b>407-1</b>	<b>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.</b>
	<p>We are not aware of any operations or suppliers in which the right to exercise freedom of association and collective bargaining may violate applicable laws or be at significant risk.</p> <p><i>Omitted: Information pertaining to measures taken in the reporting period intended to support rights to exercise freedom of association and collective bargaining 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.</i></p>
<b>414 Supplier Social Assessment</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	See Disclosure 204 — Procurement Practices.
<b>414-1</b>	<b>New suppliers that were screened using social criteria.</b>
	<p><i>Omitted: Due to confidentiality constraints, UPS does not report specific numbers or percentages related to screening or impact assessments, as this information is subject to confidentiality constraints of our supplier contracts.</i></p> <p>In 2020, we were not aware of any significant environmental, social or labor concerns related to our suppliers. 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.</p>
<b>414-2</b>	<b>Negative social impacts in the supply chain and actions taken.</b>
	<i>Omitted: Due to confidentiality constraints, UPS does not report specific numbers or percentages related to screening or impact assessments, as this information is subject to confidentiality constraints of our supplier contracts.</i>

	In 2020, we were not aware of any significant environmental, social or labor concerns related to our suppliers. 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.
<b>418 Customer Privacy</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	<p>UPS operates more than 127,000 vehicles and one of the world’s largest air cargo fleets from more than 2,800 facilities, data centers and office sites around the world. The safety of our employees and the security of our customers’ shipments are top priorities for UPS. As potential threats to digital and physical assets evolve — from cybercrime and terrorism to increased traffic congestion and aging transportation infrastructure — we constantly adapt and improve business operations effectively and sustainably.</p> <p>We apply comprehensive risk mitigation techniques globally and across all business segments to help keep our people and customer shipments secure. UPS has a Global Privacy Program with an extensive Data Protection Network of Data Protection Officers in subsidiaries, Data Privacy Practitioners supporting business group and IT and Data Privacy Coordinators in business units and countries and territories globally. The UPS Data Privacy network enables UPS to maintain privacy compliance in multiple jurisdictions. Confidentiality and customer relationships are critical components of our asset security program, and therefore we cannot disclose specific details about the techniques employed.</p> <p>Access to relevant, actionable and real-time threat information is a critical component of protecting our digital and physical assets. To that end, we use threat information from authorities in both the public and private sectors to allow us to take necessary actions to protect our people and our digital and physical assets.</p>
<b>418-1</b>	<b>Substantiated complaints concerning breaches of customer privacy and losses of customer data.</b>
	UPS had no significant breaches of customer privacy or losses of customer data in 2020.
<b>419 Socioeconomic Compliance</b>	
<b>103-1, 2, 3</b>	<b>Management approach.</b>
	See Disclosure 205 — Anti-Corruption Management Approach.
<b>419-1</b>	<b>Noncompliance with laws and regulations in the social and economic area.</b>
	<p>UPS paid a \$97.6 million court ordered judgment to the state and city of New York.</p> <p>In February 2015, the State and City of New York filed suit against UPS in the U.S. District Court for the Southern District of New York, arising from alleged shipments of cigarettes to New York State and City residents. The complaint asserted claims under various federal and state laws. The complaint also included a claim that UPS violated the Assurance of Discontinuance it entered into with the New York Attorney General in 2005 concerning cigarette deliveries.</p> <p><i>Omitted: Due to confidentiality constraints, UPS does not report non-monetary sanctions or cases. 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.</i></p>



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## 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 disclosures in the 2020 Global Reporting Initiative Content Index (the "2020 GRI Content Index") of the Company as of and for the year ended December 31, 2020 are presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards under its Comprehensive option (the "GRI Standards – Comprehensive option"). 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 GRI Content Index.

The preparation of the sustainability disclosures in the 2020 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 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 GRI Content Index 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 disclosures in the 2020 GRI Content Index of the Company as of and for the year ended December 31, 2020 are presented in accordance with the GRI Standards – Comprehensive option, in order for it to be fairly stated.

August 18, 2021

Statement of Greenhouse Gas (GHG) Emissions for the year ended December 31, 2020.

