

NOTICE OF EXEMPT SOLICITATION (VOLUNTARY SUBMISSION)

NAME OF REGISTRANT: United Parcel Service, Inc.

NAME OF PERSON RELYING ON EXEMPTION: International Brotherhood of Teamsters

ADDRESS OF PERSON RELYING ON EXEMPTION: 25 Louisiana Avenue, N.W., Washington, D.C. 20001

Written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934:

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

SEAN M. O'BRIEN
General President
25 Louisiana Avenue, NW
Washington, DC 20001



April, 2023

FRED E. ZUCKERMAN
General Secretary-Treasurer
202-624-6800
www.teamster.org

Re: Support Just Transition Report, Item 8, at United Parcel Service, Inc.

Dear UPS Shareholder:

If UPS is to thrive amid the climate transition, it needs a “just transition” plan. Sadly, UPS does not have and shows no intention of developing one, despite facing challenges to successfully decarbonize its network in a manner that is fair to workers and communities. Accordingly, the International Brotherhood of Teamsters urges support for Item 8, which calls on UPS to develop and disclose a “just transition” strategy that includes measurable and transparent goals on its progress.

The “Just Transition Declaration” was signed by the United States and other governments at the 2021 UN Climate Conference, emphasizing the need to ensure that “no one is left behind in the transition to a net zero and climate resilient future.” The agreement reflects the International Labor Organization’s *Guidelines For a Just Transition*, which calls out the “pivotal role” of employers “in bringing about social, economic and environmental sustainability with decent work and social inclusion.”

Ensuring a “just transition” is relevant for every economic sector, not only energy. And it is not something we can wait patiently on. If climate change is here, so is the need for concrete action on ensuring a “just transition” to net zero. This is particularly true for transportation, a sector that accounts for 37 percent of greenhouse gas emissions from all end-use sectors.

A recent report by the World Benchmarking Alliance (WBA) found that transport companies, including UPS, show a striking and systemic lack of action on ensuring a “just transition,” “placing a workforce of around 10 million people at risk.” The WBA analysis finds little evidence that UPS is prepared to ensure a just transition. Critically, I see nothing in UPS’s statement in the proxy urging a vote against this proposal that alters the basic tenor of the WBA’s conclusions.

UPS fails to explicitly endorse the concept of a “just transition” and has not produced an analysis of how the company’s climate strategy could impact workers. UPS has also failed to concretely detail how workers and communities will be involved in designing a “just transition” plan to help this major employer achieve its 2050 net zero goals. UPS says that as it decarbonizes, it “understand[s] there will be potential opportunities and challenges” and is “committed to work with all stakeholders on this journey.” This party line, stripped of specifics to allow UPS to remain non-committal, is wholly insufficient. More unfortunately, it represents the only sentence included

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in the company's 1,400-word oppositional statement that even attempts to address the substance of the "just transition" proposal.

UPS is displaying a striking lack of preparedness for a global company already touting operational and technological initiatives with profound societal implications under the guise of achieving carbon neutrality.

The challenges confronting a "just transition" strategy could not be more severe than when UPS, while trumpeting the benefits of route optimization technologies, says the "greenest mile is the one not driven or flown." The role automation plays in reaching UPS's carbon goals is of paramount concern, as such technologies risk displacing or down-skilling jobs. UPS's efforts here include deploying warehouse robotics and partnerships with companies developing self-driving technologies and drone delivery.

What do the Teamsters want to see in a real report from UPS? First, a clear and detailed commitment to support a "just transition," including reporting on meaningful social dialogue over the company's climate strategy and what a "just transition" entails within it. Second, UPS must be forthright about how its climate strategy could impact jobs for better or worse, as well as the defined steps it is taking to support access to green and decent jobs. Third, a set of time-bound measurable indicators to track UPS's progress on addressing the impact of a low carbon transition on workers and communities.

Listing a series of existing corporate social responsibility initiatives does not amount to a "just transition" strategy. These disclosures shed little light on what UPS is actively doing to monitor and address the impact its decarbonization efforts could have on key stakeholders. Accordingly, I urge you to support our proposal, Item 8, for the preparation of a "just transition" report at UPS.

Sincerely,



Sean M. O'Brien
General President

SMO/mpj