UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

☑ Filed by the Registrant ☐ Filed by a party other than the Registrant

CHECK THE APPROPRIATE BOX:

☐	Preliminary Proxy Statement
☐	Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
☑	Definitive Proxy Statement
☐	Definitive Additional Materials
☐	Soliciting Material under §240.14a-12

United Parcel Service, Inc.

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

PAYMENT OF FILING FEE (CHECK ALL BOXES THAT APPLY):

☑	No fee required
☐	Fee paid previously with preliminary materials
☐	Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a-6(i)(1) and 0-11

2024 NOTICE OF ANNUAL MEETING of Shareowners and Proxy Statement

2023 ANNUAL REPORT ON FORM 10-K

Thursday, May 2, 2024 | 8:00 a.m. Eastern Time

www.virtualshareholdermeeting.com/UPS2024

United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328

March 18, 2024

Dear Fellow Shareowners:

At the beginning of the year, I said 2023 was going to be a year of resiliency, and that turned out to be true. We faced challenging external business conditions that led to declining volume, revenue and operating profit in all lines of our business. I'm proud of the efforts of our nearly 500,000 employees for navigating through these challenges.

Throughout 2023, we operated with speed and agility, controlled what we could control, and stayed on strategy. Here are some highlights from the year:

- Delivered excellent service to our customers around the globe, anchored by the best on-time performance of any carrier in the U.S. for the sixth year in a row.
- Grew small and medium-sized business (SMB) penetration to 28.6% of total U.S. volume, driven by continued expansion of DAP, our Digital Access Program, and the convenience of The UPS Store.
- Generated $10 billion in healthcare revenue across our three business segments; topped 17 million square feet of healthcare-compliant distribution space and acquired MNX Global Logistics, expanding our cold chain capabilities.
- Delivered a win-win-win labor agreement for our Teamster employees with a wage and benefit compounded annual growth rate increase of 3.3% over the five-year life of the contract, providing certainty for UPS and our customers.
- Completed phase one of Smart Package Smart Facility, our RFID solution, in more than 1,000 buildings in the U.S., reducing misloads by 67%.
- Acquired Happy Returns, enhancing our no-box, no-label, consolidated returns capabilities.
- Generated $91 billion in consolidated revenue with a consolidated adjusted operating profit margin of 10.9%*.
- Generated $5.3 billion in free cash flow* and repaid $2.4 billion of long-term debt.
- Returned $7.6 billion to shareowners, consisting of $5.4 billion in cash dividends and $2.25 billion in share repurchases.

CUSTOMER FIRST, PEOPLE LED, INNOVATION DRIVEN

Customer First is about reducing friction in the customer experience and meeting customer needs. While we experienced some volume diversion during our Teamster labor negotiation, our commitment to service allowed us to win back and win new volume following the ratification of the contract. In 2023, we continued to build new solutions for shippers and recipients. For example, we launched Hyperlocal, a data driven solution that leverages our U.S. facilities to provide select customers with a fast, next-day delivery option, and enables UPS to capture new profitable B2C and B2B volume. We also expanded Delivery Photo, providing 92% of our global residential stops a photo that shows exactly where the package was delivered, providing peace of mind to recipients and reducing "where's my package" calls. Customer First is also about growing in the most attractive parts of the market, like SMBs, certain enterprise customers, healthcare and international. In terms of SMBs, DAP is a competitive strength and SMB growth driver that generated $2.9 billion in global revenue in 2023. Additionally, returns continue to be a growth area for UPS. To accelerate that growth, we acquired Happy Returns and quickly made it available in over 5,000 The UPS Store locations, making returns even more convenient for consumers and merchants. Looking at healthcare, our strategic objective is to become the number one complex healthcare logistics provider in the world, and we are making bold moves to get there. For example, our acquisition of MNX Global Logistics enables us to reach new customers and new healthcare markets, like the radio-pharmaceuticals sector, with global time-critical and cold chain solutions. We see significant opportunity for complex healthcare and expect to continue to grow in healthcare over the next few years. We track progress in Customer First by improvements in our Net Promoter Score (NPS). In the U.S., we finished the year with a NPS of 44 and moved closer toward our target NPS of 50.

Moving to *People Led*, we are focused on the employee experience and making UPS a great place to work. In September, our five-year labor agreement with the Teamsters was fully ratified with overwhelming support from our union-represented employees. This win-win-win agreement continues to reward our employees with the best pay and benefits in our industry, which helps us attract and retain talent and provide industry-leading service to our customers. Further, UPS retained the flexibility we need to stay competitive, serve our customers and keep our business strong. We measure our progress in People Led by how likely an employee is to recommend others to work at UPS. In 2023, 65% said they would recommend employment at UPS to family and friends, an improvement of 14 percentage points over the past five years. Our goal is for Likelihood to Recommend to reach 80% or higher.

Lastly, *Innovation Driven* is about driving more productivity from the assets we own. Throughout 2023, productivity initiatives like Total Service Plan enabled greater agility to match network capacity with changing volume levels. Additionally, our Network Planning Tools (NPT), which use AI and machine learning, enabled us to adjust load planning, scheduling and volume flows across the network based on real-time data. This technology is powerful, and NPT can do in an afternoon what used to take a team of UPS engineers months to do. We also more closely aligned our digital businesses, including Roadie, Ware2Go, Delivery Solutions and UPS Capital as we adopt a bolder approach to digital commerce. We are accelerating new solutions to meet the needs of our customers and expanding our addressable market to drive profitable growth. One example of a recent innovation is UPS Capital's Delivery Defense, which uses predictive analytics to enable merchants to assess the level of delivery risk associated with addresses. We measure Innovation Driven by delivering high returns on invested capital, and in 2023, we delivered an adjusted return on invested capital* of 21.9%.

LOOKING AHEAD

After a difficult year, we exited 2023 with some momentum, but momentum is not enough. We are making bold moves to right size our company for the future under an initiative we call “Fit to Serve.” We are exploring strategic alternatives for our truckload brokerage business known as Coyote. We are leaning into growth in the most attractive parts of the market and are continuing to drive efficiency across our integrated network. We expect market conditions to settle down in 2024 and that, coupled with our initiatives, gives us confidence that we will reverse the negative trends we experienced in 2023.

To wrap up, I want to encourage all shareowners to vote your shares at our Annual Meeting in May. This is your opportunity to share your views with us. We listen and take your feedback into account as we seek to grow our business, further improve governance and create long-term shareowner value. As we approach the Annual Meeting, I encourage you to contact us with any questions or feedback at 404-828-6059.

I’ll leave you with a quote from our founder, Jim Casey, “Our horizon is as distant as our mind’s eye wishes it to be.” UPS is stronger than ever. We are writing the next chapter of the UPS story and we believe our best days are ahead of us.

We thank you for your support.

Carol B. Tomé
Chief Executive Officer

*See reconciliation of Non-GAAP financial measures on page A1.

Notice of 2024 Annual Meeting of Shareowners and Proxy Statement

Thursday, May 02, 2024
8:00 a.m. Eastern Time

www.virtualshareholdermeeting.com/UPS2024

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United Parcel Service, Inc.
55 Glenlake Parkway, N.E.
Atlanta, GA 30328

March 18, 2024

Dear Fellow Shareowners,

It is my pleasure to invite you to attend the 2024 UPS Annual Meeting of Shareowners. We encourage you to attend the meeting and to share your views about our Company.

I am honored to serve as board chair and to help facilitate the effective oversight of our Company’s strategy and risks. Your board is highly engaged and has a productive working relationship with management. Each director brings a diverse set of skills and perspectives to the boardroom which, taken together, contributes to the successful execution of our responsibilities. We remain focused on creating long-term value for all stakeholders.

In 2023, our Company faced significant headwinds, including economic pressures, increasing geopolitical tensions, high inflation, changing consumer shopping behaviors, trade lane shifts and our union contract negotiations. Despite these uncertainties, we were still able to return over $7.6 billion to shareowners in 2023 through dividends and share repurchases, and we have established a new baseline for growth.

The board recognizes management’s many achievements during such a challenging year. Management continued to make progress against the Company’s strategy, including investing back in the business to drive productivity and future growth, executing strategic acquisitions and remaining focused on premium markets, including small and medium-sized businesses, healthcare, and international growth. The Company once again provided best-in-class service, successfully managed our best-in-class network and strategically expanded its service offerings. In addition, the Company entered into a “win-win-win” labor contract that provides meaningful labor certainty.

In closing, I want to encourage all my fellow shareowners to vote. As we approach the Annual Meeting, please contact us with any questions or feedback at 404-828-6059.

On behalf of the entire Board of Directors, thank you for your continued support.

Bill Johnson

William Johnson
UPS Board Chair

Notice of Annual Meeting

UNITED PARCEL SERVICE, INC.

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328

Date and Time: May 2, 2024, 8:00 a.m. Eastern Time

Place: The United Parcel Service, Inc. 2024 Annual Meeting of shareowners will be held online via webcast at www.virtualshareholdermeeting.com/UPS2024.

Record Date: March 5, 2024

Distribution Date: A Notice of Internet Availability of Proxy Materials or the Proxy Statement is first being sent to shareowners on March 18, 2024.

Voting: Holders of class A common stock are entitled to 10 votes per share on each matter to be acted upon; holders of class B common stock are entitled to one vote per share on each matter to be acted upon. **Your vote is important. Please vote as soon as possible through the Internet, by telephone or by signing and returning your proxy card (if you received a paper copy of the proxy card). Your voting options are described on the Notice of Internet Availability of Proxy Materials, voting instruction form and/or proxy card. Brokers are not permitted to vote on certain proposals and may not vote on any of the proposals unless you provide voting instructions. Voting your shares will help to ensure that your interests are represented at the meeting.**

Attending the Meeting: You or your proxy holder can participate, vote and ask questions at the meeting by visiting www.virtualshareholdermeeting.com/UPS2024 and using your 16-digit control number found on your proxy card, voting instruction form or Notice of Internet Availability of Proxy Materials. Shareowners who do not receive a 16-digit control number should consult their voting instruction form or Notice of Internet Availability of Proxy Materials and may need to request a legal proxy from their bank, broker or other nominee in advance of the meeting in order to participate. For more information, see page 77.

Important Notice Regarding the Availability of Proxy Materials for the Shareowner Meeting to be Held on May 2, 2024: The Proxy Statement and our 2023 Annual Report are available at www.proxyvote.com. Questions? Call 404-828-6059 (option 2).

By order of the Board of Directors

Norman M. Brothers, Jr.
Secretary
Atlanta, Georgia
March 18, 2024

Items of Business

UNITED PARCEL SERVICE, INC.

2024 Annual Meeting of Shareowners

	Voting Choices	Board Voting Recommendations	Page
Company Proposals:			
1. Elect 12 director nominees named in the Proxy Statement to serve until the 2025 Annual Meeting and until their respective successors are elected and qualified	• Vote for all nominees • Vote against all nominees • Vote for some nominees and against others • Abstain from voting on one or more nominees	**FOR EACH NOMINEE**	**21**
2. Advisory vote to approve named executive officer compensation	• Vote for the proposal • Vote against the proposal • Abstain from voting on the proposal	**FOR**	**62**
3. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2024	• Vote for ratification • Vote against ratification • Abstain from voting on the proposal	**FOR**	**65**
Shareowner Proposals:			
4. - 6. Advisory votes on 3 shareowner proposals, only if properly presented	• Vote for each proposal • Vote against each proposal • Abstain from voting on one or more proposals	**AGAINST EACH PROPOSAL**	**68**

Proxy Statement

UNITED PARCEL SERVICE, INC.

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328

This Proxy Statement contains important information about the 2024 Annual Meeting of Shareowners (the "Annual Meeting"). We are providing these proxy materials to you because our Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting. The Annual Meeting will be held online via webcast on May 2, 2024, at 8:00 a.m. Eastern Time, at www.virtualshareholdermeeting.com/UPS2024. Shareowners can participate, ask questions and vote during the meeting through this website.

All properly executed written proxies, and all properly completed proxies submitted through the Internet or by telephone, that are delivered pursuant to this solicitation will be voted at the Annual Meeting in accordance with the directions given in the proxy, unless the proxy is revoked prior to the completion of voting at the Annual Meeting. Only owners of record of shares of the Company's common stock as of the close of business on March 5, 2024 (the "Record Date") are entitled to notice of, and to vote at, the Annual Meeting (or any adjournment or postponement of the Annual Meeting). We are first mailing this Proxy Statement on or about March 18, 2024.

Proxy Statement Summary

The following summary highlights key information contained elsewhere in this Proxy Statement.

Corporate Governance

Some of our key governance policies and practices include:

- An **independent board**; all our directors are independent, other than our Chief Executive Officer ("CEO"); an **independent Board Chair** who is highly engaged and experienced;
- A **diverse board**, with 42% of the board being female and 33% of the board being ethnically diverse;
- **Executive sessions** of our **independent directors** held at each board meeting;
- **Annual elections** for all directors; **majority voting** in uncontested director elections;
- Full board engagement in the **strategic planning** process, including an in-depth annual strategy review and overseeing progress throughout the year;
- A Risk Committee consisting entirely of independent members that is responsible for **oversight of enterprise risks**, **including cybersecurity risks**;
- Regular evaluations of governance policies and practices, making changes when appropriate; including recently delegating additional **cybersecurity oversight responsibilities** to the Risk Committee, delegating **environmental sustainability oversight responsibilities** to the Nominating and Corporate Governance Committee, delegating additional **human capital oversight responsibilities** to the Compensation and Human Capital Committee, and adopting a **director overboarding policy**;
- Regular **engagement with stakeholders on environmental**, **social and governance ("ESG") matters**; during this proxy season management contacted holders of over 47% of our class B common stock to discuss our sustainability goals and initiatives, commitments to diversity and inclusion, and executive compensation matters;
- **Annual** board and committee **self-evaluations**, including one-on-one director discussions with the independent Board Chair;
- Comprehensive **director orientation and education** program;
- Robust **stock ownership guidelines**, including a target ownership of **eight times annual salary** for the CEO, **five times annual salary** for other executive officers and **five times the annual retainer** for directors; and
- **Restrictions on** executive officers and directors **hedging or pledging** their ownership in UPS stock.

2024 Director Nominees

Highlights

92% Independent

61.6 years Average age

8.9 years Average tenure

42% Female

33% Ethnically diverse

Summary information about our director nominees is below. As a group, we believe our 12 director nominees have the appropriate skills and experience to effectively oversee and constructively challenge management's performance in the execution of our strategy. For more information about our director nominees see page 21.

Name	Director Since	Principal Occupation	Committee(s)
Independent Directors			
Rodney Adkins	2013	Former Senior Vice President, International Business Machines Corporation	– Risk (Chair) – Compensation and Human Capital – Executive
Eva Boratto	2020	Chief Financial Officer, Bath & Body Works, Inc.	– Audit (Chair)
Michael Burns	2005	Former Chairman, President and Chief Executive Officer, Dana Incorporated	– Audit
Wayne Hewett	2020	Senior Advisor to Permira	– Audit
Angela Hwang	2020	Former Chief Commercial Officer and President, Pfizer Biopharmaceuticals Business, Pfizer, Inc.	– Audit
Kate Johnson	2020	President and Chief Executive Officer, Lumen Technologies, Inc.	– Nominating and Corporate Governance – Risk
William Johnson(1)	2009	Former Chairman, President and Chief Executive Officer, H.J. Heinz Company	– Nominating and Corporate Governance (Chair) – Executive
Franck Moison	2017	Former Vice Chairman, Colgate-Palmolive Company	– Nominating and Corporate Governance – Risk
Christiana Smith Shi	2018	Former President, Direct-to-Consumer, Nike, Inc.	– Compensation and Human Capital (Chair) – Risk
Russell Stokes	2020	President and Chief Executive Officer, Commercial Engines and Services, GE Aerospace	– Compensation and Human Capital – Nominating and Corporate Governance
Kevin Warsh	2012	Former Member of the Board of Governors of the Federal Reserve System, Distinguished Visiting Fellow, Hoover Institution, Stanford University	– Compensation and Human Capital – Nominating and Corporate Governance
Non-Independent Director			
Carol Tomé	2003	UPS Chief Executive Officer	– Executive (Chair)

(1) Independent Board Chair

Executive Compensation

Compensation Practices

A significant portion of executive compensation is at-risk and tied to Company performance. This helps align executive decision-making with the long-term interests of our shareowners. We also have a longstanding owner-manager culture. Compensation practices that support these principles include:

- A **balanced** mix of **cash and equity**, providing a degree of financial certainty and appropriate incentives to retain and motivate executives;
- Performance incentive equity awards which vest over multiple years, furthering both **retention** and **incentive** goals;
- **Multiple distinct goals** for annual and long-term performance incentive awards, avoiding overemphasis on any one metric and mitigating excessive risk-taking;
- Long-term performance incentive awards with a **three-year performance period**;
- Stock option awards that **vest** over a **five-year period** and only provide value if our stock price increases;
- **Clawback policy** that applies to all of our executive officers;
- Incentive compensation plan awards require a "**double trigger**" — both a change in control and a termination of employment or a failure to continue, assume or substitute the award — to accelerate vesting; and
- **No tax gross-ups** on equity awards or golden parachute excise taxes.

2023 Compensation Actions

Key 2023 compensation decisions affecting our executive officers included:

- Most **total direct compensation** was **performance-based** or considered "**at risk**" (93% for the CEO and 86% for all other named executive officers ("NEOs") as a group), page 34;
- **Base salary increases** as a result of the annual salary review process and pay mix redesign, page 36;
- **Pay mix redesign** to better align annual incentive pay with market practices, improve the competitiveness of base salaries and simplify compensation design, page 36;
- A **bifurcated performance period** for the annual incentive awards in light of continued economic uncertainty and our then-labor uncertainty; beginning with the 2024 performance period, the Compensation and Human Capital Committee has **returned to annual goal setting** for annual incentive awards, page 37;
- **Annual incentive awards** were earned and paid **below target**, page 37; and
- Previously granted **2021 Long-Term Incentive Performance** ("LTIP") awards, which had three-year performance goals ending in 2023, were earned and paid **below target**, page 40.

Say on Pay Vote

We maintain executive compensation programs that support the long-term interests of our shareowners. We provide shareowners the opportunity to vote annually, on an advisory basis, to approve the compensation of our NEOs, as described in the Compensation Discussion and Analysis section and in the compensation tables and accompanying narrative disclosure in this Proxy Statement. For more information, see page 62.

The board recommends you vote **FOR** the advisory vote to approve NEO compensation.

Ratify the Appointment of the Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has appointed Deloitte & Touche LLP as our independent registered public accounting firm for the year ending December 31, 2024. The board recommends you vote **FOR** the ratification of the appointment of Deloitte & Touche LLP. For more information, see page 65.

Shareowner Proposals

For the reasons described in this Proxy Statement, the board recommends you vote **AGAINST** the shareowner proposals. Information about these proposals starts on page 68.

Corporate Governance

The Board of Directors is accountable to shareowners and operates within a governance structure that we believe provides appropriate checks and balances to create long-term value. The board's responsibilities include:

- Establishing an appropriate corporate governance structure;
- Supporting and overseeing management in setting long-term strategic goals and applicable measures of value-creation;
- Providing oversight on the identification and management of materials risks;
- Establishing appropriate executive compensation structures; and
- Monitoring business issues that have the potential to significantly impact the Company's long-term value.

We regularly review and update our corporate governance policies and practices in response to the evolving needs of our business, shareowner and other stakeholder feedback, regulatory changes, and other corporate developments. Following is an overview of our corporate governance structure and processes, including key aspects of our board operations.

Selecting Director Nominees

Maintaining a board of individuals independent of management, with the appropriate skills and experience, and of the highest personal character, integrity and ethical standards, is critical to the proper functioning of the board. The Nominating and Corporate Governance Committee seeks to promote diversity in the boardroom with respect to **gender, age, ethnicity, skills, experience, perspectives, and other factors.** Our directors' biographies beginning on page 21 highlight factors that the board considered when nominating these individuals.

Nomination Process

1. **Board Composition Review**

   The board's annual self-evaluation helps the Nominating and Corporate Governance Committee identify needs by **assessing areas where additional diversity, perspectives, expertise, skills or experience may be desired**. The Nominating and Corporate Governance Committee also conducts regular in-depth board composition reviews.

2. **Candidate Identification**

   The Nominating and Corporate Governance Committee uses a variety of sources to identify a diverse pool of potential candidates. Sources include board members, members of management, independent consultants and shareowner recommendations. Prospective candidates are evaluated after taking into account feedback from consultants, management and board members, candidate background and qualification reviews, and open discussions between the Nominating and Corporate Governance Committee and the full board. This process allows for **active and ongoing consideration** of potential directors with a **focus on long-term** Company strategy.

3. **Shortlisted Candidates**

   The Nominating and Corporate Governance Committee maintains a diverse list of potential director candidates according to desired skills, experiences and backgrounds. The list is reviewed at each Nominating and Corporate Governance Committee meeting and updated as appropriate. Each candidate is evaluated to ensure that existing and planned future commitments would not materially interfere with expected board responsibilities.

4. **Recommendation, Nomination and Election**

   Candidates recommended by the Nominating and Corporate Governance Committee and approved by the board are nominated for election. **Directors are elected annually**.

Result: 5 new independent directors added since 2020; 42% director refreshment since 2020.