305 Emissions				
305-1	Direct (Scope 1) GHG emissions			
305-2	Indirect (Scope 2) GHG emissions			
<b>Global CO<sub>2</sub>e Emissions ('000 tonnes)</b>				
	<b>2020</b>	<b>2019</b>	<b>% Change 2020/2019</b>	<b>Base Year (2015)</b>
Scope 1	15,751	14,223	10.7%	12,197
Scope 2 (market-based)	749	731	2.4%	814
<b>Gross Scope 1 &amp; 2</b>	<b>16,500</b>	<b>14,954</b>	<b>10.3%</b>	<b>13,011</b>
Scope 3	21,437	21,008	2.0%	16,877
<b>Gross Scope 1, 2 &amp; 3</b>	<b>37,937</b>	<b>35,962</b>	<b>5.5%</b>	<b>29,888</b>
<i>Total voluntary carbon offsets for carbon neutral shipping</i>	(273.5)	(147.4)		(52.9)
<b>Net Global CO<sub>2</sub>e Emissions</b>	<b>37,663</b>	<b>35,815</b>	<b>5.2%</b>	<b>29,835</b>
<b>Biomass CO<sub>2</sub> Emissions ('000 tonnes, not included in above totals)</b>				
	<b>2020</b>	<b>2019</b>	<b>% Change 2020/2019</b>	<b>Base Year (2015)</b>
Mobile Combustion – Biomass CO <sub>2</sub> (e.g. ethanol, bio-diesel)	485	375	29.6%	108
Stationary Combustion – Biomass CO <sub>2</sub>	0	0	0%	0
<b>Total Biomass CO<sub>2</sub> (reported separately as per GHG Protocol)</b>	<b>485</b>	<b>375</b>	<b>29.6%</b>	<b>108</b>
<b>Scope 2 CO<sub>2</sub>e Emissions ('000 tonnes)<sup>(1)</sup></b>				
	<b>2020</b>	<b>2019</b>	<b>% Change 2020/2019</b>	<b>Base Year (2015)</b>
Scope 2 (market-based method)	749	731	2.4%	814
Scope 2 (location-based method)	799	754	5.9%	814
<b>GHG Reporting Policies</b>				
<p>The statement of GHG emissions has been prepared based on a calendar reporting year that is the same as the UPS financial reporting period, covering the reporting year of January 1, 2020 to December 31, 2020. Organizational responsibility for our GHG Emissions reporting rests with our CSO.</p> <p>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).</p> <p>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.</p> <p>Scope 3 emissions include all relevant Scope 3 categories, nine of the fifteen categories as defined by the GHG Protocol.</p> <p>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.</p>				

**Base Year GHG Emissions**

The base year GHG emissions for Scopes 1, 2 and 3 is 2015. This was selected as it was the latest full year of data when the absolute reduction goal was announced in 2016. Base year emissions are reported in each applicable table. These emissions have not been recalculated for the reporting year.

**Greenhouse Gases**

GHG emissions figures are reported in metric tonnes of carbon dioxide equivalents (CO<sub>2</sub>e) and include four of the seven greenhouse gases covered by the GHG Protocol — carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) emissions were omitted from our reporting, as they are not a material 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 CO<sub>2</sub>. By using GWPs, GHG emissions from multiple gases can be standardized to a carbon dioxide equivalent (CO<sub>2</sub>e). The global warming potentials used are:

**The Global Warming Potentials of GHGs**

Gas	GWP	Reference
Carbon Dioxide (CO <sub>2</sub> )	1	Fifth Assessment Report (SAR) published by Intergovernmental Panel on Climate Change
Methane (CH <sub>4</sub> )	28	
Nitrous Oxide (N <sub>2</sub> O)	265	
HFC-134a	1,300	

**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. Our three reportable business segments are U.S. Domestic Package, International Package, and Supply Chain & Freight.

