

## UPS Political Engagement Policy

### I. Overview

United Parcel Service, Inc. ("UPS" or the "Company") presents the Company's viewpoint regarding legislation and regulations to appropriate levels of federal, state and local government. UPS maintains an active program to inform government officials of the Company's views, business, and the benefits which the public derives from UPS's services. Participation in public policy discussions is crucial to maintaining UPS's shareowners' long-term economic interests.

This UPS Political Engagement Policy (the "Policy") describes UPS's practices relating to political contributions and expenditures, as well as the practices relating to UPS's lobbying activity. It does not apply to contributions to political parties, candidates or committees that support elections outside of the United States. The Policy should be read in conjunction with the *Political Activities and Contributions* policy in the *UPS Code of Business Conduct* ([UPS Code Business Conduct 2013.pdf](#))

The Policy is designed to ensure that UPS's political contributions and lobbying activities are consistent with the Company's core values, benefit the long-term interests of shareowners, and comply with all applicable laws. The Policy is also intended to provide stakeholders with additional information about political engagement oversight and reporting.

The Board of Directors (the "Board") has adopted the Policy. The Board delegated to the Nominating and Corporate Governance Committee of the Board (the "Committee") the administration of the Policy. The Committee and the Board receive regular updates from management on the Company's political engagement activities.

### II. Federal Elections

Corporations are prohibited by law from making political contributions to any candidate for federal office. UPS complies with all federal laws and related regulations regarding the use of corporate resources in connection with federal elections. UPS's resources include, but are not limited to, Company time, funds, facilities, office supplies, letterhead, phones and fax machines. UPS also complies with all federal laws and related regulations regarding time spent during work hours in support of or opposition to federal candidates and political party committees. A UPS manager may not request junior colleagues or colleagues whose work the manager supervises (including administrative personnel) to assist him or her in campaign fundraising or volunteer efforts. Participation in political activities must be the independent, voluntary decision of each UPS employee.

If a UPS employee inadvertently uses Company resources in connection with a federal election campaign, the employee is required to notify the UPS Public Affairs Department and reimburse the Company within five business days. UPS Public Affairs, in consultation with the UPS Corporate Legal Department, will determine the fair market value for reimbursement purposes of any resources inadvertently used.

### **III. State and Local Elections**

The Policy generally prohibits any state and local corporate political contributions or expenditures unless approved by the Nominating and Corporate Governance Committee (the "Committee").

### **IV. Political Contribution and Expenditures and the UPS Political Action Committee**

The Policy generally prohibits any corporate political contributions or expenditures unless approved by the Committee. Political contributions and expenditures are made through a voluntary employee-funded Company-sponsored political action committee ("UPSPAC"). The President of the UPS Public Affairs Department oversees UPSPAC and regularly reports to the Committee concerning UPSPAC activities.

UPSPAC supports candidates who:

- Support a strong and inclusive global economy. This includes supporting issues such as fair taxation, commercially reasonable regulation, expansive trade, and a level playing field with competitors. These values help UPS achieve our mission to maintain a financially strong company, providing return to our shareowners.
- Demonstrate an appreciation for and understanding of our business, our employees and our customers.
- Work to find solutions on UPS priority issues. As a leading logistics and services provider, UPSPAC looks for candidates who facilitate solutions to regulatory and legislative issues facing the company and the industry as a whole. This includes working in a bipartisan manner.
- Are on legislative committees important to our business and who take positions that will benefit the health and economic strength of the enterprise.
- Represent a geographic area with a substantial UPS employee base or UPS facilities.
- Are in good standing with the law. We do not support candidates who are under indictment, or who have been found to violate Congressional ethics rules and requirements.

### **V. Lobbying Activities**

UPS participates in the public policy process in order to advance the interests of the Company and its shareowners. All lobbying activities are conducted in compliance with federal and state laws and regulations, and in a manner that is consistent with the Company's values and strategies.

The UPS Public Affairs department coordinates the Company's lobbying activities, including engagements with federal, state, and local governments. All lobbying activities require the prior approval of the UPS Public Affairs Department. The UPS Public Affairs Department works with senior management to identify opportunities for furthering the Company's business objectives, thereby protecting and enhancing shareowner value.

The President of the UPS Public Affairs Department reviews all UPS lobbying activities and regularly reports to the Board and the Committee concerning lobbying activities. The Company engages in lobbying activities that align with the annual priorities set out by the state and federal Public Affairs teams.

In 2024, UPS's policy priorities include:

- Support local operational efficiencies and our Network of the Future
- Ensure infrastructure and sustainable energy policies are developed holistically
- Improve surface transportation funding
- Promote an expanded, alternative fuel air and ground fleet
- Lower overall tax burden and secure tax incentives
- Improve network flexibility and competitiveness
- Promote labor laws and rules that maintain equal treatment of similarly situated workers

## **VI. Trade Associations**

The Company expresses its interests in matters of public policy and industry standards and practices. At times, the most efficient way to accomplish this goal is through associations with third parties. UPS carefully weighs the benefits and obligations of any organization or association before joining. UPS also continually monitors its involvement to ensure that its interests are being properly represented and that the resources UPS commits are being used wisely. If an organization or association takes policy positions contrary to those of the Company, UPS actively advocates its point of view by working from within the organization. Given the variety of business issues in which many associations and other groups are engaged, UPS does not necessarily agree with all positions taken by every organization in which it is a member. In these circumstances, the Company weighs the utility of continued membership against the consequences of differing positions or opinions.