Shareowner Recommendations

Shareowner recommended director candidates are considered on the same basis as recommendations from other sources. Shareowners can recommend a candidate by writing to the UPS Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328. Submissions must contain the prospective candidate's name and a detailed description of the experience, qualifications, attributes and skills that make the individual a suitable director candidate.

Board Leadership Structure

Based on the periodic evaluation and recommendation of the Nominating and Corporate Governance Committee, the board determines the most appropriate board leadership structure, including who should serve as Board Chair, and whether the roles of Board Chair and CEO should be separated or combined. In making this determination, the board evaluates a number of factors, including professional experience, operational responsibilities and corporate governance developments.

In October 2020, in connection with Carol Tomé's election as CEO, the board determined that it was in the best interests of the Company to enable Carol to focus on leading the Company, and separated the roles of Board Chair and CEO. Bill Johnson, who had been serving as our independent Lead Director, was appointed Board Chair.

Bill has served on our board since 2009 and served as independent Lead Director from 2016 until October 2020. He has deep institutional knowledge of the Company and provides strong continuity of leadership. He devotes significant time to understanding our business and communicating with the CEO, and other directors, between meetings. He draws on his extensive knowledge of our business, industry, strategic priorities and competitive developments to set the board's agendas in collaboration with the CEO, and he seeks to ensure that board meetings are productive and interactions with the directors facilitate a useful exchange of viewpoints. Bill's value to the board is underscored by the board's decision to extend his tenure beyond the board's mandatory retirement age of 75; in connection with our director nomination process, the board determined to grant Bill a one-year waiver from that requirement so that he can continue to lead the board.

Carol is available to all directors between meetings and meets regularly with the Board Chair, and with the directors individually and as a group, to receive feedback from the board. Bill's collaboration with Carol allows the board to focus attention on the issues of greatest importance to the Company and its shareowners and our CEO to focus primarily on leading the Company.

Furthermore, all the members of each of the Audit Committee, the Compensation and Human Capital Committee, the Nominating and Corporate Governance Committee and the Risk Committee are independent. Each committee is led by a chairperson who sets the meeting agendas and reports to the full board on the committee's work. Additionally, the independent directors meet in executive session without management present at each board meeting, as described below.

Executive Sessions of Independent Directors

Directors hold executive sessions without management present at each regular board meeting. The Board Chair determines the agenda and presides at each session. The Board Chair generally invites the CEO to join a portion of the executive session to receive feedback from the board and when deemed appropriate otherwise. In addition, throughout the year the Board Chair meets individually with each director to discuss issues that are important to the board and to solicit and provide further feedback.

Board and Committee Evaluations

The board's performance is critical to our long-term success and the protection of stakeholders' interests. The board employs both an ongoing informal and a formal annual process to evaluate its performance and the contributions of individual directors to the successful execution of the board's obligations. The Board Chair frequently considers the performance of the board and the board's committees and has informal discussions about individual director contributions to the board. The Board Chair shares feedback from these discussions with the full board and with individual board members. In addition, during 2023 the Board Chair met individually with each director to discuss overall board effectiveness and performance, individual director time commitments and potential 2024 board agenda items.

Formal Evaluation Process

1.	**Detailed Formal Annual Evaluation Process** The Board of Directors, Audit Committee, Compensation and Human Capital Committee, Nominating and Corporate Governance Committee, and Risk Committee each conduct an annual self-assessment. The Nominating and Corporate Governance Committee oversees the annual board assessment process and the implementation of the annual committee self-assessments.
2.	**Questionnaires** All board and committee members complete a detailed confidential questionnaire each year. The questionnaire provides for quantitative ratings in key areas, including overall board effectiveness, meeting effectiveness, access to information, information format, board committee structure, access to management, succession planning, meeting dialogue, communication with the CEO, operational reporting, financial oversight, capital structure and financing, capital spending, long-term strategic planning, risk oversight, crisis management and time management. The questionnaire also allows directors to provide written feedback and make detailed anonymous comments. In 2023, the Company engaged a new, independent third party to administer and report on the evaluations.
3.	**Review** The results of the committee self-assessments are reviewed by each committee and discussed with the full board. The Nominating and Corporate Governance Committee Chair reviews the results of committee self-assessments and discusses the responses with the chairs of the other board committees as appropriate. The Nominating and Corporate Governance Committee Chair also reviews and discusses the board evaluation results with the full board.
4.	**Follow-up** Matters requiring follow-up are addressed by the Nominating and Corporate Governance Committee Chair or the chairs of the other committees as appropriate.
Result:	Feedback from these evaluations has led to several improvements in board functionality in recent periods, including changes to the format and delivery of board meeting materials, board meeting agendas and recurring topics, strategic planning and oversight, director recruitment practices and orientation, allocation of responsibilities among the board's committees and succession planning.

Board Refreshment and Succession

8.9 years nominee average tenure

Newer directors (< 5 years)

Medium-tenured directors (5-10 years)

Longer-tenured directors (> 10 years)

The Nominating and Corporate Governance Committee regularly evaluates board composition and necessary skills as our business evolves over time. We seek a balance of knowledge and experience that comes from longer-term board service with new ideas and perspectives that can come from newer directors. Since 2020, we have added five new directors, and have had four directors retire. The average tenure of the director nominees reflects an appropriate balance between different perspectives brought by newer and long-serving directors.

Board Oversight of Strategic Planning

The board's responsibilities include oversight of strategic planning. Effective oversight requires a high level of constructive engagement between management and the board. The board leverages its substantial experience and expertise and is fully engaged in the Company's strategic planning process. Management develops and prioritizes strategic plans on an annual basis. Management then reviews these plans with the board on an annual basis, along with the Company's challenges, opportunities, industry dynamics, and legal, regulatory and governance developments, and other significant strategic matters.

Management provides the board comprehensive updates throughout the year regarding progress on the Company's strategic plans. Management also provides regular updates regarding the achievement of the Company's financial and other goals. In addition, the CEO communicates regularly with the board on important business opportunities, financial and operational performance matters, risks and other developments such as sustainability, human capital, labor and customer relations, both during and outside the regular board meeting cycle.

Management Development and Succession Planning

Succession planning and talent development are important at all levels within our organization. The board oversees management's emergency and long-term succession plans at the executive officer level, most importantly the CEO position. The board annually reviews succession plans for senior management including the CEO, all in the context of the Company's overall business strategy and with a focus on risk management. More broadly, the board and the Compensation and Human Capital Committee are regularly updated on key talent indicators for the overall workforce, including diversity, recruiting and development programs.

The board's succession planning activities are ongoing and strategic and are supported by board committees and independent third-party consultants as needed. In addition, the CEO annually provides an assessment to the board of senior leaders and their potential to succeed at key senior management positions. As a part of this process, potential leaders interact with board members through formal presentations and during informal events.

We also utilize a formal director engagement program in which directors meet with individual executive officers, visit Company operations, participate in employee events and receive in-depth subject matter updates outside of the regular board meeting process. These additional engagements encourage the ongoing exchange of ideas and information between directors and management, facilitate the board's oversight responsibilities, and support management development and succession planning efforts.

Risk Oversight

Board of Directors

Risk management oversight is an essential board responsibility. The board regularly discusses our most significant risks and how these risks are being managed. The Company’s enterprise risk management process is designed to identify potential events that may affect the achievement of the Company’s objectives or have a material adverse effect on the Company. The board reviews periodic assessments from this process and participates in the Company’s annual enterprise risk survey. The board has delegated to its standing committees specific risk oversight responsibilities as set out below and receives regular reports from the committees on appropriate areas of risk management.

Risk Committee	Audit Committee	Compensation and Human Capital Committee	Nominating and Corporate Governance Committee
Oversees management’s identification and evaluation of strategic enterprise risks, including risks associated with intellectual property, operations, privacy, technology, information security, cybersecurity and cyber incident response, and business continuity.	Oversees policies with respect to financial risk assessment, including guidelines to govern the process by which major financial and accounting risk assessment and management is undertaken.	Considers risks associated with compensation policies and practices, with respect to both executive compensation and compensation generally, and considers other human capital risks.	Considers risks related to succession planning, political contributions and lobbying, sustainability and stakeholder engagement matters, among others.

The Company’s Chief Legal and Compliance Officer, Chief Digital and Technology Officer, Chief Information Security Officer, and Vice President of Compliance and Internal Audit each meet individually with the Risk Committee on a regular basis. The Chair of the Risk Committee also meets frequently with the Chief Digital and Technology Officer between meetings.

The Risk Committee updates the board annually on the Company’s enterprise risk management survey and risk assessment results. The board provides feedback to the Company about significant enterprise risks and assesses the Company’s identification of its most significant risk areas. The Risk Committee also coordinates with the Audit Committee, including through periodic joint meetings, to enable the Audit Committee to perform its risk related responsibilities. The Risk Committee oversees the Company’s approach to cybersecurity risk assessment and mitigation by, among other things:

- reviewing the Company’s cybersecurity insurance program;
- reviewing at least annually the Company’s cybersecurity budget;
- discussing the results of various internal cybersecurity audits and periodic independent third-party assessments of the Company’s cybersecurity programs;
- being briefed on cybersecurity matters by outside experts; and
- receiving regular updates from the Company’s Chief Information Security Officer (“CISO”) and others on cybersecurity risks, operational metrics, compliance and regulatory developments, training programs, risk mitigation activities, key projects and industry developments.

The Company's Chief Legal and Compliance Officer, Chief Digital and Technology Officer, CISO and Vice President of Compliance and Internal Audit participate in Risk Committee meetings and meet individually with the Risk Committee on a periodic basis to discuss and address relevant matters, including the Company’s approach to cybersecurity risk assessment and mitigation.

The Audit Committee has additional risk assessment and risk oversight responsibilities, specifically with respect to financial risk assessment. The Chief Legal and Compliance Officer, CEO, Chief Financial Officer and Vice President of Compliance and Internal Audit each meet individually with the Audit Committee on a regular basis.

In addition, the Company’s Chief Legal and Compliance Officer reports directly to our CEO, providing visibility into the Company’s risk profile. The board believes that the work undertaken by its committees, together with the work of the full board and the Company’s senior management, enables effective oversight of the Company’s management of risk.

Stakeholder Engagement

Maintaining open and ongoing dialogs with key stakeholders is an important component of our corporate culture. Our management team participates in numerous investor meetings throughout the year to discuss our business, strategy and financial results. This includes in-person, telephone and webcast conferences, as well as key site visits.

In addition, each year we undertake an ESG stakeholder outreach program in which we discuss progress on our ESG journey. This year we contacted holders of over 47% of our class B common stock as a part of this program. Engagement provides us with the opportunity to understand issues of significant importance to stakeholders and to receive feedback on our practices and disclosures. Similarly, it provides us with an opportunity to discuss how management believes its actions are aligned with long-term value creation.

We also proactively correspond with other key stakeholders throughout the year. We share feedback from our financial and ESG engagements with the board, the Compensation and Human Capital Committee, and the Nominating and Corporate Governance Committee as appropriate.

We consider the views of our shareowners and other stakeholders when evaluating our ESG policies and practices; for example, in recent years we have:

- Announced a number of environmental, social and human capital goals, including a carbon neutral by 2050 goal;
- Accelerated our sustainability reporting;
- Increased disclosures around individual director racial, ethnic and gender diversity;
- Increased our commitments to diversity, equity and inclusion, volunteerism and charitable giving;
- Separated the Board Chair and CEO roles;
- Appointed an independent Board Chair;
- Increased board diversity;
- Expanded reporting on lobbying activities;
- Revised the Risk Committee charter to specifically identify cybersecurity oversight responsibilities;
- Revised the Nominating and Corporate Governance Committee charter to include oversight of environmental sustainability matters and risks; and
- Revised the Compensation and Human Capital Committee charter to include oversight of performance and talent management, diversity, equity and inclusion, work culture and employee development and retention.

The Compensation and Human Capital Committee considers shareowner feedback, along with the market information and analysis provided by its independent compensation consultant, when making decisions about our executive compensation programs. We have:

- Updated the peer group for executive and director compensation market comparisons;
- Enhanced the competitiveness of our performance-based annual compensation program;
- Eliminated single-trigger equity vesting following a change in control;
- Added relative total shareowner return as a component of our Long-Term Incentive Plan awards;
- Reevaluated performance metrics under incentive compensation plans for proper design to incent towards long-term Company value creation;
- Provided additional detail around the performance measures used for our annual and long-term incentive plans;
- Adopted a mandatory incentive compensation clawback policy applicable to executive officers;
- Approved the return to a single, annual goal setting process for annual incentive program design; and
- Added an individual payout cap to our annual incentive plan.

Political Engagement

Overview

Responsible participation in the political process is important to our success and the protection and creation of shareowner value. We participate in this process in accordance with good corporate governance practices. Our Political Engagement Policy (“policy”) is summarized below and is available at www.investors.ups.com. In addition, as a component of our ongoing governance evaluation process, we recently expanded our reporting around lobbying and trade association memberships.

- The Nominating and Corporate Governance Committee oversees the policy;
- Corporate political contributions are restricted;
- We publish a semi-annual political engagement report on our investor relations website; and
- Eligible employees can make political contributions through a Company-sponsored political action committee (“UPSPAC”). UPSPAC is organized and operated on a voluntary, nonpartisan basis and is registered with the Federal Election Commission.

Oversight and Processes

Political contributions are made in a legal, ethical and transparent manner that best represents the interests of stakeholders. Political and lobbying activities require prior approval of the UPS Public Affairs department and are subject to review (and in some cases prior approval) by the Nominating and Corporate Governance Committee.

Senior management works with Public Affairs on furthering our business objectives and protecting and enhancing shareowner value. The Chief Corporate Affairs and Sustainability Officer reviews political and lobbying activities and regularly reports to the board and the Nominating and Corporate Governance Committee.

Lobbying and Trade Associations

Public Affairs coordinates our lobbying activities, including engagements with federal, state, and local governments. UPS is also a member of a variety of trade associations that engage in lobbying. Lobbying activities require prior approval of Public Affairs.

The Nominating and Corporate Governance Committee regularly reviews UPS’s participation in trade associations that engage in lobbying to determine if our involvement is consistent with UPS business objectives and whether participation exposes the Company to excessive risk.

Lobbying activities are governed by comprehensive policies and practices designed to facilitate compliance with laws and regulations, including those relating to the lobbying of government officials, the duty to track and report lobbying activities, and the obligation to treat lobbying costs and expenses as nondeductible for tax purposes.

Political Activity Transparency

We believe in transparency in our political activities. We publish semi-annual political engagement reports, which are reviewed and approved by the Nominating and Corporate Governance Committee. The reports provide:

- Amounts and recipients of any federal and state Company political contributions in the U.S. (if any such expenditures are made);
- The names of trade associations that receive $50,000 or more and that use a portion of the payment for political contributions; and
- The names of trade associations or other organizations that draft model legislation that received $25,000 or more in membership dues from UPS in a given year, and the percentage of dues used for lobbying purposes. These disclosures were recently added as a governance enhancement based on stakeholder feedback.

Our most recent report is available on our investor relations website at www.investors.ups.com. We also publicly file a federal Lobbying Disclosure Act Report each quarter, providing 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. This report discloses expenditures for the quarter, describes the specific pieces of legislation that were the topic of communications, and identifies the individuals who lobbied on behalf of UPS. We file similar publicly available periodic reports with state agencies reflecting state lobbying activities.

Sustainability

We are the world's premier package delivery company and a leading provider of global supply chain management solutions. We offer a broad range of industry-leading products and services through our extensive global presence. Our services include transportation and delivery, distribution, contract logistics, ocean freight, air freight, customs brokerage and insurance.

We operate one of the largest airlines and one of the largest fleets of alternative fuel vehicles under a global UPS brand that stands for quality and reliability. We deliver packages each business day for approximately 1.6 million shipping customers to 10.2 million delivery recipients in over 200 countries and territories. In 2023, we delivered an average of 22.3 million packages per day, totaling 5.7 billion packages during the year. Our success depends on economic stability, global trade and a society that welcomes opportunity. We understand the importance of acting responsibly as a business, an employer and a corporate citizen.

The board considers key economic, environmental and social sustainability risks and opportunities as part of its involvement in and oversight of UPS's strategic planning. The board also regularly reviews the effectiveness of our risk management and due diligence processes related to material sustainability topics. In executing its responsibilities, the board recently delegated oversight of environmental sustainability matters to the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee monitors the development, implementation, and progress of the Company's environmental sustainability goals and regularly reports on those matters to the board. Authority for day-to-day management of sustainability matters has been delegated to management. Our Chief Corporate Affairs and Sustainability Officer reports directly to the Company's CEO and regularly reports to the board regarding sustainability strategies, priorities, goals and performance. In addition, the board is regularly briefed on issues of concern for customers, unions, employees, retirees, investors, governmental entities and other stakeholders. For additional information on board oversight, see page 14.

Each year we publish corporate sustainability reports showcasing the goals, recent achievements and challenges of our commitment to balancing the economic, environmental and social aspects of our business. In response to stakeholder interest, we have recently accelerated the timing of these reports to provide stakeholders with more current information in advance of our Annual Meeting. These reports are available at https://about.ups.com/us/en/social-impact/reporting.html. Our sustainability goals are aspirational and may change. Statements regarding our goals are not guarantees or promises that they will be met.

Human Capital Management

Our success is dependent upon our people, working together with a common purpose. As we seek to capture new opportunities and pursue growth, we believe that transforming the UPS employee experience is foundational to our success. This requires a thoughtful balance between the culture we have cultivated over the years and the new perspectives we need to take the business into the future. We believe that UPS employees are among the most motivated and highest-performing in the industry, and provide us a competitive advantage. To assist with employee recruitment and retention, we continue to review the competitiveness of our employee value proposition, including benefits and pay, training, talent development and promotion opportunities.

We have approximately 500,000 employees (excluding temporary seasonal employees), of which 414,000 are in the U.S. and 86,000 are located internationally. Our global workforce includes approximately 85,000 management employees (42% of whom are part-time) and 415,000 hourly employees (48% of whom are part-time). More than 70% of our U.S. employees are represented by unions, primarily those employees handling or transporting packages. Many of these employees are employed under a national master agreement and various supplemental agreements with local unions affiliated with the International Brotherhood of Teamsters ("Teamsters"). In the third quarter of 2023, the Teamsters fully ratified a new national master agreement that expires July 31, 2028. In addition, approximately 3,300 of our pilots are represented by the Independent Pilots Association ("IPA"). Our agreement with the IPA becomes amendable September 1, 2025.

Oversight and management

We seek to create an inclusive and equitable environment that brings together a broad spectrum of backgrounds, cultures and stakeholders. We believe leveraging diverse perspectives and creating inclusive environments improves our organizational effectiveness, cultivates innovation, and drives growth.

Our board, directly and through the Compensation and Human Capital Committee, is responsible for oversight of human capital matters. Effective oversight is accomplished through a variety of methods and processes including regular updates and discussions around human capital transformation efforts, technology initiatives impacting the workforce, health and safety matters, employee survey results related to culture and other matters, hiring and retention, employee demographics, labor relations and contract negotiations, compensation and benefits, succession planning and employee training initiatives.

In addition, the Compensation and Human Capital Committee charter has been expanded to include oversight responsibility for performance and talent management, diversity, equity and inclusion, work culture and employee development and retention. We believe the board’s oversight of these matters helps identify and mitigate exposure to labor and human capital management risks, and is part of the broader framework that guides how we attract, retain and develop a workforce that aligns with our values and strategies.

Total rewards

We offer competitive compensation and benefits. In addition, our long history of employee stock ownership aligns the interests of our management team with shareowners. In the U.S., benefits provided to our non-union employees typically include:

- comprehensive health insurance coverage;
- life insurance;
- short- and long-term disability coverage;
- child/elder care spending accounts;
- work-life balance programs;
- an employee assistance program; and
- a discounted employee stock purchase plan.

We invest in our people by offering a range of other benefits, such as paid time off, retirement plans, and education assistance. In the U.S., these other benefits are generally provided to non-union employees without regard to full-time or part-time status.

Employee health and safety

We seek to provide industry-leading employee health, safety and wellness programs across our workforce. UPS's Comprehensive Health and Safety Program ("CHSP") is an occupational health and safety system tailored to our varied operational environments. Our CHSP covers a wide array of roles, from package handling to administration, and spans geographical boundaries to include sorting facilities, mobile logistics, administrative offices, and other locations worldwide. UPS conducts audits to assess specific risks and hazards, including equipment safety, workplace environment, and emergency response protocols. We monitor our safety performance through various measurable targets, including lost time injury frequency and the number of recorded auto accidents.

Collective bargaining

We bargain in good faith with the unions that represent our employees. We frequently engage union leaders at the national level and at local chapters throughout the U.S. We participate in works councils and associations outside the U.S., which allows us to respond to emerging issues abroad. This work helps our operations to build and maintain productive relationships with our employees. For additional information on the union membership of our employees, see “Human Capital Management” above.

Majority Voting and Director Resignation Policy

Our Bylaws provide for majority voting in uncontested director elections. The number of votes cast for a nominee must exceed the number of votes cast against that person. Any incumbent director who does not receive a majority of the votes cast must offer to resign from the board.

In such an event, the Nominating and Corporate Governance Committee will recommend to the board whether to accept or reject the director's offer to resign after considering all relevant factors. The board will act on the recommendation within 90 days following certification of the election results after considering all relevant information.