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

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

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Operational Boundary – Detailed Description Scope 1 & 2 <sup>(1)</sup>				
Source	Scope	U.S. Package Operations	International Package Operations	Supply Chain & Freight
Jet-A (mobile)	1	All jet fuel used for UPS-owned aircraft (U.S. flights)	All jet fuel used for UPS-owned aircraft (International flights)	N/A — all Supply Chain & Freight moved on UPS-owned aircraft is captured in package operations (U.S. and International)
Diesel & Gasoline (mobile)	1	All diesel and gasoline used in UPS-owned/leased vehicles to transport, pick up and deliver small packages	<ul style="list-style-type: none"> <li>Diesel and gasoline used in UPS-owned/leased vehicles to transport, pick up and deliver small packages</li> <li>Gasoline used for Company-leased cars used by employees in Europe and Asia</li> </ul>	<ul style="list-style-type: none"> <li>Diesel and gasoline used in UPS-owned/leased vehicles to transport, pick up and deliver freight or packages</li> <li>Gasoline for Company-leased cars used by employees in U.S., Canada, Europe and Asia</li> </ul>
CNG (mobile)	1	All compressed natural gas used in UPS-owned vehicles to transport, pick up and deliver small packages	All compressed natural gas used in UPS-owned vehicles to transport, pick up and deliver small packages	All compressed natural gas used in UPS-owned vehicles to transport, pick up and deliver small packages
Propane/LPG (mobile)	1	All propane fuel used in UPS-owned vehicles to transport, pick up and deliver small packages	All propane fuel used in UPS-owned vehicles to transport, pick up and deliver small packages	N/A — fuel type is not a source of emissions from this business unit
LNG (mobile)	1	All liquefied natural gas used in UPS-owned vehicles to transport, pick up and deliver small packages	N/A — fuel type is not a source of emissions from this business unit	All liquefied natural gas used in UPS owned vehicles to transport, pickup and deliver freight or packages
Biomass (mobile)	1	All renewable natural gas, renewable diesel, renewable gasoline, ethanol and biodiesel used in UPS fleet. CH <sub>4</sub> and N <sub>2</sub> O are reported in Scope 1 and CO <sub>2</sub> emissions for biomass fuels are reported separately as per the GHG protocol.	All renewable natural gas, renewable diesel, renewable gasoline, ethanol and biodiesel used in UPS fleet. CH <sub>4</sub> and N <sub>2</sub> O are reported in Scope 1 and CO <sub>2</sub> emissions for biomass fuels are reported separately as per the GHG protocol.	All renewable natural gas, renewable diesel, renewable gasoline, ethanol and biodiesel used in UPS fleet. CH <sub>4</sub> and N <sub>2</sub> O are reported in Scope 1 and CO <sub>2</sub> emissions for biomass fuels are reported separately as per the GHG protocol.
Natural Gas, Heating Oil, Propane (stationary)	1	Natural gas, propane and heating oil for facilities we own or lease	Natural gas, propane and heating oil for facilities we own or lease	Natural gas, propane and heating oil for facilities we own or lease
HFCs	1	Fugitive emissions from vehicle A/C systems	Fugitive emissions from vehicle A/C systems	Fugitive emissions from vehicle A/C systems

Electricity (stationary)	2	Electricity usage for facilities we own or lease	Electricity usage for facilities we own or lease	Electricity usage for facilities we own or lease
<p>(1) Scope 1 emissions relating to fuel use from facility emergency fire pumps, emergency back-up generators, and HFC's from facility fire suppression systems have been excluded as they contribute less than 0.1% to overall Scope 1 emissions.</p>				

**Operational Boundary – Detailed Description Scope 3**

Scope and Category	Emissions Included/Excluded (Ups Scope & Boundary)	Description Of Methodology	% Emissions Calculated Using Data Obtained From Value Chain Partners
<b>Upstream Scope 3 Emissions</b>			
1. Purchased Goods & Services	The upstream extraction, production and transportation of goods and services purchased by all UPS operations, not otherwise included in Categories 2-8.  Exclusions: None	Economic input-output life cycle assessment (EIO-LCA) model	0%
2. Capital Goods	The upstream extraction, production and transportation of capital expenditures purchased by all UPS operations. Includes buildings, aircraft, vehicles and information technology.  Exclusions: None	Economic input-output life cycle assessment (EIO-LCA) model	0%
3. Fuel- and Energy-Related Activities Not Included in Scope 1 or 2	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.  Exclusions: None	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.	100%
4. Transportation & Distribution (Upstream)	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>U.S. Package Operations</u>  <ul style="list-style-type: none"> <li>• Packages moved by third parties via aircraft, rail and tractor-trailers</li> <li>• Last-mile delivery of packages by the U.S. Postal Service</li> </ul> <u>International Package Operations</u>  <ul style="list-style-type: none"> <li>• Packages moved by third parties via aircraft and tractor-trailers</li> </ul>	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.	35%