Examples of how the process has been used in relation to significant issues, including when UPS engages in its own lobbying efforts:

1. UPS is a member of the American Trucking Association (ATA), which seeks to promote policies that benefit the trucking industry while balancing the needs of its membership, which includes every sector of the industry, from carriers like UPS to small operations with only a few trucks. Because of UPS's position on investing in sustainable fuels, at the urging of UPS, ATA established a policy committee focused on environmental policies.
2. UPS is a member of Airlines for America (A4A) Board which supports a global sector-based approach to aviation and climate change under the rubric of the International Civil Aviation Organization (ICAO). Through UPS's leadership in A4A, the organization developed a timeline to promote a 1.5% annual average fuel efficiency improvement through 2020, followed by carbon-neutral growth from 2020 (subject to critical aviation infrastructure and technology advances achieved by both industry and government), leading to an aspirational goal to reduce the industry's net carbon emissions by 50% in 2050.

## **VII. Reporting**

The Company complies with all applicable laws and regulations regarding reporting requirements for political contributions and lobbying activities. In some cases, UPS goes beyond what is legally required in reporting. Following is a list of reports related to our political engagement activities.

1. UPSPAC Reporting

UPSPAC contributions and disbursements, including amounts and recipients, can be viewed on the Federal Election Commission website at [www.fec.gov](http://www.fec.gov) under the *PAC and party committee reports* section. UPSPAC's year-end and monthly reports can be found at [UNITED PARCEL SERVICE INC. PAC - committee overview | FEC](#).

## 2. Lobbying Reporting

The Company's federal lobbying reports provide information on activities associated with influencing legislation through communications with any member or employee of a legislative body or with any covered executive branch official. The reports also provide disclosure on expenditures during the quarter, describe the specific pieces of legislation that were the topic of communications, and identify the individuals who lobbied on behalf of the Company. The reports can be found on the websites of the Clerk of the House (<http://lobbyingdisclosure.house.gov/>) and the Secretary of the Senate ([http://www.senate.gov/legislative/Public\\_Disclosure/LDA\\_reports.htm](http://www.senate.gov/legislative/Public_Disclosure/LDA_reports.htm))

UPS spent approximately \$8.6 million in 2023 on federal lobbying. Approximately 9.5% of this amount was associated with indirect lobbying by trade associations. Priority issues at the state and federal level in 2023 included:

- Alternative Fuel Taxes
- CHIPS Act
- Corporate Tax
- Cross Border Security
- Customs Modernization, Trade Facilitation & De minimis
- E-Commerce Policy
- Enforcement of Cross-Border Trade and Security Policies
- Federal Aviation Administration Reauthorization
- Regulated Goods Shipping
- Joint Employer Rule
- Labor & Employment Regulations
- Heat Injury and Illness Prevention
- Pilot Flight & Duty Time
- Global Supply Chains Policy
- Tariff Policy
- Tort Reform
- Infrastructure Investment and Jobs Policy

The Company files similar periodic reports with state agencies reflecting state lobbying activities, which are also publicly available. UPS lobbies in all 50 states and territories on a variety of issues as described above.

## 3. UPS Political Engagement Policy Reporting

### i. Corporate Political Contribution Reporting

Although Company policy is to generally prohibit corporate political contributions or expenditures, if approved by the Committee, any contributions or expenditures made by the Company in the United States will be disclosed. The Company will report any such contributions or expenditures on a semi-annual basis on its website at [Political Contributions :: United Parcel Service, Inc. \(UPS\)](#). For the purpose of this paragraph, the words "contributions" and "expenditures" include direct and indirect monetary contributions to candidates, as defined by 26 U.S.C. §162(e)(1)(B), and contributions to political committees, ballot measures and political parties. The report shall address compliance with this policy and shall be presented to the Committee for approval prior to publication. Trade Association Political Contribution Reporting

ii. Trade Association Political Contribution Reporting

UPS annually notifies its trade associations to not use UPS dues for political contributions or expenditures. If any trade association that receives total payments of \$50,000 or more in a given year from UPS uses a portion of UPS dues or payments for political contributions or expenditures that if made directly by UPS would not be deductible under Section 162(e)(1)(B) of the Internal Revenue Code, then the Company will report these amounts and the names of the associations semi-annually on its website at [Political Contributions :: United Parcel Service, Inc. \(UPS\)](#). Prior to publication, the report will be presented to the Committee for approval.

iii. Trade Associations Memberships and Lobbying Reporting

Certain trade association memberships will be disclosed on the Company's website at [Political Contributions :: United Parcel Service, Inc. \(UPS\)](#). This includes the name of any association that received \$25,000 or more in membership dues in a given year and the percentage of dues used by the trade associate for lobbying purposes that, if expended directly by UPS, would not be deductible under Section 162(e)(1)(A) of the Internal Revenue Code. Prior to publication, the report will be presented to the Committee for approval.

iv. Other Organizations Memberships and Lobbying Reporting

Certain memberships at other organizations that draft model legislation or conduct lobbying will be disclosed on the Company's website at [Political Contributions :: United Parcel Service, Inc. \(UPS\)](#). This includes the name of any organization that received \$25,000 or more in membership dues (inclusive of any additional member fees associated with participation in that organizations working groups or taskforces) in a given year. Prior to publication, the report will be presented to the Committee for approval.

## **VIII. Amendments and Waivers**

The Committee will periodically review the Policy and recommend any amendments to the Board for approval. The Committee must also approve any waivers to the Policy. Any waiver that involves corporate political contributions or expenditures may be approved only if designed to promote the interests of the Company and its shareowners, and without regard for the private political preferences of the Company's officers and directors. If a waiver from the Policy is approved, any corporate contributions or expenditures will be reported as described above.