Any director who offers to resign must recuse himself or herself from the board vote, unless the number of independent directors who were successful incumbents is fewer than three. The board will promptly disclose its decision regarding any director's offer to resign, including its reasoning. If the board determines to accept a director's offer to resign, the Nominating and Corporate Governance Committee will recommend whether and when to fill such vacancy or whether to reduce the size of the board.

Board Meetings and Attendance

The board held seven meetings during 2023. Also during 2023, the Audit Committee met nine times, the Compensation and Human Capital Committee met six times, the Nominating and Corporate Governance Committee met four times and the Risk Committee met four times (including a joint meeting with the Audit Committee). Prior to meetings, the Board Chair and the committee chairs work with management to determine and prepare agendas for the meetings.

Board meetings generally occur over two days. Board committees generally meet on the first day, followed by the board meeting. The second day typically consists of reports from each committee chair to the full board, additional presentations by internal business leaders or others with expertise in various subject matters, and an executive session consisting of only independent board members.

All directors attended at least 75% of the total number of board and any committee meetings of which he or she was a member in 2023. Our directors are expected to attend each annual shareowner meeting, and all directors attended the 2023 Annual Meeting. The independent directors met in executive session at all board meetings held in 2023.

Code of Business Conduct

We are committed to conducting our business in accordance with the highest ethical principles. Our Code of Business Conduct is applicable to anyone who represents UPS, including our directors, executive officers and all other employees and agents of UPS. A copy of our Code of Business Conduct is available on our investor relations website at www.investors.ups.com.

Conflicts of Interest and Related Person Transactions

Our Audit Committee is responsible for overseeing our Code of Business Conduct, which includes policies regarding conflicts of interest. The Code requires employees and directors to avoid conflicts of interest, defined as situations where the person's private interests conflict, or may appear to conflict, with the interests of UPS.

We maintain a written related person transactions policy that applies to any transaction or series of transactions in which: (1) the Company or any of its subsidiaries is a participant; (2) any "related person" (executive officer, director, greater than 5% beneficial owner of the Company's common stock, or an immediate family member of any of the foregoing) has or will have a material direct or indirect interest; and (3) the aggregate amount involved since the beginning of the Company's last completed fiscal year will exceed or may reasonably be expected to exceed $100,000.

The policy provides that related person transactions that may arise during the year are subject to the Audit Committee's reasonable prior approval. If advance approval of a related person transaction is not possible, then the transaction will be considered and, if deemed appropriate, ratified no later than the Audit Committee's next regularly scheduled meeting. In determining whether to approve or ratify a transaction, the Audit Committee will consider, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstance, the extent of the related person's interest in the transaction, whether the transaction would impair independence of a non-employee director and whether there is a business reason for UPS to enter into the transaction. A copy of the policy is available on our investor relations website at www.investors.ups.com. The Company did not engage in any related person transactions since January 1, 2023 that require disclosure in this Proxy Statement or under the Company's policy.

At least annually, each director and executive officer completes a questionnaire in which they are required to disclose any business relationships that may give rise to a conflict of interest, including transactions where UPS is involved and where an executive officer, a director or a related person has a direct or indirect material interest. We also review the Company's financial systems and any related person transactions to identify potential conflicts of interest. The Nominating and Corporate Governance Committee reviews a summary of this information and makes recommendations to the Board of Directors regarding each board member's independence.

We have immaterial ordinary course of business transactions and relationships with companies with which our directors are associated. The Nominating and Corporate Governance Committee reviewed the transactions and relationships that occurred since January 1, 2023 and believes they were entered into on terms that are both reasonable and competitive and did not affect director independence. Additional transactions and relationships of this nature may be expected to take place in the ordinary course of business in the future.

Transactions in Company Stock

We prohibit our executive officers and directors from hedging or pledging their ownership in UPS stock. Specifically, they are prohibited from purchasing or selling derivative securities relating to UPS stock and from purchasing financial instruments that are designed to hedge or offset any decrease in the market value of UPS securities. Furthermore, our employees, officers and directors are prohibited from engaging in short sales of UPS stock.

Corporate Governance Guidelines and Committee Charters

Our Corporate Governance Guidelines and the charters for each of the board's committees are available on our investor relations website at www.investors.ups.com. Each committee reviews its charter annually. In addition, the Nominating and Corporate Governance Committee reviews our Corporate Governance Guidelines annually and recommends any changes to the board for approval. When amending our committee charters or Corporate Governance Guidelines, we consider current governance trends and best practices, changes in regulatory requirements, advice from outside sources and input from stakeholders.

Communicating with the Board of Directors

Stakeholders may communicate directly with the board, with the non-management directors as a group, or with any specific director, by writing to the UPS Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328. Please specify to whom your letter should be directed. After review by the Corporate Secretary, appropriate communications will be forwarded to the addressee. Advertisements, solicitations for business, requests for employment, requests for contributions, matters that may be better addressed by management or other inappropriate materials will not be forwarded.

Our Board of Directors

Proposal 1 — Director Elections

What am I voting on? Election of each of the 12 named director nominees to hold office until the 2025 Annual Meeting and until their respective successors are elected and qualified.

Board's Recommendation: Vote **FOR** the election of each nominee.

Vote Required: A director will be elected if the number of votes cast for that director exceeds the number of votes cast against that director.

The board has nominated the individuals named below for election as directors at the Annual Meeting. All nominees were elected by shareowners at our last Annual Meeting. If elected, all nominees are expected to serve until the next Annual Meeting and until their respective successors are elected and qualified. If any nominee is unable to serve as a director, the board may reduce the number of directors that serve on the board or choose a substitute nominee. Any nominee who is currently a director, and for whom more votes are cast against than are cast for, must offer to resign from the board.

As a group, our director nominees, all of whom are currently directors, effectively oversee and constructively challenge management's performance in the execution of our strategy. Our directors' broad professional skills and experiences contribute to a wide range of perspectives in the boardroom. The Nominating and Corporate Governance Committee regularly assesses the skills and experience necessary for our board to function effectively and considers where additional expertise may be needed.

Diversity with respect to gender, age, ethnicity, skills, experience, perspectives, and other factors is a key consideration when identifying and recommending director nominees. Diversity in our boardroom supports UPS's continued success. While we do not have a formal policy on board diversity, our Corporate Governance Guidelines emphasize diversity, and the Nominating and Corporate Governance Committee actively considers and assesses diversity in recruitment and nominations of director candidates through periodic board composition evaluations.

Our Corporate Governance Guidelines provide that an individual should not be eligible for nomination or election as a director of the Company after he or she reaches the age of 75 (the "retirement age requirement"). After taking into account the value our Board Chair Bill Johnson provides to the board through, among other things, his tenure, leadership roles, extensive knowledge of our business, industry, strategic priorities and competitive developments he uses to set the board's agendas in collaboration with the CEO, and his relationships with our executives, the board (other than Bill) determined it was in the best interests of the Company and its shareowners to grant Bill a one-year waiver from the retirement age requirement so that he can continue to lead the board.

Biographical information about the director nominees appears below, including information about the experience, qualifications, attributes, and skills considered by our Nominating and Corporate Governance Committee and board in determining that the nominee should serve as a director, and director demographics. For additional information about how we identify and evaluate nominees for director, see page 10.

Director Nominee Skills, Experience and Diversity

Highlights

92% Independent

61.6 years Average age

8.9 years Average tenure

42% Female

33% Ethnically diverse

Skills and Experience / Attributes	R. Adkins	E. Boratto	M. Burns	W. Hewett	A. Hwang	K. Johnson	W. Johnson	F. Moison	C. Smith Shi	R. Stokes	C. Tomé	K. Warsh
CEO			●	●		●	●				●	
CFO		●									●	
Consumer / Retail		●					●	●	●		●	
Digital Technology	●					●			●		●	
Geopolitical Risk								●				●
Global / International			●	●	●		●	●	●			●
Healthcare		●		●	●							
Human Capital Management						●	●			●		
Operational			●	●	●	●	●	●	●	●		
Risk / Compliance / Government	●	●								●	●	●
Sales / Marketing						●	●	●	●	●		
Small and Medium-Sized Businesses		●		●		●				●		
Supply Chain Management	●			●	●		●	●	●			
Technology / Technology Strategy	●		●			●				●		
Other Public Company Board Service	●			●		●	●	●	●		●	●
Race / Ethnicity												
Asian / Asian American					●							
Black / African American	●			●						●		
White		●	●			●	●	●	●		●	●
Gender												
Female		●			●	●			●		●	
Male	●		●	●			●	●		●		●

Director Nominee Biographical Information

Carol Tomé

UPS Chief Executive Officer

Age: 67	Board Committee
Director since 2003	Executive (Chair)

Career

Carol was appointed UPS's Chief Executive Officer effective June 2020. As CEO, Carol has primary responsibility for managing the Company's day-to-day operations, and for developing and communicating our strategy. She was Chief Financial Officer of The Home Depot, Inc., one of the world's largest retailers, from 2001; and Executive Vice President Corporate Services from 2007 until her retirement in 2019. At The Home Depot, she provided leadership in the areas of real estate, financial services and strategic business development. Her corporate finance duties included financial reporting and operations, financial planning and analysis, internal audit, investor relations, treasury and tax. She previously served as Senior Vice President Finance and Accounting and Treasurer from 2000 until 2001; and from 1995 until 2000 she served as Vice President and Treasurer. Carol serves on the Board of Directors of Verizon Communications, Inc. and served on the Board of Directors of Cisco Systems, Inc. until 2020.

Reasons for election

Carol has a thorough understanding of our strategies and operations as a result of serving as Chief Executive Officer, and from her extensive experience gained from serving on the board and as Chair of the Audit Committee prior to becoming Chief Executive Officer. She has an in-depth knowledge of logistics and has broad experience in corporate finance and risk and compliance gained throughout her career at The Home Depot. She brings the experience of having served as Chief Financial Officer of a complex, multi-national business with a large, labor intensive workforce. Carol also has experience with strategic business development, including e-commerce strategy.

Rodney Adkins

Former Senior Vice President, International Business Machines Corporation

Age: 65	Board Committees
Director since 2013	Risk (Chair) Compensation and Human Capital Executive

Career

Rod is President of 3RAM Group LLC, a private company specializing in capital investments, business consulting and property management services. Prior to that role, Rod served as IBM's Senior Vice President of Corporate Strategy before retiring in 2014. Rod was previously IBM's Senior Vice President, Systems and Technology Group, a position he held since 2009, and senior vice president of STG development and manufacturing, a position he held since 2007. In his over 30-year career with IBM, a multinational technology company, Rod held several other development and management roles, including general management positions for the PC Company, UNIX Systems and Pervasive Computing. Rod currently serves as non-executive Chairman of Avnet, Inc., in addition to serving on the Boards of Directors of PayPal Holdings, Inc. and W.W. Grainger, Inc. He retired from the Board of Directors of PPL Corporation in 2019.

Reasons for election

As a senior executive of a public technology company, Rod gained a broad range of experience, including in emerging technologies and services, global business operations, and supply chain management. He remains a recognized leader in technology and technology strategy. Rod devotes significant time and attention to his roles as a board member and Risk Committee Chair. In addition, the board benefits from Rod's experience serving as a director of other publicly traded companies.

Eva Boratto

Chief Financial Officer, Bath & Body Works, Inc.

Age: 57

Director since 2020

Board Committee

Audit (Chair)

Career

Eva has served as the Chief Financial Officer of Bath & Body Works, Inc., a leader in personal care and home fragrances, since August 2023. She previously served as the Chief Financial Officer for Opentrons Labworks, Inc., a privately held life sciences company, from February 2022 until July 2023.

Eva served as Executive Vice President and Chief Financial Officer for CVS Health Corporation, a diversified health services company, from 2018 until her retirement in 2021. In this role, Eva was responsible for all aspects of the company's financial strategy and operations, including accounting and financial reporting, investor relations, mergers and acquisitions, treasury and capital planning, investments, risk management, tax, budgeting and planning, and procurement. Prior to this role, from 2017 to 2018, Eva was Executive Vice President, Controller and Chief Accounting Officer for CVS Health. She served as Senior Vice President and Chief Accounting Officer of CVS Health from 2013 to 2017. Eva joined the company in 2010 and served as Senior Vice President for pharmacy benefit management finance until 2013.

Reasons for election

Eva brings to the board extensive corporate finance experience gained throughout her career as a Chief Financial Officer at multiple companies. She also brings the experience of having served as a senior executive at a complex healthcare business with a large workforce and extensive retail presence, and at a smaller, growth oriented business, including deep knowledge of financial reporting and accounting standards. Eva also provides the board with the benefits of her experience with strategic risk management matters.

Michael Burns

Former Chairman, Chief Executive Officer and President, Dana Incorporated

Age: 72

Director since 2005

Board Committee

Audit

Career

Mike was the Chairman, President and Chief Executive Officer of Dana Incorporated, a global manufacturer of technology driveline, sealing and thermal-management products, from 2004 until his retirement in 2008. He joined Dana Incorporated in 2004 after 34 years with General Motors Company. During his tenure at General Motors, Mike held various positions of increasing responsibility, including serving as President of General Motors Europe AG from 1998 to 2004.

Reasons for election

Mike has years of senior leadership experience gained while managing large, complex businesses and leading an international organization that operated in a highly competitive industry. He also has experience in design, engineering, manufacturing, and sales and distribution. Mike also brings deep knowledge of technology and the supply of components and services to major vehicle manufacturers.

Wayne Hewett

Senior Advisor to Permira

Age: 59	Board Committee
Director since 2020	Audit

Career

Since 2018, Wayne has served as a senior advisor to Permira, a global private equity firm. As a part of his role at Permira, Wayne serves in the following capacities at Permira Funds private portfolio companies: Non-Executive Chairman of Cambrex Corporation, a leading contract developer and manufacturer of active pharmaceutical ingredients, since 2020; director of Lytx, a telematics solutions provider, since 2021; as lead director of Hexion Chemicals, a specialty chemicals and performance materials manufacturer, since 2023; and as Non-Executive Chairman of Quotient Sciences, a drug development accelerator, since 2023.

Wayne served as Chief Executive Officer and as a member of the Board of Directors of Klöckner Pentaplast Group, a leading supplier of plastic films for pharmaceutical, medical devices, food and other specialty applications, from 2015 to 2017. He also served as President and as a member of the Board of Directors, of Platform Specialty Products Corporation during 2015, and as President, Chief Executive Officer and as a member of the Board of Directors of Arysta LifeScience Corporation from 2010 to 2015. Arysta was acquired in 2015 by Platform Specialty Products Corporation. Prior to joining Arysta, he served as a senior consultant to GenNx360, a private equity firm focused on sponsoring buyouts of middle market companies. He also spent over two decades at General Electric Company, serving in a variety of executive roles. Wayne currently serves on the Boards of Directors of The Home Depot, Inc. and Wells Fargo, Inc.

Reasons for election

Wayne has extensive experience in general management, finance, supply chain, operational and international matters gained through serving in various executive roles. He has significant experience executing company-wide initiatives across large organizations, developing proprietary products, optimizing supply chains, and using emerging technologies to provide new products and services. He brings insights on business operations and risk management through his senior management roles. In addition, Wayne has valuable experience serving as a director of other publicly traded companies.

Angela Hwang

Former Chief Commercial Officer and President, Pfizer Biopharmaceuticals Business, Pfizer, Inc.

Age: 58	Board Committee
Director since 2020	Audit

Career

Angela serves as an advisor to Pfizer, Inc., a multinational pharmaceutical and biotechnology company, as that company undertakes changes in its commercial organization following the completion of an acquisition. She was a member of Pfizer’s Executive Team from 2018 to 2023 and served as Chief Commercial Officer and President of Pfizer’s Global Biopharmaceuticals Business from 2019 to 2023. In this role, Angela led Pfizer’s entire commercial business which included six different businesses reaching patients in more than 185 countries.

During 2018 she served as Group President, Pfizer Essential Health; and from 2016 to 2018 she was Global President Pfizer Inflammation and Immunology. From 1997 until that time, Angela served in various roles with increasing responsibility across all geographies and therapeutic areas, including senior roles in Pfizer Vaccines, Primary Care, and Emerging Markets.

Angela sits on the board of advisors of the Cornell Johnson School of Management.

Reasons for election

Angela has significant expertise in the healthcare sector and in managing large complex businesses, including supply chain management and logistics. She also has experience in emerging markets gained through her work across many geographies. Angela is also a strong advocate for women’s leadership and sustainable global health equity.

Kate Johnson

President and Chief Executive Officer, Lumen Technologies, Inc.

Age: 56

Director since 2020

Board Committees

Nominating and Corporate Governance
Risk

Career

Kate has served as President, CEO and a member of the board of directors of Lumen Technologies, Inc., a multinational technology company that integrates network assets, cloud connectivity, security solutions and voice and collaboration tools into one platform for businesses, since November 2022. Previously, Kate served as President of Microsoft U.S., a division of Microsoft Corporation, from 2017 until 2021. She had responsibility for Microsoft's U.S. activities, including growing the company's solutions, services, and support revenues.

Prior to Microsoft, she held various senior positions with GE, including Executive Vice President and Chief Commercial Officer GE Digital, from 2016 to 2017; Chief Executive Officer, GE Intelligent Platforms Software from 2015 to 2016; and Vice President and Chief Commercial Officer, from 2013 to 2015.

Reasons for election

Kate has significant public company leadership experience, including CEO experience and experience leading businesses within large companies undergoing transformation, large systems companies, and technology companies. The board benefits from her strong commercial orientation, strategic experience and technical acumen.

William Johnson

Former Chairman, President and Chief Executive Officer, H.J. Heinz Company

Age: 75

Director since 2009
Board Chair since 2020
Lead Director 2016 – 2020

Board Committees

Nominating and Corporate Governance (Chair)
Executive

Career

Bill currently serves as UPS's Board Chair, and previously served as Chairman, President and Chief Executive Officer of H.J. Heinz Company, a global packaged foods manufacturer, from 2000 until his retirement in 2013. He became President and Chief Operating Officer of H.J. Heinz in 1996, and assumed the position of President and Chief Executive Officer in 1998. Bill serves on the Board of Directors of Sovos Brands, Inc. and he previously served on the Board of Directors of PepsiCo, Inc. until 2020.

Reasons for election

Bill has significant senior management experience gained through his years of service as the Chairman and Chief Executive Officer of H.J. Heinz, a corporation with significant international operations and a large, labor intensive workforce. He also has deep experience in operations, marketing, brand development and logistics. He served as our lead independent director from 2016 to 2020, and he has served as our independent Board Chair since 2020, during which time he has gained significant knowledge and expertise about our board functions, operations, business and strategy.

Franck Moison

Former Vice Chairman, Colgate-Palmolive Company

Age: 70

Director since 2017

Board Committees

Nominating and Corporate Governance

Risk

Career

Franck was Vice Chairman of the Colgate-Palmolive Company, a global consumer products company, from 2016 until his retirement in 2018. He led Colgate-Palmolive's operations in Asia, South Pacific and Latin America, and he also led Global Business Development. Previously, he was Chief Operating Officer of Emerging Markets from 2010 until 2016, and he was given additional responsibility for Business Development in 2013. Beginning in 1978, Franck served in various management positions with Colgate-Palmolive, including President, Global Marketing, Global Supply Chain & R&D from 2007 to 2010; and President, Western Europe, Central Europe and South Pacific from 2005 to 2007. He serves on the Boards of Directors of Hanes Brands, Inc. and SES-imagotag in France. He is the Chairman of the International Advisory Board of the EDHEC Business School (Paris, London, Singapore) and is a member of the International Board of the McDonough School of Business at Georgetown University.

Reasons for election

Franck brings to the board extensive experience as a senior executive at a large international business. He has deep expertise in consumer product innovation, strategic marketing, acquisitions, and emerging market business development. He is a highly accomplished marketing and operating executive in the global consumer products industry. In addition, the board benefits from his extensive international board experience.

Christiana Smith Shi

Former President of Direct-to-Consumer, Nike, Inc.

Age: 64

Director since 2018

Board Committees

Compensation and Human Capital (Chair)

Risk

Career

Christiana is the founder and principal at Lovejoy Advisors, LLC, an advisory services firm that assists clients with digitally transforming consumer and retail businesses. She was the President, Direct-to-Consumer, for Nike, Inc., a global apparel company, from 2013 until 2016. From 2012 through 2013, she was Nike's Vice President and General Manager, Global Digital Commerce. She joined Nike in 2010 as Vice President and Chief Operating Officer, Global Direct-to-Consumer. Prior to joining Nike, Christiana spent 24 years at global management consulting firm McKinsey & Company, the last ten as a senior partner. She began her career at Merrill Lynch & Company in 1981 and served in various trading, institutional sales and investment banking roles. Christiana also serves on the Board of Directors of Columbia Sportswear Company. She served on the Boards of Directors of Williams-Sonoma, Inc. until 2019 and Mondelēz International, Inc. until 2023.

Reasons for election

Christiana brings to the board substantial experience in digital commerce, global retail operations and helping companies with transformative change. She also provides strong supply chain and cost management expertise in the global consumer industry. She gained experience advising senior executives at consumer companies across North America, Europe, Latin America and Asia on leadership and strategy, and provides extensive public company board experience.