	<ul style="list-style-type: none"> <li>• Last-mile delivery of packages by the use of Agents and Outside Service Providers (OSPs)</li> <li>• Packages transported across the U.K. Channel by third parties via railroad or ferry</li> <li>• Packages transported by rail in Canada</li> </ul> <p><u>Supply Chain &amp; Freight</u></p> <ul style="list-style-type: none"> <li>• UPS Supply Chain Solutions™ Services: transportation, pickup and delivery for freight/packages by other third parties via aircraft, rail, tractor-trailers and ocean</li> <li>• UPS Freight™ Operations: transportation, pickup and delivery for freight in the U.S. and Canada via various modes of transport, which include tractor-trailers, railroads and ocean transport of freight, typically to Hawaii, Puerto Rico, Guam and Alaska.</li> </ul> <p>Exclusions: Does not include Scope 2 emissions from third-party transportation companies. Does not include any optional life cycle assessment (LCA) emissions. Source has been excluded due to lack of means to measure emission source.</p> <ul style="list-style-type: none"> <li>• Coyote: a leading global third-party logistics provider with a network of more than 15,000 shippers moving 10,000 loads every day through a comprehensive multi-modal solutions portfolio.</li> <li>• Marken: offers a state-of-the-art depot network and logistic hubs for clinical drug product storage and distribution in over 50 locations worldwide, while maintaining the leading position for Direct-to-Patient and Home Healthcare services, biological sample shipments and biological kit production.</li> </ul>		
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Scope and Category	Emissions Included/Excluded (UPS Scope & Boundary)	Description Of Methodology	% Emissions Calculated Using Data Obtained From Value Chain Partners
<b>Upstream Scope 3 Emissions</b>			
5. Waste Generated in Operations	<p>Includes the emissions that occur from landfilled, incinerated, recovery and recycled waste streams in the U.S.</p> <p>Exclusions: Emissions associated with wastes generated in operations outside of the U.S. Does not include any optional LCA emissions. Source has been excluded due to lack of means to measure emission source.</p>	Methodology used is actual waste disposed by waste stream multiplied by the appropriate LCA Emission factor.	100%



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6. Business Travel	<p>Includes the emissions that occur from air and rail travel, rental cars and the use of personnel vehicles for business-related activities for our global operations.</p> <p>Exclusions: Does not include any optional life cycle emissions from hotel stays. Source has been excluded due to lack of means to measure emission source.</p>	Travel agent provides a detailed breakdown of GHG emissions based upon actual travel activity.	100%
7. Employee Commuting	<p>Includes the emissions that occur from the transportation of our employees between their homes and their workplace for our global operations.</p> <p>Exclusions: Does not include any optional emissions from employee teleworking. Source has been excluded due to lack of means to measure emission source.</p>	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 CO <sub>2</sub> per gallon). The UPS factor for estimated gallons per employee was created by combining a host of information from the U.S. Census data, Department of Transportation, the Federal Highway Administration and other sources.	0%
8. Upstream Leased Assets	<i>Not Relevant</i> — 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.	Not Relevant	Not Relevant
<b>Downstream Scope 3 Emissions</b>			
9. Transportation & Distribution	<i>Not Relevant</i> — 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.	Not Relevant	Not Relevant
10. Processing of Sold Products	<i>Not Relevant</i> — 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.	Not Relevant	Not Relevant
11. Use of Sold Products	<i>Not Relevant</i> — 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.	Not Relevant	Not Relevant