Russell Stokes

President and Chief Executive Officer Commercial Engines and Services, GE Aerospace

Age: 52

Director since 2020

Board Committees

Compensation and Human Capital
Nominating and Corporate Governance

Career

Russell is President and Chief Executive Officer, Commercial Engines and Services, GE Aerospace, a world-leading provider of jet engines, components and integrated systems for commercial and military aircraft, and a provider of services to support these offerings. He has served in these roles since July 2022 and is responsible for an industry-leading portfolio of engines and services. Russell previously served as President and CEO of GE Aviation Services from 2020 until 2022, where he was responsible for commercial growth, operating performance and customer experience across its global Overhaul and Repair footprint. Prior to this role, Russell was president and CEO of GE Power Portfolio from 2019 to 2020, GE Power from 2017 to 2019, GE Energy Connections from 2015 to 2017, and GE Transportation from 2013 to 2015. He has held other senior roles at GE Transportation and GE Aviation. Russell joined GE in 1997 as part of GE's Financial Management Program.

Reasons for election

During his more than 25-year career at GE, Russell has gained deep finance and operating experience through navigating multiple industries, business segments, and market cycles. He brings to the board extensive experience in transforming businesses by moving complex business issues into focused, targeted actions for improvement. He also provides experience in developing solutions and technology required to successfully implement business strategies.

Kevin Warsh

Former Member of the Board of Governors of the Federal Reserve System, Distinguished Visiting Fellow, Hoover Institution, Stanford University

Age: 53

Director since 2012

Board Committees

Compensation and Human Capital
Nominating and Corporate Governance

Career

Kevin serves as the Shepard Family Distinguished Visiting Fellow in Economics at Stanford University's Hoover Institution, a public policy think tank, and as a Dean's Visiting Scholar and lecturer at Stanford's Graduate School of Business. He also serves as partner at Duquesne Family Office LLC and is a member of the Group of Thirty (G30) and the Panel of Economic Advisers of the Congressional Budget Office (CBO). He was a member of the Board of Governors of the Federal Reserve from 2006 until 2011. From 2002 until 2006, Kevin served at the White House as President George W. Bush's special assistant for economic policy and as executive secretary of the National Economic Council. Kevin was previously employed by Morgan Stanley & Co., eventually serving as vice president and executive director of the Mergers and Acquisitions department. He also serves on the Board of Directors of Coupang, Inc.

Reasons for election

Kevin offers the board extensive experience in understanding and analyzing the economic environment, the financial marketplace and monetary policy. He has a deep understanding of the global economic and business environment. Kevin also provides the experience of working in the private sector for a leading investment bank gained during his tenure at Morgan Stanley & Co.

Director Independence

Having a significant majority of non-management independent directors encourages robust debate and challenged opinions in the boardroom. Our Corporate Governance Guidelines include director independence standards consistent with the New York Stock Exchange ("NYSE") listing standards. Our Corporate Governance Guidelines are available on the governance section of our investor relations website at www.investors.ups.com.

The board has evaluated each director's independence and considered whether there were any relevant relationships between UPS and each director, or any member of his or her immediate family. The board also examined whether there were any relationships between UPS and organizations where a director is or was a partner, principal shareowner or executive officer.

Specifically, the board evaluated certain ordinary course business transactions and relationships between UPS and the organizations that currently or in the prior year employed Eva Boratto, Mike Burns, Wayne Hewett, Angela Hwang, Kate Johnson, Russell Stokes and Kevin Warsh, or their immediate family members, as an executive officer. The board also evaluated the ordinary course business transactions and relationships between UPS and any organizations where Rod Adkins, Wayne Hewett, Christiana Smith Shi and Kevin Warsh, or their immediate family members, were a partner or principal shareowner. In each case, no such transactions exceeded the thresholds in UPS's Corporate Governance Guidelines. The board determined that none of these transactions or relationships were material to the Company, the individuals or the organizations with which they were associated.

The board has determined that each director nominee, other than our CEO, Carol Tomé, is independent. All members of the Audit Committee, Compensation and Human Capital Committee, Nominating and Corporate Governance Committee and Risk Committee are independent, and all members of the Audit Committee and the Compensation and Human Capital Committee meet the additional independence criteria applicable to directors serving on these committees under New York Stock Exchange listing standards.

Committees of the Board of Directors

The board has four committees composed entirely of independent directors as defined by the NYSE and by our director independence standards. Information about each of these committees is provided below. The board also has an Executive Committee that may exercise all powers of the Board of Directors in the management of our business and affairs, except for those powers expressly reserved to the board under Delaware law or otherwise limited by the board. Carol Tomé is the Chair, and Rod Adkins and Bill Johnson also serve on the Executive Committee.

Audit Committee[1]	**Compensation and Human Capital Committee**[2]	**Nominating and Corporate Governance Committee**	**Risk Committee**
Eva Boratto, Chair Michael Burns Wayne Hewett Angela Hwang	Christiana Smith Shi, Chair Rodney Adkins Russell Stokes Kevin Warsh	William Johnson, Chair Kate Johnson Franck Moison Russell Stokes Kevin Warsh	Rodney Adkins, Chair Kate Johnson Franck Moison Christiana Smith Shi
Meetings in 2023: 9	**Meetings in 2023:** 6	**Meetings in 2023:** 4	**Meetings in 2023:** 4
Primary Responsibilities	**Primary Responsibilities**	**Primary Responsibilities**	**Primary Responsibilities**
• Assisting the board in discharging its responsibilities relating to our accounting, reporting and financial practices • Overseeing our accounting and financial reporting processes • Overseeing the integrity of our financial statements, our systems of disclosure controls and internal controls • Overseeing the performance of our internal audit function • Engaging and overseeing the performance of our independent accountants • Overseeing compliance with legal and regulatory requirements as well as our Code of Business Conduct • Discussing with management policies with respect to financial risk assessment	• Assisting the board in discharging its responsibilities with respect to compensation of our senior executive officers • Reviewing and approving corporate goals and objectives relevant to the compensation of our CEO • Evaluating the CEO's performance • Overseeing the evaluation of risks associated with our compensation strategy and programs • Overseeing any outside consultants retained to advise the Committee • Recommending to the board the compensation for non-management directors • Overseeing performance and talent management, diversity, equity and inclusion, work culture and employee development and retention	• Addressing succession planning • Assisting the board in identifying and screening qualified director candidates, including shareowner submitted candidates • Recommending candidates for election or reelection, or to fill vacancies, on the board • Aiding in attracting qualified candidates to serve on the board • Recommending corporate governance principles, including the structure, composition and functioning of the board and all board committees, the delegation of authority to subcommittees, board oversight of management actions and reporting duties of management • Overseeing relevant environmental sustainability matters and risks	• Overseeing management's identification and evaluation of enterprise risks • Overseeing and reviewing with management the Company's risk governance framework • Overseeing risk identification, tolerance, assessment and management practices for strategic enterprise risks, including cybersecurity risks and cyber incident response • Reviewing approaches to risk assessment and mitigation strategies in coordination with the board and other board committees • Communicating with the Audit Committee to enable the Audit Committee to perform its statutory, regulatory, and other responsibilities with respect to oversight of risk assessment and risk management

(1) All members of the Audit Committee have been designated by the Board of Directors as audit committee financial experts. Each member of the Audit Committee meets the independence requirements of the NYSE and Securities and Exchange Commission ("SEC") rules and regulations applicable to audit committee members, and each is financially literate.

(2) Each member of the Compensation and Human Capital Committee meets the NYSE's independence requirements applicable to compensation committee members. In addition, each member is a non-employee director as defined in Rule 16b-3 under the Securities Exchange Act of 1934. None of the members is or was during 2023 an employee or former employee of UPS, and none had any direct or indirect material interest in or relationship with UPS outside of his or her position as a non-employee director. The Compensation and Human Capital Committee may delegate its responsibilities to subcommittees of one or more directors as it may deem appropriate. For information regarding the role of our executive officers and the committee's independent compensation consultant in determining or recommending the amount or form of executive and director compensation (as applicable), please see the Compensation Discussion and Analysis section and the Director Compensation section below in this Proxy Statement. ***Compensation Committee Interlocks and Insider Participation*****:** None of our executive officers serves or served during 2023 as a member of a board of directors or compensation committee of any entity that has one or more executive officers who serve on our Board of Directors or Compensation and Human Capital Committee.

Director Compensation

The Compensation and Human Capital Committee of the Board of Directors evaluates director compensation with the assistance of its independent compensation consultant, Frederic W. Cook & Co., Inc. ("FW Cook").

For service in 2023, our non-employee directors each received a cash retainer of $116,250 and a restricted stock unit ("RSU") award valued at $180,000. Equity compensation links director pay to the value of Company stock and aligns the interests of directors with long-term shareowners. Directors are also reimbursed for board related expenses.

To reflect the additional responsibilities and time commitment associated with various board leadership positions, our independent Board Chair received an additional cash retainer of $160,000 and an additional RSU award valued at $70,000. The chairs of the Compensation and Human Capital, Nominating and Corporate Governance and Risk Committees each received an additional cash retainer of $20,000, and the Chair of the Audit Committee received an additional cash retainer of $25,000. Our CEO does not receive any compensation for board service. Cash retainers are paid on a quarterly basis. Non-employee directors may defer retainers by participating in the UPS Deferred Compensation Plan, but the Company does not make any contributions to this plan. There are no preferential or above-market earnings on amounts invested in the UPS Deferred Compensation Plan.

RSUs are fully vested on the date of grant and are required to be held by the director until he or she separates from the board, at which time the RSUs convert to shares of class A common stock. Dividends earned on shares underlying RSUs are deemed reinvested in additional units at each dividend payable date and are subject to the same terms as the original grant. This holding period requirement increases the strength of alignment of directors' interests with those of our long-term shareowners. Following a review of Company peer group and broader industry practices, and to improve the competitiveness of non-employee director compensation, in August 2023, the Board increased non-employee director annual cash retainers to $120,000 and increased the annual RSU award value to $185,000, placing total director pay approximately 5% below the peer group median.

2023 Director Compensation and Outstanding Stock Awards

The following tables set forth the cash compensation paid to individuals who served as directors in 2023 (other than our CEO) and the aggregate value of stock awards granted to those persons in 2023, as well as outstanding director equity awards held as of December 31, 2023, except as described below.

2023 Director Compensation

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Rodney Adkins(2)	136,250	179,875	316,125
Eva Boratto(2)	141,250	179,875	321,125
Michael Burns	116,250	179,875	296,125
Wayne Hewett	116,250	179,875	296,125
Angela Hwang	116,250	179,875	296,125
Kate Johnson	116,250	179,875	296,125
William Johnson(2)(3)	296,250	249,884	546,134
Ann Livermore(4)	67,500	—	67,500
Franck Moison	116,250	179,875	296,125
Christiana Smith Shi(2)	126,250	179,875	306,125
Russell Stokes	116,250	179,875	296,125
Kevin Warsh	116,250	179,875	296,125

Outstanding Director Stock Awards (as of December 31, 2023)

Name	Stock Awards	
	Restricted Stock Units (#)	Phantom Stock Units (#)
Rodney Adkins	19,844	—
Eva Boratto	3,904	—
Michael Burns	32,194	—
Wayne Hewett	3,904	—
Angela Hwang	4,268	—
Kate Johnson	3,577	—
William Johnson	34,845	—
Ann Livermore(4)(6)	—	2,939
Franck Moison	11,396	—
Christiana Smith Shi	9,401	—
Russell Stokes	3,577	—
Kevin Warsh	22,025	—
Carol Tomé(5)(6)	27,071	1,389

(1) The values of stock awards in this column represent the grant date fair value of RSUs granted in 2023, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 718. RSUs are fully vested on the date of grant and are settled in shares of class A common stock upon the director's separation from service from UPS.

(2) Includes cash compensation for committee chair service.

(3) Includes cash compensation and stock awards for independent board chair service.

(4) Ann Livermore retired from the board on May 4, 2023. Information is as of such date. All outstanding RSUs converted into shares of class A common stock upon such retirement.

(5) Only includes outstanding stock awards that were granted while serving as an independent director.

(6) Phantom stock units were granted to non-employee directors pursuant to a deferred compensation program previously provided to non-employee directors. Upon termination, amounts represented by phantom stock units will be distributed in cash over a time period elected by the recipient.

Executive Compensation

Compensation Committee Report

The Compensation and Human Capital Committee (as used in this Executive Compensation section, the "Committee") is responsible for setting the principles that guide compensation decision-making, establishing the performance goals under our executive compensation plans and programs, and approving compensation for the executive officers. The Committee is also responsible for overseeing performance and talent management, diversity, equity and inclusion, work culture and employee development and retention.

We are focused on maintaining an executive compensation program that supports the long-term interests of the Company's shareowners. We align the interests of our executive officers with those of all shareowners by linking a significant portion of compensation to Company performance and shareowner returns. The Company's programs are also designed to attract, retain, and motivate executives who make substantial contributions to the Company's performance by allowing them to share in the Company's success.

Our significant efforts in 2023 included adopting an incentive compensation clawback policy applicable to executive officers in the event of a Company financial restatement, developing and implementing an appropriate executive compensation structure and performance goals in a challenging economic environment including Company labor uncertainty, and updating the pay mix for executive officers through structural changes to the annual incentive program to make this program more competitive. With the assistance of our independent compensation consultant and taking into account recent stakeholder feedback and market developments, we also reevaluated the performance metrics on which incentive compensation payouts would be based in order to maximize long-term value. In addition, beginning with the 2024 performance period, the Committee has returned to annual goal setting for annual incentive awards.

Also during 2023, the Committee continued to execute on its human capital oversight responsibilities, including supporting succession planning efforts at the senior management level, overseeing progress towards the Company's diversity in management goals, and monitoring employee recruitment and retention efforts.

We have reviewed the Compensation Discussion and Analysis and discussed it with management. Based on our review and discussions, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the 2024 Proxy Statement and incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission.

The following Compensation Discussion and Analysis describes the Committee's principles, strategy and programs regarding 2023 executive compensation.

The Compensation and Human Capital Committee

Christiana Smith Shi, Chair
Rodney Adkins
Russell Stokes
Kevin Warsh

Compensation Discussion and Analysis

UPS's executive compensation principles, strategy and programs for 2023 are described below. This section explains how and why the Committee made its 2023 compensation decisions for our executive officers, including details regarding the following Named Executive Officers ("NEOs"):

Named Executive Officer	Title
Carol Tomé	Chief Executive Officer
Brian Newman	Chief Financial Officer
Nando Cesarone	President U.S. and UPS Airline
Kate Gutmann	President International, Healthcare and Supply Chain Solutions
Bala Subramanian	Chief Digital and Technology Officer

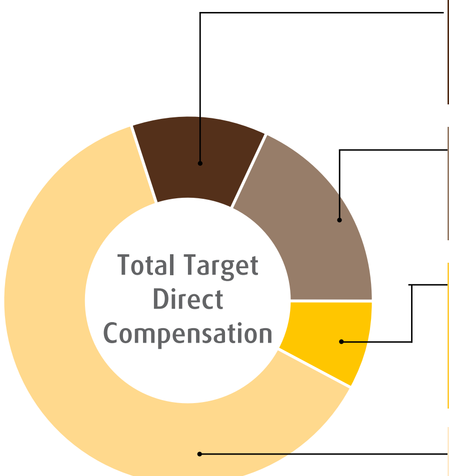
Executive Compensation Strategy

UPS's executive compensation programs are designed to drive organizational performance by tying a significant portion of pay to Company performance; attract, retain and motivate by competitively and fairly compensating our executive officers; encourage long-term stock ownership and careers with UPS; and align the interests of our executives to long-term value creation.

We believe it is appropriate to have a clear link between variable pay and operational and financial performance. We seek to develop performance metrics aligned with the Company's strategy and business model. Long-term incentive awards vest over timeframes aligned with the delivery of long-term shareowner value.

Key Elements of UPS Executive Compensation

Total target direct compensation (generally, base salary and annual and long-term incentives, but excluding any special awards) for our NEOs in 2023 consisted of the following key elements.



Base Salary
- Fixed cash compensation
- Designed to provide an appropriate level of financial certainty

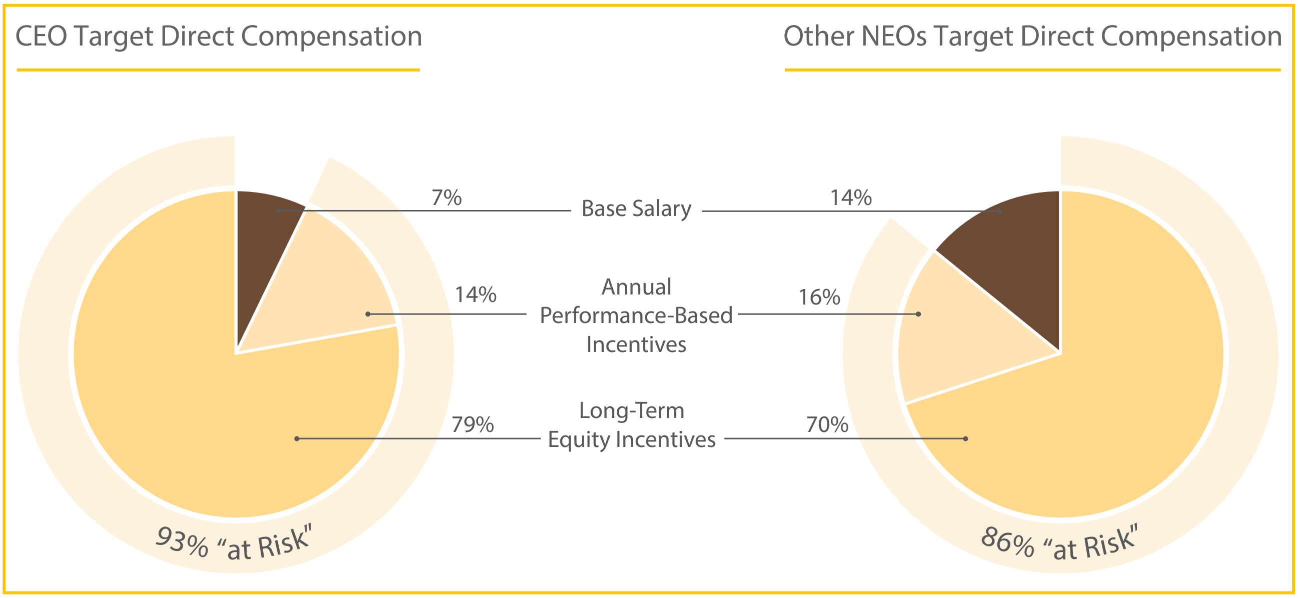
Annual Incentive Awards
- Subject to achievement of key business objectives for the year
- Payout is "at risk" based on Company performance

Stock Option Awards
- Further aligns shareowner and employee interests
- Motivates toward sustained stock price increase
- Multi-year vesting provides retention incentive

Long-term Incentive Performance Awards
- Payout is subject to achievement of performance metrics over a three-year period
- Supports long-term strategy
- Motivates and rewards achievement of long-term goals
- Acts as a retention mechanism

Target Direct Compensation

A substantial majority of NEO total target direct compensation is “at risk” and subject to the achievement of annual or long-term performance goals and/or continued employment with UPS. The charts below highlight the elements of our CEO and an average of other NEOs’ target direct compensation for 2023.



Other Elements of Compensation

Benefits

- ✓ NEOs generally participate in the same plans as other employees.
- ✓ Includes medical, dental and disability plans.
- ✓ See further details on page 41.

Perquisites

- ✓ Limited in nature; we believe benefits to the Company outweigh the costs.
- ✓ Includes financial planning and executive health services that facilitate the NEOs’ ability to carry out responsibilities, maximize working time and minimize distractions.
- ✓ Considered necessary or appropriate to attract and retain executive talent.
- ✓ See further details on page 41.

Retirement Programs

- ✓ NEOs and most non-union U.S. employees participate in the same qualified plans with the same formulas.
- ✓ Includes non-qualified and qualified pension, retirement savings and deferred compensation plans.
- ✓ See further details on page 41.

Roles and Responsibilities

The Committee is responsible for setting the principles that guide compensation decision-making, establishing performance goals under our executive compensation plans and programs, and approving compensation for the executive officers. The Committee may engage the services of outside advisors and other consultants. In 2023, the Committee retained FW Cook to act as its independent compensation advisor. FW Cook reported directly to the Committee and provided no additional services to UPS. The following table summarizes the key roles and responsibilities in the executive compensation decision-making process.

Participant and Roles
The Committee • develops principles underpinning executive compensation • sets performance goals upon which incentive payouts are based • evaluates the CEO's performance • reviews the CEO's performance assessment of other executive officers • reviews and approves incentive and other compensation of the executive officers • reviews and approves the design of other benefit plans for executive officers • oversees the risk evaluation associated with our compensation strategy and programs • considers whether to engage any compensation consultant, and evaluates their independence • reviews and discusses the Compensation Discussion and Analysis with management • recommends to the board the inclusion of the Compensation Discussion and Analysis in the Proxy Statement • approves the inclusion of the Committee's report on executive compensation in the Proxy Statement
Independent Members of the Board of Directors • review the Committee's assessment of the CEO's performance • complete a separate evaluation of the CEO's performance • approve the Compensation Discussion and Analysis for inclusion in the Proxy Statement
Independent Compensation Consultant • serves as a resource for market data on pay practices and trends • provides independent advice to the Committee • provides competitive analysis and advice related to outside director compensation • reviews the Compensation Discussion and Analysis • conducts an annual risk assessment of the Company's compensation programs
Executive Officers • the CEO makes compensation recommendations to the Committee for the other executive officers • the CEO and CFO recommend performance goals under incentive compensation plans and provide an assessment as to whether performance goals were achieved

Compensation Consultant Independence

In November 2023, the Committee reviewed FW Cook's independence and evaluated any potential conflicts of interest. The Committee evaluated all relevant factors, including: (1) other services provided to UPS by FW Cook (if any); (2) fees paid by UPS as a percentage of FW Cook's total revenue; (3) policies or procedures maintained by FW Cook that are designed to prevent a conflict of interest; (4) any business or personal relationships between the individual consultants involved in the engagement and a member of the Committee; (5) any Company stock owned by the individual consultants involved in the engagement; and (6) any business or personal relationships between UPS executive officers and FW Cook or the individual consultants involved in the engagement. After evaluating these factors, the Committee concluded that FW Cook was independent, and that the engagement of FW Cook did not raise any conflict of interest.

Peer Group and Market Data Utilization

In determining compensation targets and payouts, the Committee evaluates, among other things, pay practices and compensation levels at a peer group of companies. In addition to peer group analyses, the Committee considers other market data, including general compensation survey data from comparably sized companies. Compensation is not targeted to a particular percentile within that peer group or otherwise.

With assistance from its independent compensation consultant, the Committee evaluates the peer group annually to determine if the companies included in the group are the most appropriate comparators for measuring the success of our executives in delivering shareowner value. The Committee seeks to select a compensation peer group that is aligned with the Company's business strategy and focus. Quantitative considerations consist of historical revenue, operating income and free cash flow, as well as total shareholder return. Other more general considerations include market capitalization, percentage of foreign sales, capital intensity, operating margins and size of employee population.

Following a comprehensive reevaluation and revisions to the peer group in 2021, the compensation peer group consists of the following:

AT&T, Inc.	FedEx Corporation	McDonald's Corp.
The Boeing Company	The Home Depot, Inc.	PepsiCo, Inc.
Caterpillar Inc.	Intel Corporation	The Procter & Gamble Company
Cisco Systems, Inc.	Johnson & Johnson	Target Corp.
Comcast Corporation	Lockheed Martin Corporation	Walmart, Inc.
Deere & Company	Lowe's Companies, Inc.	

Internal Compensation Comparisons and Annual Performance Reviews

The Committee also generally considers the compensation differentials between executive officers and other UPS positions, and the additional responsibilities of the CEO compared to other executive officers. Internal comparisons help ensure that executive officer compensation is reasonable when compared to that of direct reports.

The CEO assesses the performance of all other executive officers each year and provides feedback to the Committee. In addition, the Committee evaluates the CEO's performance on an annual basis. The Committee Chair discusses the results of this evaluation with the full board (other than the CEO) in an executive session. As part of this evaluation, the board considers the CEO's strategic vision and leadership, execution of UPS's business strategy, and achievement of business goals. Other factors include the CEO's ability to make long-term decisions that create a competitive advantage, and overall effectiveness as a leader.

Base Salary

Base salaries provide our NEOs with a fixed level of cash compensation and are designed to provide an appropriate level of financial certainty. The Committee considers several factors in determining NEOs' annual base salaries, including Company and individual performance, scope of responsibility, leadership, market data and internal compensation comparisons. Taking all of those factors into account, in March 2023, the Committee determined not to increase the CEO's base salary, but to make market-based adjustments to her incentive compensation targets as discussed below. The Committee approved increases of between 3.0% and 4.0% for the other NEOs. Additionally, as a component of the pay mix redesign approved in November 2022 and discussed below under "Management Incentive Program - Annual Awards Overview", further base salary adjustments for each NEO of less than 3.5% were made effective beginning in January 2023.

Management Incentive Program - Annual Awards Overview

The UPS Management Incentive Program ("MIP") motivates management by aligning pay with annual Company performance. This is accomplished by linking payouts to the achievement of pre-established metrics and individual performance.

Annual MIP award opportunities are provided as a percentage of base salary. MIP awards are considered fully at risk based on Company performance and subject to a maximum payout of the lesser of $10 million or 200% of target for each NEO.

MIP payouts are determined by the Committee taking into consideration:

- actual performance compared to MIP targets (described below);
- the MIP payout as a percent of target to non-executive officer MIP participants; and
- the overall business environment and economic trends.

Based on an evaluation of our incentive compensation plan structure with the assistance of FW Cook, in November 2022, the Committee approved changes to the overall pay mix for MIP participants, including the NEOs ("pay mix redesign"). These changes resulted in better alignment of annual incentive pay with market practices, improved the competitiveness of base salaries and simplified compensation design.

Changes included the following, all of which were effective beginning with the 2023 MIP award:

- MIP awards are now paid in cash, unless a participant elects to receive the award in shares; previously MIP awards were generally paid two-thirds in restricted performance units ("RPUs") and one-third in cash;
- Ownership incentive portions of MIP awards, which were tied to an individual's UPS equity ownership, were discontinued, with a generally equivalent value incorporated into base salary adjustments; and
- MIP award targets as a percentage of base salary were reduced from 130% to 115% for NEOs (other than the CEO) to account for increases in base salaries; the CEO's award target was maintained at 200% of base salary following an evaluation of market-competitive incentives.

2023 MIP Awards

After taking into account the challenging economic environment including Company labor uncertainty, as well as the effectiveness of similar approaches in recent years, in the first quarter of 2023 the Committee determined it remained appropriate to bifurcate the performance period for the 2023 MIP award into two six-month performance periods (January through June 2023 and July through December 2023), with each performance period accounting for 50% of the overall award.

Beginning with the 2024 performance period, the Committee has returned to full-year goal setting for MIP awards. The Committee approved the following financial performance metrics for the NEOs' 2023 MIP awards as follows:

- *Revenue (weighted 20%)*, which was considered important to generating profits and maintaining our long-term competitive positioning and viability through 2023.
- *Adjusted Operating Profit (weighted 40%)*, which is determined by reference to our publicly reported adjusted operating profit for 2023. This metric is directly impacted by our effectiveness in achieving our targets in other key performance elements, including volume and revenue growth and operating leverage.
- *Adjusted Return on Invested Capital ("ROIC") (weighted 40%)*, which is calculated as the trailing twelve months of adjusted operating income divided by the average of current assets, current liabilities, goodwill, intangible assets, net property, plant and equipment, other assets, and operating lease right-of-use assets. We consider ROIC to be a useful measure for evaluating the effectiveness and efficiency of our long-term capital investments. ROIC is calculated by reference to our publicly reported adjusted operating profit.

The Committee approved financial performance goals after discussing with management and its independent compensation consultant expected financial performance and the other risks described above. The goals for the first performance period were set in in the first quarter of 2023 and the goals for the second performance period were set in the third quarter 2023, in each case without a threshold and with a maximum payout of the lesser of $10 million or 200% of target.

The goals approved by the Committee, and the performance results, were as follows (dollars in millions):

2023 MIP Financial Performance Metrics	First Half 2023 Goal	First Half 2023 Actual	Second Half 2023 Goal	Second Half 2023 Actual
Revenue	$47,247	$44,988	$48,123	$46,044
Adjusted Operating Profit[(1)]	$5,918	$5,452	$5,473	$4,418
Adjusted ROIC[(1)]	28.6%	27.4%	24.7%	21.9%

(1) Non-GAAP financial measures. See footnote on page 40.

The Committee maintains discretion to adjust awards earned under the MIP up (but not above the maximum amount for each NEO) or down based on its qualitative assessment of each NEO's individual performance and other business factors. The Committee approved the following MIP award payouts for each NEO.

Name	Incentive Target (% Base Salary)	Incentive Target Value ($)	Payout Factor (%)	Total 2023 MIP Award Payout ($)
Carol Tomé	200	3,019,425	50%	1,509,713
Brian Newman	115	963,384	50%	481,692
Nando Cesarone	115	975,674	50%	487,837
Kate Gutmann	115	975,674	50%	487,837
Bala Subramanian	115	889,133	50%	444,567

Long-Term Incentive Awards

Our two long-term incentive programs, the Long-Term Incentive Performance ("LTIP") program and the Stock Option program, provide participants with equity-based incentives that reward performance over a multi-year period and serve as a retention mechanism. Overlapping LTIP performance cycles incentivize sustained financial performance. The Stock Option program rewards stock price appreciation, which is directly linked to shareowner returns. A summary of these two programs follows:

Program	Performance Measures and/or Value Proposition for 2023 Awards	Payment Form and Program Type	Program Objectives
LTIP	Adjusted Earnings Per Share Growth Adjusted Free Cash Flow Relative Total Shareowner Return as a modifier Value increases or decreases with stock price	If earned, RPUs are settled in stock If earned, RPUs generally vest at the end of the three-year performance period	Supports long-term operating plan and business strategy Significant link to shareowner interests
Stock Option	Value recognized only if stock price appreciates	Stock options generally vest 20% per year over five years and have a ten-year term	Significant link to shareowner interests Enhance stock ownership and shareowner alignment

Total Long-Term Equity Incentive Award Target Values

Long-term equity incentive award target values are determined based on internal pay comparison considerations and market data regarding total compensation for comparable positions at similarly situated companies. Differences in the target award values are based on levels of responsibility among the NEOs. In connection with the Committee's March 2023 evaluation of CEO target total direct compensation as described above, the Committee determined it was appropriate to increase the CEO's LTIP target opportunity from 835% to 1,035%.

The LTIP target opportunity and Stock Option award value granted to eligible NEOs in 2023, expressed as a percentage of base salary, is shown below.

Name	LTIP Target RPU Value (% Base Salary)	Option Value (% Base Salary)	Total Value (% Base Salary)
Carol Tomé	1,035	90	1,125
Brian Newman	550	50	600
Nando Cesarone	450	50	500
Kate Gutmann	450	50	500
Bala Subramanian	450	50	500

LTIP Program Overview

The LTIP program strengthens the performance-based component of executive compensation, promotes longer-term focus, enhances retention of key talent, and aligns the interests of shareowners with the incentive compensation opportunity for executives. Approximately 500 members of our senior management team, including the NEOs, participate in this program. The program combines internal and external relative business performance measures with the goal of motivating and rewarding management for operational and financial success, while helping to align with shareowner interests and returns.

Participants receive a target award of RPUs at the beginning of the three-year performance period. The number of RPUs that NEOs can earn is shown in the "Grants of Plan-Based Awards" table. The actual number of RPUs that NEOs earn is determined following the completion of the performance period and is based on achievement of the performance measures described below. Dividends payable on shares underlying participants' RPUs are allocated in the form of dividend equivalent units ("DEUs"). DEUs are subject to the same conditions as the underlying award. Awards that vest are settled in shares of class A common stock. Special vesting rules apply to terminations subject to the UPS Key Employee Severance Plan or terminations by reason of death, disability or retirement during the performance period. These special vesting rules are discussed under "Potential Payments Upon Termination or Change in Control."

The performance measures selected by the Committee for the 2023 LTIP awards were adjusted earnings per share and adjusted free cash flow, each to be evaluated independently and weighted equally in determining the final payout percentage. The payout percentage for the LTIP award will be subject to modification based on the Company's relative total shareowner return ("RTSR") as a percentile rank relative to the total shareholder return of the companies listed on the Standard & Poor's 500 Composite Index (the "Index") during that same period. The maximum LTIP award that can be earned is 220% of target. A description of each performance measure and the operation of the RTSR modifier follows.

Adjusted Earnings Per Share[1]

Adjusted earnings per share measures our success in increasing profitability. At the beginning of the January 1, 2023 performance period, the Committee established adjusted earnings per share targets for the three-year performance period taking into account the challenging economic environment, including Company labor uncertainty, that added complexity and uncertainty to long-term forecasting at the time. Adjusted earnings per share is determined by dividing the Company's adjusted net income available to common shareowners by the diluted weighted average shares outstanding during the performance period. For this purpose, adjusted net income is determined by reference to our publicly reported adjusted net income. The adjusted earnings per share target for 2023 is the projected adjusted earnings per share for that year. The adjusted earnings per share growth target for the remainder of the performance period is the projected average annual adjusted earnings per share growth during each of the remaining years in the performance period. The actual adjusted earnings per share growth for each applicable year will be compared to the target and assigned a payout percentage; the average of the three payout percentages will be used to calculate the final payout percentage under this metric. Following the completion of the applicable performance period, the Committee will certify (i) the actual adjusted earnings per share for 2023; (ii) the actual adjusted earnings per share growth for each of the remaining years in the performance period; (iii) the actual adjusted earnings per share growth for the applicable portion of the performance period as compared to the target; and (iv) the final payout percentage for this metric.

Adjusted Free Cash Flow[1]

Adjusted free cash flow measures our ability to generate cash after accounting for capital expenditures. Adjusted free cash flow is determined by reducing the Company's cash flow from operations by capital expenditures and proceeds from disposals of fixed assets, and adjusting for net changes in finance receivables, other investing activities and discretionary pension contributions. The adjusted free cash flow target is the projected aggregate adjusted free cash flow generated during the performance period. Following the completion of the applicable performance period, the Committee will certify (i) the actual adjusted free cash flow for the performance period; (ii) the actual adjusted free cash flow for the performance period as compared to the target; and (iii) the final payout percentage for this metric.

(1) Non-GAAP financial measures. We believe that these non-GAAP measures are appropriate for the determination of our incentive compensation award results because they exclude items that may not be indicative of, or are unrelated to, our underlying operations and provide a useful baseline for analyzing trends in our underlying business. Non-GAAP financial measures should be considered in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial information may not be comparable to similarly titled measures reported by other companies.

Relative Total Shareowner Return

RTSR is the total return on an investment in UPS stock (stock price appreciation plus dividends). Total return is compared with the total return on an investment in the companies in the Index at the beginning of the performance period. Following the completion of the performance period, the Committee will certify the Company's RTSR and the payout modifier for that performance period, if any, as follows:

RTSR Percentile Rank Relative to Index	Payout Modifier
Above 75th percentile	+20%
Between 25th and 75th percentile	None
Below 25th percentile	-20%

2021 LTIP Award Payout

The 2021 LTIP award payout was determined following the completion of the Company's 2023 fiscal year. The performance metrics for the 2021 LTIP award were adjusted earnings per share and adjusted free cash flow, each evaluated independently and equally weighted. The final payout was subject to modification based on RTSR. Performance targets and actual results for the completed performance period for the 2021 LTIP award are set out below. RPUs earned under the 2021 LTIP are considered vested and are settled in shares of class A common stock.

2021 LTIP Metrics

	Adjusted Earnings Per Share				Adjusted Free Cash Flow				RTSR
Year	Threshold	Target	Maximum	Actual	Threshold	Target	Maximum	Actual	Actual
2021	3.4%	8.4%	13.6%	47.4%	$17,369	$24,813	$32,257	$25,181	27th
2022		9.0%		6.7%					
2023		13.2%		(32.1)%					

2021 LTIP Final Results

Performance Period	Adjusted EPS Payout	Adjusted FCF Payout	Performance Payout (Avg)	RTSR Modifier	**Final Payout**
2021-2023	91%	104%	98%	—%	**98%**

Stock Option Program and 2023 Stock Option Awards

Stock option awards create a direct link between Company performance and shareowner value, as well as provide retention value. Stock option awards generally vest 20% per year over five years and expire ten years from the date of grant. Beyond vesting periods, we do not impose additional holding period requirements. Stock option awards generally require continued employment during the vesting period. Unvested stock options vest automatically upon termination of employment due to death, disability or retirement. Stock option awards are also subject to the UPS Key Employee Severance Plan as discussed under "Potential Payments Upon Termination or Change in Control". Grants do not include DEUs or reload features. The number of stock options granted to the NEOs in 2023 is shown in the "Grants of Plan-Based Awards" table.

Employment Transition Awards, Retention Arrangements and Recognition Awards

Generally, we do not pay discretionary bonuses in cash or stock, or make other discretionary payments, to our executives. In recent periods, however, to attract and retain senior executive talent, the Committee approved certain limited payments to external hires to the Company's Executive Leadership Team. A portion of these payments was made to compensate the executives for compensation forfeited at their prior employers and transition them into our incentive programs. Any of these payments impacting 2023 compensation are described below. In addition, in connection with the hiring of Carol Tomé as CEO in 2020, the Committee provided certain incentives to various executive officers in order to help ensure the retention of their services through a transition period.

Bala Subramanian joined the Company in July 2022 as Chief Digital and Technology Officer. The Committee, working with FW Cook and considering market compensation data and internal pay equity factors, approved his compensation package described below. Under the terms of his employment offer letter, Bala is entitled to: (i) a RSU grant valued at $3,000,000, vesting 50% in July 2023 and 50% in July 2024; (ii) cash transition payments of $250,000 in each of August 2022, January 2023, July 2023 and January 2024; (iii) a RPU grant valued at $1,000,000, vesting in December 2023, with the actual payout determined based on the Company's performance under its 2021 LTIP program; and (iv) a prorated 2022 LTIP award. Payments are subject to his continued employment through the applicable vesting or payment dates, or termination without cause.

Further, in 2021 the Committee granted Kate Gutmann a special award valued at $350,000 in recognition of her extraordinary contributions and performance during 2020. This award consisted of $175,000 in RSUs which vest as follows: 25 percent on March 25, 2022; 25 percent on March 25, 2023; and 50 percent on March 25, 2024; and a stock option award with a grant date fair value of $175,000 which vests 20% per year over five years beginning on March 25, 2022, provided generally that she remains an employee through the applicable vesting dates.

In connection with our 2020 CEO transition, we entered into retention arrangements with each of Nando Cesarone and Kate Gutmann. The Committee initially intended that these agreements contain both performance and time vesting components, and that the performance components be different than the metrics under our MIP and LTIP programs. Due to the uncertainty created by the coronavirus pandemic and the importance of the retention agreements to the Company, the Committee ultimately determined that the awards would only be time based. Nando and Kate each received RSUs valued at $3.0 million which vested as follows: 25% on May 13, 2021, 25% on May 13, 2022 and 50% on May 13, 2023. These agreements contain customary non-competition, non-solicitation and non-disclosure covenants in favor of the Company.

Benefits and Perquisites

The benefits and perquisites provided to our NEOs are not a material part of executive compensation and are largely limited to those offered to our employees generally, or that we otherwise believe are necessary or appropriate to attract and retain executive talent.

We believe certain perquisites help facilitate our NEOs' ability to carry out their responsibilities, maximize working time and minimize distractions. Additional information on these benefits can be found in the following program descriptions.

UPS 401(k) Savings Plan

The UPS 401(k) Savings Plan is open to all U.S.-based employees who are not subject to a collective bargaining agreement and who are not eligible to participate in another savings plan sponsored by UPS or one of its subsidiaries. We generally match 50% of up to 6% of eligible pay contributed to the UPS 401(k) Savings Plan for eligible employees. The match is paid quarterly according to the participant's pre-tax investment elections on file with the record keeper. We also generally provide an annual contribution based on years of service and expressed as a percentage of eligible compensation (5% for 0-4 years, 6% for 5-9 years, 7% for 10-14 years and 8% for 15 or more years). For employees who were hired prior to 2008 and are participants in the Final Average Compensation (FAC) formula of the UPS Retirement Plan, we generally make an annual transition contribution of 5% of eligible compensation for plan years 2023-2027, which will increase to 7% beginning in 2028.

Qualified and Non-Qualified Pension Plans

Certain executive officers are eligible to participate in our qualified retirement program, the UPS Retirement Plan. Benefits payable under the plan are subject to the maximum compensation limits and the annual benefit limits for a tax-qualified defined benefit plan as established by the Internal Revenue Service. Amounts exceeding these limits are paid pursuant to the UPS Excess Coordinating Benefit Plan, which is a non-qualified restoration plan designed to replace the benefits limited under the tax-qualified plan. Without the Excess Coordinating Benefit Plan, the executive officers would receive a lower benefit as a percent of final average earnings than the benefit received by other participants in the UPS Retirement Plan. In accordance with the terms of the Excess Coordinating Benefit Plan, following a participant's retirement, the Company pays an amount equal to the Social Security and Medicare taxes due on the present value of the benefits provided under the plan.

Financial Planning Services

Our executive officers are eligible for a financial services benefit. The Company reimburses fees from financial and tax service providers up to $15,000 per year, including the cost of personal excess liability insurance coverage.

Executive Health Services

Our executive officers are eligible for certain executive health services benefits, including comprehensive physical examinations. UPS's business continuity is best facilitated by avoiding any prolonged or unexpected absences by members of its senior management team.

Other Compensation and Governance Policies

Stock Ownership Guidelines

CEO	= 8x annual salary
Other Executive Officers	= 5x annual salary
Directors	= 5x annual retainer

Our stock ownership guidelines apply to executive officers and members of the board. Shares of class A common stock (excluding any pledged shares), deferred units and vested and unvested RSUs and RPUs awarded under our equity incentive plans are considered owned for purposes of calculating ownership. Executive officers and directors are expected to reach target ownership within five years of the date that the executive officer or director became subject to the guideline.