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12. End-of-Life Treatment of Sold Products	Includes the global emissions that occur from landfilled and recycled waste from UPS-branded packaging materials sold to customers.  Exclusions: None	Number of pounds of purchased UPS-branded packaging multiplied by the appropriate LCA Emission factor	100%
13. Downstream Leased Assets	<i>Not Relevant</i> — 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.	Not Relevant	Not Relevant
14. Franchises	Estimated electricity and natural gas usage for over 5,300 The UPS Store® locations serving the U.S. and Canada.  Exclusions: Does not include franchises outside of the U.S and Canada and any optional LCA emissions. Source has been excluded due to lack of means to measure emission source.	Using square footage of The UPS Store franchises multiplied by an average energy emission factor established by the EPA Energy Star Program	0%
15. Investments	<i>Not Relevant</i> — 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.	Not Relevant	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. UPS continues to improve internal processes for primary data collection to reduce uncertainty in our GHG inventory reporting for Scopes 1 and 2. UPS continues to work with the third parties responsible for providing the data necessary to calculate Scope 3 emissions and will continue to work on improving the data management and the methodologies used to estimate these emissions to reduce the uncertainty in our GHG inventory reporting. Using the GHG Protocol “Measurement and Estimation Uncertainty of GHG Emissions” guidance and analyzing the collected data through Monte Carlo simulations by using the @Risk statistical analysis software at 95 percent confidence interval, we are able to estimate the uncertainty for our current year GHG inventory as follows:

Scope	Uncertainty	Main Source Of Uncertainty	Comments
<b>Scope 1</b>	±1%	International Operations	North America Operations (Small Package, Supply Chain & Freight) and UPS Airlines are our largest source of Scope 1 emissions and represent 98 percent of our total Scope 1 emissions. Well-established processes are in place to capture the primary data for these sources.

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			International Operations represent 2 percent of our total Scope 1 emissions.
<b>Scope 2</b>	±3%	International Operations	<p>North America Operations (Small Package, Supply Chain &amp; Freight) are our largest source of Scope 2 emissions, representing 93 percent of our total Scope 2 emissions. Well-established processes are in place to capture the primary data for these sources.</p> <p>International Operations represent 7 percent of our total Scope 2 emissions.</p>
<b>Scope 3</b>	±7%	Use of secondary data	<p>UPS reports on all relevant Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting &amp; Reporting Standard.</p> <p>Calculations for Scope 3 use various sources of secondary data since primary data is unavailable. Examples of the type of secondary data used vary from estimated miles driven, number of packages picked-up/delivered to estimated shipment information (weight and distance per shipment).</p>

### 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.

### GHG Emission Factors by Source

Emissions Source	Emission Factor Employed
<b>Scope 1 – Global</b>	GHG Protocol Emission Factors from Cross-Sector Tools, March 2017 EPA Emission Factor Hub_Nov 2015v2
<b>Scope 2 – U.S.</b>	U.S. Environmental Protection Agency eGRID 2018
<b>Scope 2 – Canada</b>	The Climate Registry 2019 Default Emission Factors
<b>Scope 2 – Other</b>	CO <sub>2</sub> Emissions from Fuel Combustion Highlights (2019 Edition © OECD/IEA)
<b>Scope 3 – Global</b>	<p>Categories 1 &amp; 2: GHG Protocol Scope 3 Evaluator - Economic input-output life cycle assessment (EIO-LCA) model</p> <p>Category 3: Argonne National Laboratory GREET_1 2020 Model</p> <p>Category 3: US Environmental Protection Agency eGRID 2018</p> <p>Category 4: EPA SmartWay Carrier Rankings and Emission Rates (railroad only)</p> <p>Category 6: EPA Emission Factors for GHG Inventories, March 2018</p> <p>Category 4, 7, 14: GHG Protocol Emission Factors from Cross-Sector Tools, March 2017</p> <p>Categories 5 &amp; 12: DBEIS 2019 Government GHG Conversion Factors for Company Reporting</p>

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### Methodology

For Scopes 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 estimated miles driven, number of packages picked up/delivered to estimated shipment information (weight and distance per shipment). The appropriate GHG factor is applied to estimate the emissions reported.

### Carbon Offset Purchases From UPS carbon neutral product

A carbon offset is a certified financial instrument aimed at a reduction in GHG emissions. The offsets we purchase meet the key standard of additionality, which means that the carbon reduction project in question (such as reforestation) produced a reduction in CO<sub>2</sub>e generation or sequestration of CO<sub>2</sub>e in addition to what would have been achieved by activities already planned or underway.