As of December 31, 2023, all of the NEOs who have been subject to the guidelines for at least five years exceeded their target stock ownership. In addition, all non-employee directors who have been subject to the guidelines for at least five years exceeded their target stock ownership. RSUs are required to be held by non-employee directors until separation from the board.

Hedging and Pledging Policies

We prohibit our executive officers and directors from hedging their ownership in UPS stock. Specifically, they are prohibited from purchasing or selling derivative securities relating to UPS stock and from purchasing financial instruments that are designed to hedge or offset any decrease in the market value of UPS securities. Additionally, we prohibit our directors and executive officers from entering into pledges of UPS securities, including using UPS securities as collateral for a loan and holding UPS securities in margin accounts. Furthermore, our employees, officers and directors are prohibited from engaging in short sales of UPS stock.

Incentive-Based Compensation Clawback Policy

We have adopted an incentive-based compensation clawback policy that complies with NYSE requirements. This policy provides for the recovery of the amount of erroneously awarded incentive-based compensation received by executive officers when the Company is required to prepare an accounting restatement, subject to limited exceptions in accordance with the NYSE requirements.

Employment and Severance Arrangements; Change in Control Payments

We do not enter into agreements providing for the continuation of employment, or separate change in control agreements with any of our executive officers, including our NEOs, or other U.S.-based non-union employees.

However, in recent periods, to attract and retain senior executive talent and in furtherance of the board's succession planning efforts, we have entered into various employment offer letters, transition agreements, retention arrangements and non-compete agreements in favor of UPS. These arrangements may provide for compensation to an executive, but do not guarantee an employment term; employment is on an at-will basis. Some of the agreements were designed to compensate the individuals for compensation forfeited at their prior employers, to transition them into our incentive programs or to provide consideration for their agreement not to compete with UPS following their potential separation. In addition, retention arrangements are intended to incentivize those individuals to maintain their employment with UPS. To the extent any agreements entered into with any of the NEOs contain ongoing obligations of the Company, those agreements are described below.

Subramanian Employment Offer Letter

In connection with his appointment as Chief Digital and Technology Officer, on May 24, 2022, the Company entered into an employment offer letter with Bala Subramanian providing for: (i) an annual base salary of $725,000 (subject to future increase); (ii) a MIP award target for 2022 of 130% of base salary; (iii) an LTIP program award target of 450% of base salary (his final 2022 LTIP award payout will be prorated based on his July 2022 start date); (iv) a stock option grant target of 50% of base salary (commencing in 2023); (v) an initial grant of RSUs valued at $3,000,000, which generally vests 50% in July 2023 and 50% in July 2024; (vi) cash transition payments of $250,000 in each of August 2022, January 2023, July 2023 and January 2024; and (vii) an initial RPU grant valued at $1,000,000, generally vesting in December 2023, with the final number of RPUs subject to performance under the 2021 LTIP award. Payments are subject to his continued employment through the applicable vesting or payment dates, or termination without cause. Certain of these amounts are subject to repayment on a prorated basis if he is terminated for cause within 36 months following his July 2022 start date.

Protective Covenant Agreements

Each of our NEOs have entered into protective covenant agreements with the Company, which protect UPS's confidential information and include non-competition and non-solicitation covenants in favor of UPS. In the event that either Carol or Brian is terminated without cause, the Company is obligated to make separation payments equal to two years' salary if it elects to enforce the post-termination non-compete covenants.

Key Employee Severance Plan

The UPS Key Employee Severance Plan (the "Plan") provides for severance compensation and benefits upon certain terminations of employment of key employees, including the NEOs. The severance protections under the Plan replace cash severance benefits (if any) to which a participating employee would have otherwise been entitled under their protective covenant agreements.

The Plan in general provides that if the Company terminates a participant's employment other than due to "Cause," "Disability Termination," or death (a "Qualifying Termination"), the Company will pay: (i) an amount in cash equal to a pro-rata portion of the individual's annual performance incentive award under the MIP that would have been earned for the year of termination, based on actual performance for the full performance period, with the pro-rata portion calculated based on the number of months during which the individual was employed by the Company during the applicable year; (ii) an amount in cash equal to one times (or, for the CEO, two times) the sum of the participant's annual base salary plus the participant's target MIP performance award in effect as of the termination date; (iii) an amount in cash equal to the portion of the participant's monthly Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premium for the participant and the participant's dependents to the extent it exceeds the premiums paid by the participant for such coverage immediately prior to termination times the number of months in the participant's applicable COBRA period; and (iv) career counseling services up to $20,000 (or, for the CEO, up to $30,000).

In addition, with respect to options held by retirement eligible employees, and RPUs granted under the MIP or LTIP, in each case granted on or after the effective date of the Plan, a participant who experiences a Qualifying Termination will generally be entitled to the same treatment that would apply in the event of "retirement" under the terms of such awards. With respect to stock options granted to a participant on or after the effective date of the Plan, such stock options (to the extent the participant is not retirement eligible and that are vested as of the date of the Qualifying Termination) will remain exercisable until the earlier of the first anniversary of the termination date and the original expiration date of the stock options.

Change in Control

All outstanding equity awards that are continued or assumed by a successor entity in connection with a change in control require a "double trigger" for vesting to accelerate; that is, they also require a qualifying termination of employment prior to any acceleration of vesting.

Equity Grant Practices

Grants of awards to executive officers under our equity incentive programs are approved by the Committee. Grants are typically made at preestablished Committee meeting dates or in connection with a new hire or promotion, and irrespective of the timing of any financial announcement. Stock options have an exercise price equal to the NYSE closing market price on the date of grant.

Consideration of Previous "Say on Pay" Voting Results

Our shareowners vote annually, on an advisory basis, to approve the compensation of our NEOs as set out in the Compensation Discussion and Analysis section and in the compensation tables and accompanying narrative disclosure in the Proxy Statement. See "Proposal 2 – Advisory Vote to Approve Named Executive Officer Compensation." In the most recent advisory vote to approve NEO compensation, taken at the 2023 Annual Meeting of Shareowners, nearly 92% of votes cast approved our NEO compensation.

The Committee carefully considered the results of this vote as well as many other factors in determining the structure and operation of our executive compensation programs. In addition, we regularly engage with our stakeholders, including on executive compensation matters. We use the results of these engagements to inform board and Committee discussions on our executive compensation policies and programs.

2023 Summary Compensation Table

The following table sets forth the compensation of our NEOs.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	Total ($)
Carol Tomé Chief Executive Officer	2023	1,509,713	—	18,916,192	1,358,762	1,509,713	—	95,671	23,390,051
	2022	1,466,250	—	15,046,968	1,228,547	1,035,932	—	187,504	18,965,201
	2021	1,336,251	—	23,670,426	1,125,023	1,397,139	—	92,054	27,620,893
Brian Newman Chief Financial Officer	2023	831,626	—	5,551,095	406,692	481,692	—	70,965	7,342,070
	2022	784,377	—	5,563,543	382,755	364,363	—	94,203	7,189,241
	2021	760,764	—	10,934,230	373,401	3,128,793	—	56,690	15,253,878
Nando Cesarone President U.S. and UPS Airline	2023	840,254	—	4,686,065	407,924	487,837	—	99,161	6,521,241
	2022	768,042	—	4,348,893	351,117	364,278	—	107,812	5,940,142
	2021	683,361	—	7,218,244	313,487	475,914	—	98,089	8,789,095
Kate Gutmann President International, Healthcare and Supply Chain Solutions	2023	840,254	—	4,686,065	407,924	487,837	3,786,483	152,958	10,361,521
	2022	781,197	—	4,674,444	377,426	364,278	—	20,676	6,218,021
	2021	745,803	—	6,659,398	390,681	511,579	48,547	19,690	8,375,698
Bala Subramanian Chief Digital and Technology Officer	2023	766,622	500,000	4,139,164	373,540	444,566	—	76,370	6,300,262
	2022	330,853	250,000	6,928,392	—	—	—	932	7,510,177

(1) Represents the salary earned during the portion of the year that the executive was employed.

(2) See "Employment and Severance Arrangements; Change in Control Payments" in the Compensation Discussion and Analysis for a description of cash transition payments made in connection with Bala Subramanian's hiring.

(3) Represents the aggregate grant date fair value for stock awards computed in accordance with FASB ASC Topic 718. These awards include LTIP RPUs, MIP RPUs, and the awards described above under "Employment Transition Awards, Retention Arrangements and Recognition Awards." Information about the assumptions used to value these awards can be found in Note 13 "Stock-Based Compensation" in our 2023 Annual Report on Form 10-K. The amounts reported for these awards may not represent the amounts that the individuals will actually receive. The amounts received, if any, ultimately will depend on Company performance and the change in our stock price over time. An overview of the features of these awards can be found in the "Compensation Discussion and Analysis."

In accordance with SEC rules, we also are required to disclose the grant date fair value for awards with performance conditions assuming maximum performance. The grant date fair value for the 2023 LTIP RPU awards, assuming maximum performance, is as follows: Tomé — $37,057,333; Newman — $10,608,930; Cesarone — $8,706,275; Gutmann — $8,706,275; and Subramanian - $7,972,319.

(4) Represents the aggregate grant date fair value for option awards granted in the applicable year, computed in accordance with FASB ASC Topic 718. The assumptions used to value these awards can be found in Note 13 "Stock-Based Compensation" in our 2023 Annual Report on Form 10-K. The amounts reported for these awards may not represent the amounts that the individuals will actually receive. The amounts received, if any, ultimately will depend on the change in our stock price over time. An overview of the features of these awards can be found in the "Compensation Discussion and Analysis" section.

(5) Represents the cash portion of the MIP award. Beginning with the 2023 MIP award, the entire MIP award is payable in cash. Also, for Brian Newman in 2021, represents the cash portion of the performance-based cash award granted under his employment offer letter.

(6) Represents an estimate of the annual increase in the actuarial present value of the NEO's accrued benefit under our retirement plans for the applicable year, assuming retirement at age 60 (or current age, if later). The actuarial present value of Kate Gutmann's accrued benefit under our retirement plans increased by $3,786,483 between the measurement date used for 2022 and the measurement date used for 2023. See "Executive Compensation — 2023 Pension Benefits" for additional information, including assumptions used in this calculation. The change in pension value can be impacted by a number of factors, including additional credited service, changes in amounts of compensation covered by the benefit formula, plan amendments and assumption changes.

(7) All other compensation consisted of the following:

Name	401(k) Plan Retirement Contributions[(a)] ($)	Restoration Savings Plan Contributions[(b)] ($)	401(k) Plan Match ($)	Life Insurance Premiums ($)	Financial Planning Services ($)	Healthcare Benefits ($)	Total ($)
Carol Tomé	16,500	24,627	9,900	22,246	15,000	7,398	95,671
Brian Newman	16,500	18,134	9,900	4,033	15,000	7,398	70,965
Nando Cesarone	26,400	38,318	9,900	2,181	14,964	7,398	99,161
Kate Gutmann	26,400	99,555	9,900	4,078	5,627	7,398	152,958
Bala Subramanian	16,500	34,930	9,900	1,978	5,664	7,398	76,370

(a) Includes retirement contributions based on years of service, as described on page 41.

(b) Benefits payable under the UPS 401(k) Savings Plan are subject to the maximum compensation limits and the annual benefit limits for a tax-qualified defined contribution plan as established by the Internal Revenue Service. Amounts exceeding these limits are paid pursuant to the UPS Restoration Savings Plan. For Kate Gutmann, also includes a transition contribution into the UPS Restoration Savings Plan, as described on page 41. For all NEOs other than Kate Gutmann and Bala Subramanian, amounts reflect actual Company contributions after giving effect to reductions offsetting excess contributions made by the Company in prior years as follows: Tomé — $69,750; Newman — $21,996; and Cesarone — $17,810.

2023 Grants of Plan-Based Awards

The following table provides information about plan-based awards granted during 2023 to each of the NEOs.

Name	Grant Date	Committee Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)[3]	All Other Option Awards: Number of Securities Underlying Options (#)[4]	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)[5]
Carol Tomé	—	—	—	3,019,425	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	84,217	185,277	—	—	—	16,844,242
	3/22/2023	—	—	—	—	—	—	—	—	33,076	185.54	1,358,762
	2/9/2023	—	—	—	—	—	—	—	11,118	—	—	2,071,950
Brian Newman	—	—	—	963,384	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	24,110	53,042	—	—	—	4,822,241
	3/22/2023	—	—	—	—	—	—	—	—	9,900	185.54	406,692
	2/9/2023	—	—	—	—	—	—	—	3,911	—	—	728,854
Nando Cesarone	—	—	—	975,674	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	19,786	43,529	—	—	—	3,957,398
	3/22/2023	—	—	—	—	—	—	—	—	9,930	185.54	407,924
	2/9/2023	—	—	—	—	—	—	—	3,910	—	—	728,668
Kate Gutmann	—	—	—	975,674	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	19,786	43,529	—	—	—	3,957,398
	3/22/2023	—	—	—	—	—	—	—	—	9,930	185.54	407,924
	2/9/2023	—	—	—	—	—	—	—	3,910	—	—	728,668
Bala Subramanian	—	—	—	889,133	10,000,000	—	—	—	—	—	—	—
	3/22/2023	—	—	—	—	—	18,118	39,860	—	—	—	3,623,781
	3/22/2023	—	—	—	—	—	—	—	—	9,093	185.54	373,540
	2/9/2023	—	—	—	—	—	—	—	2,766	—	—	515,383

(1) Reflects, as applicable, the target and maximum values of the 2023 MIP award for each NEO. The potential payments for the MIP award are performance-based and therefore at risk.

(2) Potential number of RPUs that could be earned under the 2023 LTIP if the target or maximum performance goals are attained.

(3) For NEOs other than Bala Subramanian, represents the number of RPUs or shares of class A stock granted in 2023 pursuant to the 2022 MIP.

(4) Represents stock options granted under the Stock Option program in 2023.

(5) Grant date fair value under FASB ASC Topic 718 of the LTIP RPUs, MIP RPUs, and stock options, as applicable, granted to each of the NEOs in 2023. Fair values are calculated using the NYSE closing price of UPS stock on the date of grant for RPUs and RSUs, and the Black-Scholes option pricing model for stock options. The grant date fair value of the units granted under the 2023 LTIP, which have performance conditions, are computed based on the probable outcome of the performance conditions. There can be no assurance that any value will ever be realized.

2023 Outstanding Equity Awards at Fiscal Year-End

The following table shows the number of shares covered by exercisable options, unexercisable options, and unvested RSUs and RPUs held by the NEOs on December 31, 2023.

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options Exercisable (#)**	**Number of Securities Underlying Unexercised Options Unexercisable (#)[(1)]**	**Option Exercise Price ($)**	**Option Grant Date**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)[(2)]**	**Market Value of Shares or Units of Stock That Have Not Vested ($)[(3)]**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[(4)]**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[(3)]**
Carol Tomé	60,756	40,505	99.28	6/1/2020	6/1/2030	—	—	—	—
	19,047	28,572	165.66	2/10/2021	2/10/2031	—	—	—	—
	5,071	20,286	214.58	3/23/2022	3/23/2032	—	—	—	—
	—	33,076	185.54	3/22/2023	3/22/2033	—	—	—	—
	—	—	—	—	—	—	—	143,348	22,538,606
Brian Newman	18,231	12,155	105.54	2/12/2020	2/12/2030	—	—	—	—
	6,322	9,483	165.66	2/10/2021	2/10/2031	—	—	—	—
	1,580	6,320	214.58	3/23/2022	3/23/2032	—	—	—	—
	—	9,900	185.54	3/22/2023	3/22/2033				
	—	—	—	—	—	—	—	45,742	7,192,015
Nando Cesarone	757	—	106.43	3/1/2018	3/1/2028	—	—	—	—
	633	—	104.45	3/22/2018	3/22/2028	—	—	—	—
	1,691	1,692	111.80	2/14/2019	2/14/2029	—	—	—	—
	2,742	5,484	105.54	2/12/2020	2/12/2030	—	—	—	—
	2,654	7,962	165.66	2/10/2021	2/10/2031	—	—	—	—
	1,449	5,798	214.58	3/23/2022	3/23/2032	—	—	—	—
	—	9,930	185.54	3/22/2023	3/22/2033	—	—	—	—
	—	—	—	—	—	—	—	36,073	5,671,758
Kate Gutmann	10,083	—	106.43	3/1/2018	3/1/2028	—	—	—	—
	7,763	1,941	111.80	2/14/2019	2/14/2029	—	—	—	—
	9,038	6,026	105.54	2/12/2020	2/12/2030	—	—	—	—
	3,651	5,478	165.66	2/10/2021	2/10/2031	—	—	—	—
	2,662	3,995	163.25	3/25/2021	3/25/2031	—	—	—	—
	1,558	6,232	214.58	3/23/2022	3/23/2032	—	—	—	—
	—	9,930	185.54	3/22/2023	3/22/2033	—	—	—	—
	—	—	—	—	—	585	91,990	37,248	5,856,503
Bala Subramanian	—	9,093	185.54	3/22/2023	3/22/2033				
	—	—	—	—	—	8,794	1,382,640	36,311	5,709,179

(1) Stock options generally vest over a five-year period with 20% of the option vesting at each anniversary date of the grant. All options expire ten years from the date of grant. Under the terms of our equity incentive plans, unvested stock options become fully vested on the retirement date for the NEOs if they meet certain service requirements.

(2) Unvested stock awards in this column include: (a) the initial grant of RSUs made to Bala Subramanian in connection with his hiring, which vests 50% on each of July 18, 2023 and 2024; and (b) the 2021 special grant of RSUs to Kate Gutmann which generally vest as follows: 25% on March 25, 2022; 25% on March 25, 2023; and 50% on March 25, 2024. Values are rounded to the closest unit.

(3) Market value based on NYSE closing price of the class B common stock on the last trading day of the year of $157.23.

(4) Represents the potential units to be earned under the 2022 and 2023 LTIP awards, and any DEUs allocated since the grants were made, at target performance level. For the 2023 LTIP award, which has a performance period ending December 31, 2025, the maximum number of RPUs that could be earned is as follows: Tomé — 190,841; Newman — 54,635; Cesarone — 44,836; Gutmann — 44,836; and Subramanian - 41,056. For the 2022 LTIP award, which has a performance period ending December 31, 2024, the maximum number of RPUs that could be earned is as follows: Tomé — 124,524; Newman — 45,998; Cesarone — 34,525; Gutmann — 37,110; and Subramanian - 38,828.

2023 Option Exercises and Stock Vested

The following table sets forth the subject number of shares and corresponding value realized during 2023 regarding options that were exercised, and restricted stock units and restricted performance units that vested, for each NEO.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)[1]**	**Value Realized on Vesting ($)[2]**
Carol Tomé	—	—	74,910	12,130,696
Brian Newman	—	—	31,606	5,100,301
Nando Cesarone	9,211	606,910	40,772	6,733,113
Kate Gutmann	—	—	39,385	6,532,216
Bala Subramanian	—	—	14,372	2,495,307

(1) Consists of: the 2021 LTIP RPUs that vested on December 31, 2023; and the portion of special RSUs awarded in prior years to Nando Cesarone, Kate Gutmann and Bala Subramanian that vested in 2023. Vested RPUs and RSUs are distributed to participants in an equivalent number of shares of class A common stock.

(2) Based on the NYSE closing price of the class B common stock on the applicable vesting date.

2023 Pension Benefits

The following table quantifies the pension benefits expected to be paid to each NEO from the UPS Retirement Plan and the UPS Excess Coordinating Benefit Plan as of December 31, 2023. The terms of each are described below.

Name	**Plan Name**	**Number of Years Credited Service (#)[2]**	**Present Value of Accumulated Benefit ($)[3]**	**Payments During Last Fiscal Year ($)**
Carol Tomé[1]	UPS Retirement Plan	—	—	—
	UPS Excess Coordinating Benefit Plan	—	—	—
	Total		—	—
Brian Newman[1]	UPS Retirement Plan	—	—	—
	UPS Excess Coordinating Benefit Plan	—	—	—
	Total		—	—
Nando Cesarone[1]	UPS Retirement Plan	—	—	—
	UPS Excess Coordinating Benefit Plan	—	—	—
	Total		—	—
Kate Gutmann	UPS Retirement Plan	33.0	1,415,730	—
	UPS Excess Coordinating Benefit Plan	33.0	3,636,640	—
	Total		5,052,370	—
Bala Subramanian[1]	UPS Retirement Plan	—	—	—
	UPS Excess Coordinating Benefit Plan	—	—	—
	Total		—	—

(1) Not eligible to participate in the UPS Retirement Plan or the UPS Excess Coordinating Benefit Plan.

(2) Represents years of service as of December 31, 2023 for all plans.

(3) Represents the total discounted value of the monthly lifetime benefit earned at December 31, 2023, assuming the individual continues in service and retires at age 60 or at the executive's actual age, if later. The present value is not the monthly or annual lifetime benefit that would be paid to the individual. The present values are based on discount rates of 5.33% and 5.79% for the UPS Retirement Plan and UPS Excess Coordinating Benefit Plan, respectively, at December 31, 2023. The present values assume no pre-retirement mortality and utilize the Pri-2012 healthy mortality table with adjusted mortality improvement after 2012 (no collar for the UPS Retirement Plan and white collar for the UPS Excess Coordinating Benefit Plan), with mortality improvements after 2012 using the MP-2021 projection scale adjusted to converge to 0.5% in 2028 on the SOA Retirement Plan's Experience Committee model.

Pension Benefits

The UPS Retirement Plan is non-contributory and includes substantially all eligible employees of participating domestic subsidiaries who are not members of a collective bargaining unit, as well as certain employees covered by a collective bargaining agreement. The UPS Retirement Plan was closed to new entrants as of July 1, 2016.

UPS also sponsors a non-qualified defined benefit plan, the UPS Excess Coordinating Benefit Plan, for non-union employees whose pay and benefits in the qualified plan are limited by the Internal Revenue Service. An employee must be at least age 55 with 10 years of service to be eligible to participate in this plan. In the year that an individual first becomes eligible to participate in the UPS Excess Coordinating Benefit Plan, there is an increase for the participant for that year equal to the full present value of the participant's accrued benefit in the plan. In accordance with the terms of the Excess Coordinating Benefit Plan, following a participant's retirement, the Company pays an amount equal to the Social Security and Medicare taxes due on the present value of the benefits provided under the plan.

The UPS Retirement Plan and UPS Excess Coordinating Benefit Plan provide monthly lifetime benefits to participants and their eligible beneficiaries based on final average compensation at retirement, years of service with UPS and age at retirement. Participants may choose to receive a reduced benefit payable in the form of an annuity that is equivalent to the single lifetime benefit.

The plans provide monthly benefits based on the results from up to four benefit formulas. Participants receive the largest benefit from among the applicable benefit formulas. For Kate Gutmann the formula that results in the largest benefit is called the "grandfathered integrated formula." This formula provides retirement income equal to 58.33% of final average compensation, offset by a portion of the Social Security benefit. A participant with less than 35 years of benefit service receives a proportionately lesser amount.

Participants earn benefit service for the time they work as an eligible UPS employee. For purposes of the formulas, compensation includes salary and an eligible portion of the MIP award. The average final compensation for each participant in the plans is the average covered compensation of the participant during the five highest consecutive years out of the last ten full calendar years of service.

Benefits payable under the UPS Retirement Plan are subject to the maximum compensation limits and the annual benefit limits for a tax-qualified defined benefit plan as prescribed and adjusted from time to time by the Internal Revenue Service. Eligible amounts exceeding these limits will be paid from the UPS Excess Coordinating Benefit Plan. Under this plan, participants receive the benefit in the form of a life annuity.

The plans permit participants with 25 or more years of benefit service to retire as early as age 55 with only a limited reduction in the amount of their monthly benefits. NEOs eligible to retire at age 60 receive unreduced benefits from the plans. In addition, the plans allow participants with ten years or more of service to retire at age 55 with a larger reduction in the amount of their benefit. These plans froze accruals after December 31, 2022.

2023 Non-Qualified Deferred Compensation

The following table shows the executive and Company contributions or credits, earnings and account balances for the NEOs in the UPS Deferred Compensation Plan and UPS Restoration Savings Plan for 2023.

Name	Plan Name	Executive Contributions in Last FY ($)(1)	Registrant Contributions in Last FY ($)(2)	Aggregate Earnings in Last FY ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at Last FYE ($)(4)
Carol Tomé	UPS Deferred Compensation Plan	1,538,596	—	773,789	—	7,917,934
	UPS Restoration Savings Plan	—	47,218	7,536	—	198,914
	Outstanding Non-employee Director RSU Awards	—	—	(272,536)	—	4,256,299
Brian Newman	UPS Restoration Savings Plan	—	25,120	5,392	—	85,288
Nando Cesarone	UPS Restoration Savings Plan	—	42,069	10,598	—	142,140
Kate Gutmann	UPS Deferred Compensation Plan	—	—	(13,872)	—	453,977
Bala Subramanian	UPS Restoration Savings Plan	—	7,300	721	—	8,021

(1) Amounts are also included in the "Salary" column of the 2023 Summary Compensation Table.

(2) Company credits to the UPS Restoration Savings Plan, which amounts are also disclosed in the "All Other Compensation" column of the 2023 Summary Compensation Table.

(3) No amounts in this column are reported in the 2023 Summary Compensation Table.

(4) Certain amounts in this column represent salary, bonus or stock options contributed by the NEO to the plans in prior years as follows: Tomé — $4,228,931; Newman – $0; Cesarone — $0; Gutmann — $118,149; and Subramanian - $0.

The deferred compensation vehicles in the UPS Deferred Compensation Plan and the UPS Restoration Savings Plan are described below. Not all of the NEOs participate in each feature of the UPS Deferred Compensation Plan.

Salary Deferral Feature

Prior to December 31, 2004, contributions could be deferred from executive officers' monthly salary and from their half-month bonus. Also prior to December 31, 2004, non-employee directors could defer retainer and meeting fees quarterly. Assets from the discontinued UPS Retirement Plan for Outside Directors were transferred to the 2004 and Before Salary Deferral Feature in 2003. No contributions were permitted after December 31, 2004, except as described below. After December 31, 2004, executive officers may defer 1% to 35% of their monthly salary and 1% to 100% of the cash portion of the MIP award. They may also defer excess pre-tax contributions if the UPS 401(k) Savings Plan fails the annual average deferral percentage test. Non-employee directors may defer retainer fees quarterly. Elections are made annually for the following calendar year.

Stock Option Deferral Feature

Assets are invested solely in shares of UPS stock. Non-qualified or incentive stock options which vested prior to December 31, 2004 were deferrable during the annual enrollment period for the following calendar year. Participants deferred receipt of UPS stock that would otherwise be taxable upon the exercise of the stock option. The shares received upon exercise of these options are deferred into a rabbi trust. The shares held in this trust are classified as treasury stock, and the liability to participating employees is classified as "deferred compensation obligations" in the shareowners' equity section of the balance sheet. No deferrals of stock options were permitted after December 31, 2004. As a result of the requirements applicable to non-qualified deferred compensation arrangements under Section 409A of the Internal Revenue Code and related guidance, deferral of stock options is no longer offered under the UPS Deferred Compensation Plan for options that vested after December 31, 2004.

Withdrawals and Distributions under the UPS Deferred Compensation Plan

For the 2004 and Before Salary Deferral Feature, participants may elect to receive the funds in a lump sum or up to a 10-year installment (of 120 monthly payments), subject to restrictions if the balance is less than $20,000. For the 2005 and Beyond Salary Deferral Feature, participants may elect to receive funds in a lump sum or up to a 10 year installment (120 monthly payments), subject to restrictions if the balance, plus the total balance in any other account which must be aggregated with the 2005 and Beyond Salary Deferral Account under Section 409A of the Internal Revenue Code, is less than the Internal Revenue Code Section 402(g) annual limit in effect for qualified 401(k) plans on the date the participant becomes eligible for a distribution.

For the Stock Option Deferral Feature, participants may elect to receive shares in a lump sum or up to 10 annual installments, subject to restrictions if the balance is less than $20,000. The distribution of shares will occur pro-rata based on the type of stock options (non-qualified or incentive) that were originally deferred.

The distribution election under the 2005 and Beyond Salary Deferral Feature may be changed one time only, but may be changed more frequently under the 2004 and Before Salary Deferral Feature and the Stock Option Deferral Feature. Hardship distributions are permitted under all three features of the UPS Deferred Compensation Plan. Withdrawals are not permitted under the 2005 and Beyond Salary Deferral Feature, but withdrawals are permitted for 100% of the account under the 2004 and Before Salary Deferral Feature and Stock Option Deferral Feature. However, withdrawals will result in a forfeiture of 10% of the participant’s total account balances.

No Company contributions are made to any of the three features of the UPS Deferred Compensation Plan. The aggregate balances shown in the table above represent amounts that the NEOs have earned but elected to defer, plus earnings (or less losses). There are no above-market or preferential earnings in the UPS Deferred Compensation Plan. The investment options mirror those in the UPS 401(k) Savings Plan. Dividends earned on shares of UPS stock in the UPS Deferred Compensation Plan are earned at the same rate as all other class A and class B shares of common stock. Dividends are added to the participant’s deferred compensation balance. Deferral elections made under the UPS Deferred Compensation Plan are irrevocable once made.

UPS Restoration Savings Plan

Benefits payable under the UPS 401(k) Savings Plan are subject to the maximum compensation limits and the annual benefit limits for a tax-qualified defined contribution plan as established by the Internal Revenue Service. Amounts exceeding these limits are paid pursuant to the UPS Restoration Savings Plan, which is a non-qualified restoration plan designed to replace the benefits limited under the tax-qualified plan. Without the UPS Restoration Savings Plan, executive officers would receive a lower benefit as a percent of eligible compensation than the benefit received by other participants in the UPS Savings Plan.

Potential Payments on Termination or Change in Control

Executive officers serve without employment contracts, as do most of our other U.S.-based non-union employees. In connection with each of Carol Tomé's, Brian Newman's and Bala Subramanian's hiring, we entered into protective covenant agreements with them which protect UPS's confidential information and include non-competition and non-solicitation covenants in favor of UPS. For Brian and Carol, if either of their employment is terminated without "cause", then the Company is obligated to pay their base salary for up to 24 months if it elects to enforce the post-termination covenants.

The UPS Key Employee Severance Plan (the "Severance Plan") provides for severance compensation and benefits upon certain terminations of employment of key employees, including the NEOs. The severance protections under the Severance Plan replace cash severance benefits (if any) to which a participating employee would have otherwise been entitled under their protective covenant agreements (as described above).

The Severance Plan in general provides that if the Company terminates the employment of a participant other than due to "Cause," "Disability Termination," or death (a "Qualifying Termination"), the Company will pay: (i) an amount in cash equal to a pro-rata portion of the individual's annual performance incentive award under the MIP that would have been earned for the year of termination, based on actual performance for the full performance period, with the pro-rata portion calculated based on the number of months during which the individual was employed by the Company during the applicable year; (ii) an amount in cash equal to one times (or, for the CEO, two times) the sum of the participant's annual base salary plus the participant's target MIP performance award in effect as of the termination date; (iii) an amount in cash equal to the portion of the participant's monthly Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premium for the participant and the participant's dependents to the extent it exceeds the premiums paid by the participant for such coverage immediately prior to termination times the number of months in the participant's applicable COBRA period; and (iv) career counseling services up to $20,000 (or, for the CEO up to $30,000).

In addition, with respect to options held by retirement eligible employees, and RPUs granted under the MIP or LTIP, in each case granted on or after the effective date of the Severance Plan, a participant who experiences a Qualifying Termination will generally be entitled to the same treatment that would apply in the event of "retirement" under the terms of such awards. With respect to stock options granted to a participant on or after the effective date of the Severance Plan, such stock options (to the extent the participant is not retirement eligible and that are vested as of the date of the Qualifying Termination) will remain exercisable until the earlier of the first anniversary of the termination date and the original expiration date of the stock options.

For terminations of employment not governed by retention arrangements or awards made prior to the effective date of the Severance Plan, our equity incentive plans and related documents contain provisions that affect outstanding awards to all plan participants, including the NEOs, in the event of a participant's death, disability, retirement, or a change in control (as defined below) of the Company.

Upon a participant's death, disability or retirement:

- Options will immediately vest, and remain exercisable until the tenth anniversary of the date of grant;
- Shares of restricted stock, RSUs or RPUs that are no longer subject to performance conditions will immediately vest. In the case of a participant's death, shares (or cash, as applicable) attributable to the number of restricted shares, RSUs or RPUs will be transferred to the participant's estate within 90 days. In the case of a participant's disability or retirement, shares (or cash, as applicable) attributable to the number of restricted shares, RSUs or RPUs will be transferred to the participant on the same schedule as if they had remained employed; and
- Shares of restricted stock, RSUs and RPUs that are still subject to performance conditions shall be deemed earned on a prorated basis for the number of months worked during the performance period. In the case of a participant's death, shares (or cash, as applicable) attributable to the prorated number of restricted shares, RSUs or RPUs calculated at target performance level will be transferred to the participant's estate within 90 days. In the case of a participant's disability or retirement, shares (or cash, as applicable) attributable to the prorated number of restricted shares, RSUs or RPUs calculated based on actual performance results for the full performance period will be transferred to the participant following the end of the performance period.

Upon a change in control, if the successor company does not continue, assume or substitute other grants for outstanding awards, or upon a change in control followed by a termination of the grantee's employment by UPS without cause or by the grantee for good reason:

- Options will immediately vest and become exercisable;
- Shares of restricted stock, RSUs or RPUs that are no longer subject to performance conditions will immediately vest; and
- Shares of restricted stock, RSUs and RPUs that are still subject to performance conditions will be deemed earned to the extent that actual achievement of the applicable performance conditions can be determined, or on a prorated basis for the portion of the performance period completed prior to the change in control or qualifying termination, based on target or actual performance.

Other Outstanding Awards; No Tax Gross-Ups

Any other awards which may be outstanding would vest and be paid generally as described above (except, where applicable, timing of payment generally will be tied to such change in control, rather than termination or resignation). We do not provide for the payment of tax gross-ups on outstanding awards.

The following table shows the potential payments upon a termination of employment under various circumstances, assuming the event occurred on December 29, 2023. The closing price per share of our class B common stock on the NYSE on the last trading day of 2023 was $157.23. The actual amounts to be paid under any of the scenarios can only be determined at the time of such NEO's separation from the Company.

Name	**Separation Pay[1] ($)**	**Accelerated/ Continued Vesting of Equity Awards[2] ($)**	**Benefits[3]**	**Total ($)**
Carol Tomé				
Termination (voluntary or involuntary for cause)	—	—	—	—
Termination (involuntary without cause)	9,077,593	4,546,358	—	13,623,951
Change in Control (with qualifying termination)	9,058,276	12,826,644	—	21,884,920
Retirement	—	12,826,644	—	12,826,644
Death	—	12,826,644	—	12,826,644
Disability	—	12,826,644	—	12,826,644
Brian Newman				
Termination (voluntary or involuntary for cause)	—	—	—	—
Termination (involuntary without cause)	1,830,471	1,301,550	—	3,132,021
Change in Control (with qualifying termination)	1,801,110	4,121,418	—	5,922,528
Retirement	—	—	—	—
Death	—	4,121,418	—	4,121,418
Disability	—	4,121,418	—	4,121,418
Nando Cesarone				
Termination (voluntary or involuntary for cause)	—	—	—	—
Termination (involuntary without cause)	1,851,556	1,068,116	—	2,919,672
Change in Control (with qualifying termination)	1,824,086	3,073,392	—	4,897,478
Retirement	—	—	—	—
Death	—	3,073,392	—	3,073,392
Disability	—	3,073,392	—	3,073,392
Kate Gutmann				
Termination (voluntary or involuntary for cause)	—	—	—	—
Termination (involuntary without cause)	1,852,857	1,160,106	—	3,012,963
Change in Control (with qualifying termination)	1,824,086	3,327,874	—	5,151,960
Retirement	—	3,327,874	840,748	4,168,622
Death	—	3,327,874	—	3,327,874
Disability	—	3,327,874	—	3,327,874
Bala Subramanian				
Termination (voluntary or involuntary for cause)	—	—	—	—
Termination (involuntary without cause)	1,691,924	4,210,684	—	5,902,608
Change in Control (with qualifying termination)	1,662,292	4,210,684	—	5,872,976
Retirement	—	—	—	—
Death	—	4,210,684	—	4,210,684
Disability	—	4,210,684	—	4,210,684

(1) Represents the benefits under the UPS Key Employee Severance Plan. For Carol Tomé, represents two times her annual base salary and two times her target MIP award (200% of base salary). For the other NEOs, represents one times their annual base salary and a sum equaling their target MIP awards (115% of base salary).

(2) Represents the value of accelerated or continued vesting of stock options and RPUs in accordance with the terms of our equity incentive plans and the applicable award certificates. Also includes the 2022 and 2023 LTIP awards calculated at target. The performance measurement period for the 2022 LTIP award ends December 31, 2024, and the performance measurement period for the 2023 LTIP award ends December 31, 2025. With respect to Nando Cesarone and Kate Gutmann, includes the continued vesting of the one-time RSU awards to each as described in "Employment Transition Awards, Retention Arrangements and Recognition Awards" above.

(3) Represents the actuarial present value of the incremental non-qualified amounts payable upon change in control, early retirement, death and disability from the UPS Excess Coordinating Benefit Plan. For information about the UPS Excess Coordinating Benefit Plan, see the Pension Benefits table and related narrative. The same assumptions were used to calculate the present value of the amounts in the table that were used for the Pension Benefits table except that benefits are assumed to be payable immediately as of December 31, 2023 (or age 55 if later) instead of age 60. Only individuals eligible for early retirement (age 55 with 10 years of service) who are not yet age 60 will have an early retirement value in the table.

Other Amounts

The previous table does not include payments and benefits to the extent they are generally provided on a non-discriminatory basis to salaried employees not subject to a collective bargaining agreement upon termination of employment. These include:

- Life insurance upon death in the amount of 12 times the employee's monthly base salary, with a December 29, 2023 maximum benefit payable of $1 million;
- A death benefit in the amount of three times the employee's monthly salary;
- Disability benefits; and
- Accrued vacation amounts.

The tables also do not include amounts to which the executives would be entitled to receive that are already described in the compensation tables that appear earlier in this Proxy Statement, including:

- The value of equity awards that are already vested;
- Amounts payable under defined benefit pension plans (except as described above with respect to Kate Gutmann); and
- Amounts previously deferred into the deferred compensation plan.

Definition of a Change in Control

A change in control as defined in our equity incentive compensation plans is generally deemed to have occurred as of the first day that any one or more of the following conditions shall have been satisfied:

- The consummation of a reorganization, merger, share exchange or consolidation, in each case, where persons who were shareowners of UPS immediately prior to such reorganization, merger, share exchange or consolidation do not, immediately thereafter, own more than fifty percent (50%) of the combined voting power of the reorganized, merged, surviving or consolidated company's then outstanding securities entitled to vote generally in the election of directors in substantially the same proportions as immediately prior to the transaction; or a liquidation or dissolution of UPS or the sale of substantially all of UPS's assets; or
- Individuals who, as of any date (the "Beginning Date"), constitute the Board of Directors (the "Incumbent Board") and who, as of the end of the two-year period beginning on such Beginning Date, cease for any reason to constitute at least a majority of the Board of Directors, provided that any person becoming a director subsequent to the Beginning Date whose election, or nomination for election by UPS's shareowners, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of UPS, as such terms are used under applicable SEC rules and requirements) shall be considered as though such person were a member of the Incumbent Board.

Equity Compensation Plans

The following table sets forth information as of December 31, 2023 concerning shares of our common stock authorized for issuance under our equity compensation plans.

Plan category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights ($)(b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders[(1)]	6,433,685	127.91	19,816,746[(2)]
Equity compensation plans not approved by security holders	—	N/A	—
Total	6,433,685	127.91	19,816,746

(1) Includes all equity incentive compensation plans and the Discounted Employee Stock Purchase Plan, each of which has been approved by our shareowners. Effective with the approval of the 2021 Omnibus Incentive Compensation Plan (the “2021 Plan”) in May 2021, no additional securities may be issued under prior equity incentive compensation plans. Awards that do not entitle the holder to receive or purchase shares and awards that are settled in cash are not counted against the aggregate number of shares available for awards under the 2021 Plan. Awards that are subject to performance conditions are reported at the maximum performance level, which may overstate the dilution associated with such awards.

(2) In addition to grants of options, warrants or rights, this number includes up to 10,034,871 shares of common stock or other stock-based awards that may be issued under the 2021 Plan, and up to 9,781,875 shares of common stock that may be issued under the Discounted Employee Stock Purchase Plan. This number does not include shares under prior equity incentive compensation plans because no new awards may be made under those plans.

Median Employee to CEO Pay Ratio

As required by Item 402(u) of Regulation S-K, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are providing the following ratio of the annual total compensation of our CEO to the annual total compensation of our median employee.

For purposes of this disclosure, the 2023 annual total compensation of the median compensated employee was $53,669; our CEO's 2023 annual total compensation was $23,402,885, and the ratio of these amounts was 436-to-one.

Our CEO's 2023 annual total compensation was different from the amount included in the 2023 Summary Compensation Table "Total" column. Amounts related to healthcare benefits, which are available generally to all salaried employees of the Company, are included in the annual total compensation amounts above. The CEO's and median employee's Company-paid healthcare benefit amounts were $12,834 and $6,178 respectively. For the CEO, this amount is not included in the 2023 Summary Compensation Table, as permitted by SEC regulations.

The SEC's rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

The pay ratio reported above is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described below. For these purposes, we identified the median compensated employee from our employee population as of October 1, 2023, using total taxable wages (Form W-2 Box 1 or equivalent) paid to our employees in fiscal year 2023. We determined our total workforce as of October 1, 2023 to consist of 485,504 employees. During the fiscal year 2023, UPS acquired Happy Returns and MNX Global Logistics. These entities employed 326 and 791 employees, respectively. As permitted by SEC rules, under the 5% "De Minimis Exemption," we excluded 22,994 non-U.S. employees, or 4.7% of our total workforce. As a result of these exclusions, our median compensated employee was identified from an employee population of 462,510 employees.