Project Name	Project Location	Offset Standard	Project Type	2020 Metric Tonnes Retired	2019 Metric Tonnes Retired
Wolf Creek Landfill	U.S. (Georgia)	CAR	Landfill Gas	158,950	63,000
Chol Charoen Group Wastewater Treatment with Biogas System 1	Thailand	VCS	Wastewater Methane Destruction	98,939	82,932
Darkwoods	Canada	VCS	Reforestation	15,591	1,558
<b>Total Carbon Offsets</b>				<b>273,480</b>	<b>147,490</b>

### 305-3 Other indirect (Scope 3) GHG emission.

Global CO <sub>2</sub> e Emissions ('000 tonnes)		2020	2019	Base Year (2015)
<b>Total Scope 3 Emissions</b>		<b>21,437</b>	<b>21,008</b>	<b>16,877</b>
<b>Upstream</b>				
<b>1</b>	<b>Purchased Goods &amp; Services</b>	<b>4,117</b>	<b>3,122</b>	<b>2,533</b>
<b>2</b>	<b>Capital Goods</b>	<b>3,984</b>	<b>4,629</b>	<b>1,746</b>
<b>3</b>	<b>Fuel &amp; Energy Related (not incl. Scope 1 &amp; 2)</b>	<b>2,847</b>	<b>2,820</b>	<b>3,226</b>
	Jet A (well to pump)	1,700	1,598	1,926
	Diesel (well to pump)	644	623	760
	Gasoline (well to pump)	372	327	271
	CNG (well to pump)	69	89	11
	Propane/LPG (well to pump)	14	14	9
	LNG (well to pump)	62	84	72
	Biomass (well to pump)	-110	-22	63

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	Natural Gas, Heating Oil, Propane (stationary)	57	69	55
	Electricity (T&D losses/generation of)	39	38	59
<b>4</b>	<b>Transportation &amp; Distribution</b>	<b>8,212</b>	<b>8,198</b>	<b>7,417</b>
	Subcontracted Air	4,266	4,413	3,804
	Subcontracted Ground	3,270	3,033	2,784
	Subcontracted Rail	466	418	368
	Subcontracted Ocean	210	334	461
<b>5</b>	<b>Waste Generated in Operations</b>	<b>41</b>	<b>25</b>	<b>19</b>
	Landfilled, Incinerated, Recovery, Recycled	41	25	19
<b>6</b>	<b>Business Travel</b>	<b>44</b>	<b>69</b>	<b>78</b>
	Business travel – Air/Rail/Car	44	69	78
<b>7</b>	<b>Employee Commuting</b>	<b>2,125</b>	<b>2,079</b>	<b>1,798</b>
	U.S. Domestic Package	1,681	1,616	1,341
	International Package	336	343	332
	Supply Chain & Freight	108	120	125
<b>8</b>	<b>Leased Assets</b>	<b>Not Relevant</b>	<b>Not Relevant</b>	<b>Not Relevant</b>
<b>Downstream</b>				
<b>9</b>	<b>Transportation &amp; Distribution</b>	<b>Not Relevant</b>	<b>Not Relevant</b>	<b>Not Relevant</b>
<b>10</b>	<b>Processing of Sold Products</b>	<b>Not Relevant</b>	<b>Not Relevant</b>	<b>Not Relevant</b>
<b>11</b>	<b>Use of Sold Products</b>	<b>Not Relevant</b>	<b>Not Relevant</b>	<b>Not Relevant</b>
<b>12</b>	<b>End-of-Life Treatment of Sold Products</b>	<b>11</b>	<b>9</b>	<b>9</b>
	Landfilled/Recycled	11	9	9
<b>13</b>	<b>Leased Assets</b>	<b>Not Relevant</b>	<b>Not Relevant</b>	<b>Not Relevant</b>
<b>14</b>	<b>Franchises</b>	<b>56</b>	<b>57</b>	<b>51</b>
	The UPS Store® – Electricity/Natural Gas	56	57	51
<b>15</b>	<b>Investments</b>	<b>Not Relevant</b>	<b>Not Relevant</b>	<b>Not Relevant</b>

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

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305-4		GHG emissions intensity.				
Emissions by Business Unit						
Global CO <sub>2</sub> e Emissions ( '000 tonnes)	U.S. Domestic Package			International Package		
	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Scope 1	10,130	9,083	7,186	4,908	4,413	4,150
Scope 2	632	596	602	19	33	71
Total Scope 1 & 2	10,762	9,679	7,788	4,927	4,446	4,221
Scope 3	12,721	12,103	8,287	2,656	2,479	2,552
Total Scope 1, 2 & 3	23,483	21,782	16,075	7,583	6,925	6,773
Global CO <sub>2</sub> e Emissions ( '000 tonnes)	Supply Chain & Freight			Totals		
	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Scope 1	713	727	861	15,751	14,223	12,197
Scope 2	98	102	141	749	731	814
Total Scope 1 & 2	811	829	1,002	16,500	14,954	13,011
Scope 3	6,060	6,426	6,038	21,437	21,008	16,877
Total Scope 1, 2 & 3	6,871	7,255	7,040	37,937	35,962	29,888
CO <sub>2</sub> e Intensity by Business Unit						
Global CO <sub>2</sub> e ( '000 tonnes/ \$M Revenue)	U.S. Domestic Package			International Package		
	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Revenue in millions	\$53,499	\$46,493	\$36,747	\$15,945	\$14,220	\$12,149
Scope 1	0.189	0.195	0.196	0.308	0.310	0.341
Scope 2	0.012	0.013	0.016	0.001	0.002	0.006
Total Scope 1 & 2	0.201	0.208	0.212	0.309	0.312	0.347
Scope 3	0.238	0.260	0.225	0.167	0.174	0.210
Total Scope 1, 2 & 3	0.439	0.468	0.437	0.476	0.486	0.557
Global CO <sub>2</sub> e ( '000 tonnes/ \$M Revenue)	Supply Chain & Freight			Totals		
	2020	2019	Base Year (2015)	2020	2019	Base Year (2015)
Revenue in millions	\$15,184	\$13,381	\$9,467	\$84,628	\$74,094	\$58,363
Scope 1	0.047	0.054	0.091	0.186	0.192	0.209
Scope 2	0.006	0.008	0.015	0.009	0.010	0.014
Total Scope 1 & 2	0.053	0.062	0.106	0.195	0.202	0.223

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Scope 3	0.399	0.480	0.638	0.253	0.283	0.289
Total Scope 1, 2 & 3	0.452	0.542	0.744	0.448	0.485	0.512

CO <sub>2</sub> e by Fuel Type				
Global CO <sub>2</sub> e Emissions ('000 tonnes)	2020	2020 Percent to Total	2019	Base Year (2015)
<b>Airline Fuel</b>	<b>10,120</b>	<b>61.3%</b>	<b>9,016</b>	<b>7,375</b>
<b>Ground Vehicle Fuel</b>	<b>5,350</b>	<b>32.4%</b>	<b>4,911</b>	<b>4,587</b>
Diesel	3,121	18.9%	2,876	3,345
Gasoline	1,646	10.0%	1,381	823
CNG	259	1.6%	293	43
Propane/LPG	71	0.4%	68	70
LNG	220	1.3%	270	299
Biomass(CH <sub>4</sub> and N <sub>2</sub> O only)	25	0.2%	15	0
HFCs (fugitive)	8	0.0%	8	7
<b>Facility Fuel</b>	<b>281</b>	<b>1.7%</b>	<b>296</b>	<b>235</b>
Natural Gas	267	1.6%	281	221
Heating Oil	4	0.0%	4	5
Propane	10	0.1%	11	9
<b>Facility Electricity</b>	<b>749</b>	<b>4.6%</b>	<b>731</b>	<b>814</b>
<b>Grand Total</b>	<b>16,500</b>	<b>100%</b>	<b>14,954</b>	<b>13,011</b>

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



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## INDEPENDENT ACCOUNTANTS' EXAMINATION 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 accompanying Statement of Greenhouse Gas Emissions of the Company for the year ended December 31, 2020 ("Statement of GHG Emissions") 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 ("AICPA") in AT-C Section 105, *Concepts Common to All Attestation Engagements*, and AT-C Section 205, *Examination Engagements*. 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 we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In performing our examination, 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 preparation of the 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 greenhouse emissions includes estimates and assumptions that are subject to inherent measurement uncertainty resulting, for example, from the accuracy and precision of greenhouse 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.

In our opinion, management's assertion that the accompanying Statement of GHG Emissions of the Company for the year ended December 31, 2020 is presented in accordance with the GHG Protocol is fairly stated, in all material respects.

August 18, 2021