The excluded countries and their employee populations were as follows: Argentina (202 employees), Australia (500 employees), Austria (214 employees), Bahrain (30 employees), Belgium (1,157 employees), Brazil (1,502 employees), Chile (357 employees), Costa Rica (379 employees), Czechia (566 employees), Denmark (565 employees), Dominican Republic (87 employees), Ecuador (269 employees), Egypt (20 employees), El Salvador (4 employees), Finland (184 employees), Greece (160 employees), Guam (1 employee), Guatemala (54 employees), Honduras (6 employees), Hong Kong (803 employees), Hungary (498 employees), Indonesia (114 employees), Ireland (883 employees), Italy (1,748 employees), Jamaica (3 employees), Japan (622 employees), Jersey (1 employee), Kazakhstan (38 employees), Luxembourg (13 employees), Macau (2 employees), Malaysia (251 employees), Morocco (65 employees), New Zealand (43 employees), Nicaragua (18 employees), Nigeria (222 employees), Norway (100 employees), Pakistan (50 employees), Panama (32 employees), Peru (167 employees), Philippines (1,305 employees), Portugal (280 employees), Puerto Rico (442 employees), Romania (122 employees), Russia (5 employees), South Korea (522 employees), Singapore (1,055 employees), Slovakia (29 employees), Slovenia (58 employees), South Africa (260 employees), Spain (1,548 employees), Sweden (935 employees), Switzerland (759 employees), Taiwan (872 employees), Thailand (436 employees), Turkey (1,548 employees), U.S. Virgin Islands (10 employees), Ukraine (106 employees), United Arab Emirates (442 employees), and Vietnam (330 employees).

Pay Versus Performance

As required by Item 402(v) of Regulation S-K, we are providing the following table and related disclosures.

							Value of Initial Fixed $100 Investment Based on:			
Year[1]	Summary Comp Table Total for First CEO ($)	Summary Comp Table Total for Second CEO ($)	Comp Actually Paid to First CEO ($)	Comp Actually Paid to Second CEO ($)	Average Summary Comp Table Total for Non-CEO Named Executive Officers ($)	Average Comp Actually Paid to Non-CEO Named Executive Officers ($)	Total Shareholder Return ($)	Peer Group[2] Total Shareholder Return ($)	Net Income (millions) ($)	Adjusted Operating Profit[3] (millions) ($)
2023	N/A	23,390,051	N/A	15,171,604	7,631,274	4,457,788	152.66	146.74	6,708	9,873
2022	N/A	18,965,201	N/A	13,072,062	6,714,395	5,141,166	162.33	131.11	11,548	13,853
2021	N/A	27,620,893	N/A	43,250,361	10,489,120	19,573,719	193.56	152.83	12,890	13,144
2020	5,842,130	3,772,910	37,662,113	13,337,679	5,454,192	11,181,872	147.28	118.18	1,343	8,718

(1) In both 2023 and 2022, Carol Tomé was the CEO and the Non-CEO NEOs were Brian Newman, Nando Cesarone, Kate Gutmann and Bala Subramanian; in 2021, Carol Tomé was the CEO and the Non-CEO NEOs were Brian Newman, Scott Price, Nando Cesarone and Kate Gutmann; and in 2020 the CEOs were David Abney (First CEO) and Carol Tomé (Second CEO), and the Non-CEO NEOs were Brian Newman, Nando Cesarone, Kate Gutmann, Juan Perez and George Willis.

(2) Our peer group is represented by the Dow Jones Transportation Average.

(3) In accordance with SEC rules, we are required to include in the above table the most important financial performance measure (not otherwise required to be disclosed in the table) used to link compensation actually paid to our named executive officers for 2023 to Company performance. We consider this measure to be Adjusted Operating Profit, which is calculated by excluding the following items from Operating Profit determined in accordance with GAAP: for 2023, one-time compensation representing a payment to certain U.S.-based non-union part-time supervisors, goodwill and other asset impairment charges, and transformation and other adjustments; for 2022, a one-time non-cash expense related to stock-based awards that were accelerated to fully vest in 2022 in connection with a change in incentive compensation program design, a one-time non-cash charge reflecting a reduction in the estimated residual value of fully-depreciated MD-11 aircraft, and transformation and other adjustments; and for each of 2021 and 2020, transformation and other adjustments.

CEO SCT Total to CAP Reconciliation

Year	Summary Compensation Table Total for CEO ($)	Deductions from SCT Total[1] ($)	Additions to SCT Total[2] ($)	Compensation Actually Paid ($)
2023	23,390,051	20,274,954	12,056,507	15,171,604
2022	18,965,201	16,275,515	10,382,376	13,072,062
2021	27,620,893	24,795,449	40,424,917	43,250,361
2020[3]	3,772,910	2,958,822	12,523,591	13,337,679
	5,842,130	3,192,625	35,012,608	37,662,113

(1) Represents the grant-date fair value of stock awards granted during the year (2023: $18,916,192, 2022: $15,046,968, 2021: $23,670,426, 2020: Carol Tomé $1,833,812 and David Abney $1,411,585), the grant-date fair value of option awards granted during the year (2023: $1,358,762, 2022: $1,228,547, 2021: $1,125,023, 2020: Carol Tomé $1,125,010 and David Abney $1,153,237) and the aggregate change in the actuarial present value of accumulated benefits under pension plans (2023: $—, 2022: $—, 2021: $—, 2020: Carol Tomé $— and David Abney $627,803).

(2) Represents the service cost for defined benefit pension plans (2023: $—, 2022: $—, 2021: $—, 2020: Carol Tomé $— and David Abney $234,743) and the value of equity awards calculated using the required methodology for determining CAP, as further detailed in the table below.

(3) In 2020 the CEOs were Carol Tomé (first row) and David Abney (second row).

CEO Equity Component of CAP

Year	Year End Fair Value of Equity Awards Granted in the Year ($)	Change in Fair Value from Prior Year End to Year End of Outstanding Unvested Equity Awards Granted in Prior Years ($)	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year ($)	Change in Fair Value from Prior Year End to Vesting Date of Equity Awards Granted in Prior Years that Vested in the Year ($)	Total Equity Award Adjustments ($)
2023	14,112,488	(3,170,240)	2,071,950	(957,691)	12,056,507
2022	12,805,107	(5,289,424)	—	2,866,693	10,382,376
2021	33,072,440	6,256,043	—	1,096,434	40,424,917
2020(1)	12,523,591	—	—	—	12,523,591
	9,170,268	14,290,966	—	11,316,631	34,777,865

(1) In 2020 the CEOs were Carol Tomé (first row) and David Abney (second row).

- Stock awards issued under the Management Incentive Plan are valued at the New York Stock Exchange ("NYSE") closing price of UPS Class B stock at each applicable date.
- Outstanding stock awards issued under the Long-Term Incentive Plan are valued using a Monte Carlo model at each reporting date with performance outcomes assumed to be at target. Long-Term Incentive Plan awards that vest during the period are valued using actual performance outcomes and the NYSE closing price of UPS Class B stock on the vesting date.
- Option awards are valued using a Black-Scholes option pricing model that reflects the award's exercise price relative to the NYSE closing price of UPS Class B common stock at each valuation date.
- Stock award valuations include reinvested dividends where applicable.

Average Other NEOs SCT Total to CAP Reconciliation

Year	Summary Compensation Table Total for Other NEOs ($)	Deductions from SCT Total(1) ($)	Additions to SCT Total(2) ($)	Compensation Actually Paid ($)
2023	7,631,274	6,111,238	2,937,752	4,457,788
2022	6,714,395	5,656,642	4,083,413	5,141,166
2021	10,489,120	8,564,070	17,648,669	19,573,719
2020	5,454,192	3,897,928	9,625,608	11,181,872

(1) Represents the average grant date fair value of stock awards granted during the year (2023: $4,765,597, 2022: $5,378,818, 2021: $8,200,584, 2020: $3,369,684), the average grant date fair value of option awards granted during the year (2023: $399,020, 2022: $277,825, 2021: $351,349, 2020: $210,297) and the average aggregate change in the actuarial present value of accumulated benefits under pension plans (2023: $946,621, 2022: $—, 2021: $12,137, 2020: $317,948).

(2) Represents the average service cost for defined benefit pension plans (2023: $—, 2022: $44,219, 2021: $40,127, 2020: $65,084) and the value of equity awards calculated using the required methodology for determining CAP, as further detailed in the table below.

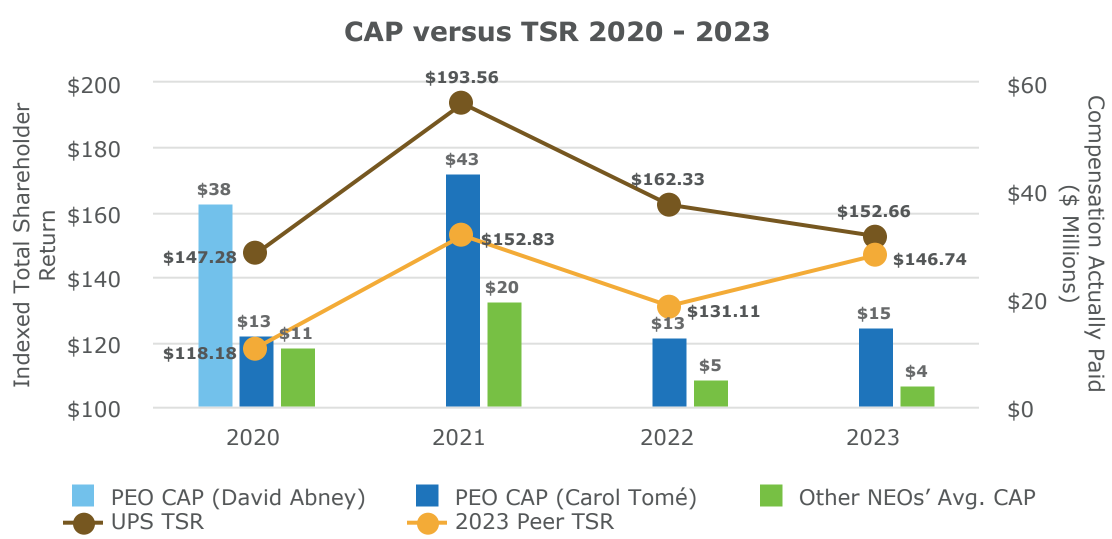
Average Other NEOs Equity Component of CAP

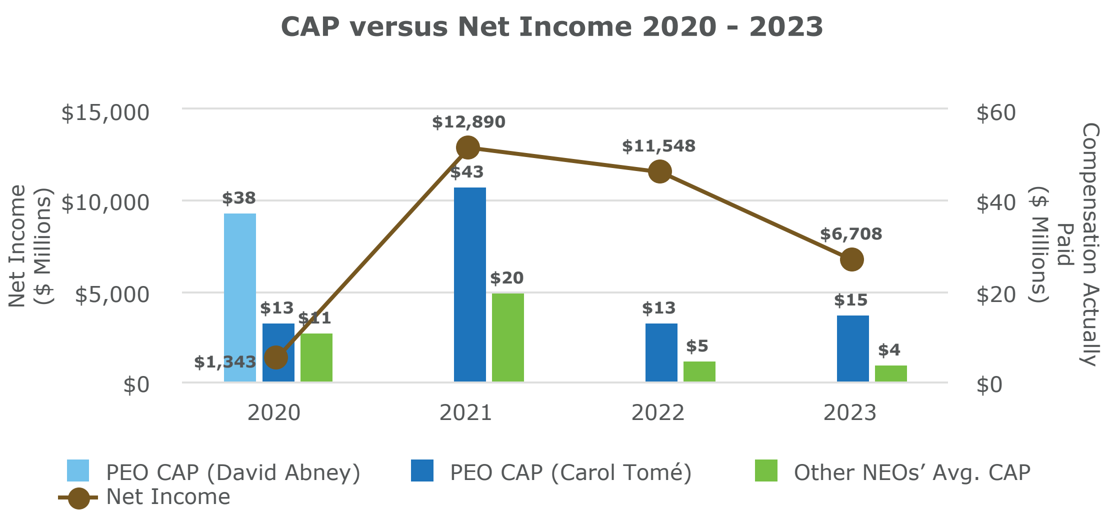
Year	Year End Fair Value of Equity Awards Granted in the Year ($)	Change in Fair Value from Prior Year End to Year End of Outstanding Unvested Equity Awards Granted in Prior Years ($)	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Year ($)	Change in Fair Value from Prior Year End to Vesting Date of Equity Awards Granted in Prior Years that Vested in the Year ($)	Total Equity Award Adjustments ($)
2023	3,467,543	(884,732)	546,548	(191,607)	2,937,752
2022	4,841,330	(1,551,105)	—	748,969	4,039,194
2021	12,120,687	2,762,650	—	2,725,205	17,608,542
2020	6,340,481	1,480,751	120,414	1,618,878	9,560,524

- Stock awards issued under the Management Incentive Plan are valued at the NYSE closing price of UPS Class B stock at each applicable date.
- Outstanding stock awards issued under the Long-Term Incentive Plan are valued using a Monte Carlo model at each reporting date with performance outcomes assumed to be at target. Long-Term Incentive Plan awards that vest during the period are valued using actual performance outcomes and the NYSE closing price of UPS Class B stock on the vesting date.
- Option awards are valued using a Black-Scholes option pricing model that reflects the award's exercise price relative to the NYSE closing price of UPS Class B common stock at each valuation date.
- Stock award valuations include reinvested dividends where applicable.

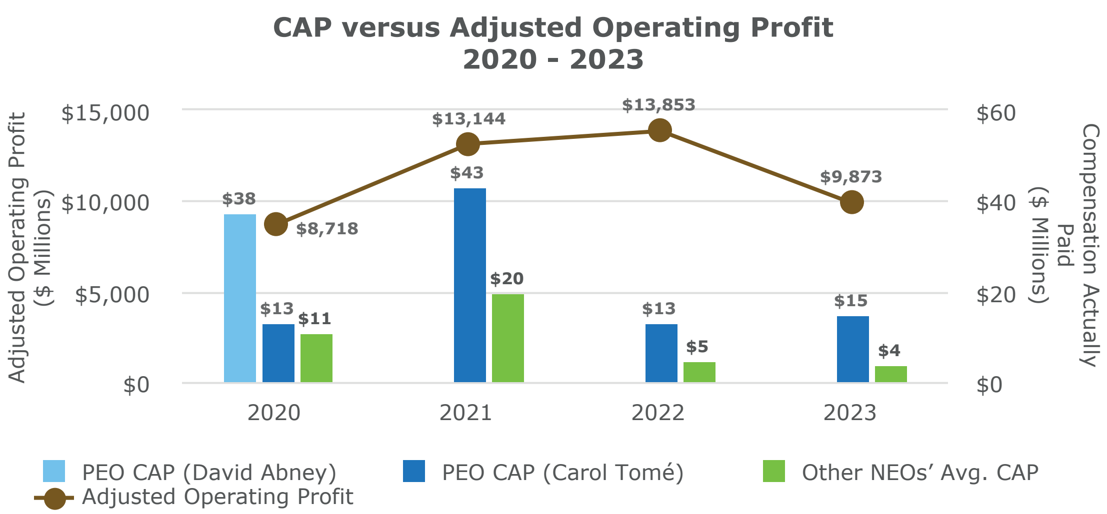
The following table lists the financial performance measures that we believe represent the most important financial performance measures we use to link compensation actually paid to our NEOs for fiscal 2023 to our performance.

Tabular List
Adjusted operating profit
Revenue growth
Adjusted return on invested capital
Adjusted earnings per share growth
Adjusted free cash flow





CAP versus Net Income 2020 - 2023
$15,000
$10,000
$5,000
$0
Net Income ($ Millions)
$60
$40
$20
$0
Compensation Actually Paid ($ Millions)
$38
$13
$11
$1,343
$12,890
$43
$20
$11,548
$13
$5
$6,708
$15
$4
2020
2021
2022
2023
PEO CAP (David Abney)
PEO CAP (Carol Tomé)
Other NEOs' Avg. CAP
Net Income



CAP versus Adjusted Operating Profit 2020 - 2023
$15,000
$10,000
$5,000
$0
Adjusted Operating Profit ($ Millions)
$60
$40
$20
$0
Compensation Actually Paid ($ Millions)
$38
$8,718
$13
$11
$13,144
$43
$20
$13,853
$13
$5
$9,873
$15
$4
2020
2021
2022
2023
PEO CAP (David Abney)
PEO CAP (Carol Tomé)
Other NEOs' Avg. CAP
Adjusted Operating Profit

Proposal 2 — Advisory Vote to Approve Named Executive Officer Compensation

What am I voting on? Whether you approve, on an advisory basis, the compensation of the NEOs as disclosed in this Proxy Statement.

Board's Recommendation: Vote **FOR** this proposal.

Vote Required: Approval by a majority of the voting power of the shares present in person or by proxy.

In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and Section 14A of the Exchange Act, shareowners may vote, on an advisory basis, to approve the 2023 compensation paid to our NEOs as disclosed in this Proxy Statement ("say on pay"). We conduct say on pay votes annually. We expect that the next say on pay vote will occur at our 2025 Annual Meeting of Shareowners.

Pay for performance and alignment with the long-term interests of our shareowners are key principles of our compensation programs. NEO compensation reflects the following:

- encouraging executive decision-making that is aligned with the long-term interests of our shareowners;
- tying a significant portion of executive pay to Company performance over a multi-year period;
- promoting UPS's long-standing culture of owner-management; and
- balancing shorter and longer-term performance metrics to encourage the efficient management of our business and minimizing excessive risk-taking.

Although this vote is non-binding, the Compensation and Human Capital Committee and the board value your views and will consider the voting results. If there is a significant negative vote, we expect that we will consult directly with significant shareowners to better understand their concerns. The Compensation and Human Capital Committee and the board would consider feedback obtained through this process in making future compensation decisions.

In accordance with the Dodd-Frank Act, this vote does not overrule any decisions by the board, will not create or imply any change to or any additional fiduciary duties of the board and will not restrict or limit the ability of shareowners generally to make proposals for inclusion in proxy materials related to executive compensation.

Shareowners are being asked to approve the following resolution:

"RESOLVED, that the shareowners approve, on an advisory basis, the compensation of the NEOs, as described in the Compensation Discussion and Analysis section and in the compensation tables and accompanying narrative disclosures in the Company's Proxy Statement for the 2024 Annual Meeting of Shareowners."

Ownership of Our Securities

Securities Ownership of Certain Beneficial Owners and Management

The following table sets forth information as to each person known to us to be the beneficial owner of more than five percent of either our class A or class B common stock, based on SEC filings by such persons. Class A shares are entitled to ten votes per share and class B shares are entitled to one vote per share on each matter acted upon at the Annual Meeting. Class A shares are held by current and former employees and are not publicly traded. As of March 1, 2024 there were 125,478,056 outstanding shares of class A common stock and 727,841,749 outstanding shares of class B common stock.

Name and address	Number of Shares of Class B Stock Beneficially Owned	Percent of Class B Stock
BlackRock, Inc.[1] 55 East 52nd Street New York, NY 10055	54,283,579	6.4%
The Vanguard Group[2] 100 Vanguard Blvd. Malvern, PA 19355	67,218,177	7.9%

(1) According to a Schedule 13G/A filed with the SEC on January 26, 2024, BlackRock, Inc. has sole voting power with respect to 49,199,159 shares and sole dispositive power with respect to all 54,283,579 shares.

(2) According to a Schedule 13G/A filed with the SEC on February 13, 2024, The Vanguard Group has shared voting power with respect to 918,229 shares, sole dispositive power with respect to 64,027,901 shares and shared dispositive power with respect to 3,190,276 shares.

The following table sets forth the beneficial ownership of our class A and class B common stock as of March 1, 2024 by each of our NEOs, each of our directors, and all of our executive officers and directors as a group. Ownership is calculated in accordance with SEC rules and regulations.

	Number of Shares Beneficially Owned[1]		Total Shares Beneficially Owned[4]
	Class A Shares[2][3]	Class B Shares	
Named Executive Officers			
Carol Tomé	386,653	13,036	399,689
Brian Newman	88,818	25,000	113,818
Nando Cesarone	67,208	1	67,209
Kate Gutmann	163,381	—	163,381
Bala Subramanian	12,708	—	12,708
Non-Employee Directors			
Rodney Adkins	19,844	—	19,844
Eva Boratto	3,904	—	3,904
Michael Burns	37,042	—	37,042
Wayne Hewett	3,904	868	4,772
Angela Hwang	4,268	—	4,268
Kate Johnson	3,577	—	3,577
William Johnson	34,845	160	35,005
Franck Moison	11,396	—	11,396
Christiana Smith Shi	9,401	—	9,401
Russell Stokes	3,577	400	3,977
Kevin Warsh	22,025	—	22,025
Executive Officers and Directors as a Group (20 persons)	**1,059,749**	**39,465**	**1,099,214** [5]

(1) Includes shares for which the named person or group has sole voting or investment power or has shared voting or investment power with his or her spouse.

(2) Includes class A shares that may be acquired through April 30, 2024 upon the conversion of RSUs following a separation from the Board of Directors, including 27,071 RSUs held by Carol Tomé in connection with her prior service as a non-employee director.

(3) Includes class A shares that may be acquired through stock options exercisable through April 30, 2024 as follows: Tomé – 207,313; Newman – 38,931; Cesarone – 20,449; Gutmann – 68,357; Subramanian - 1,818; and directors and executive officers as a group — 429,901.

(4) All directors and executive officers individually and as a group held less than one percent of outstanding shares of each of class A and class B common stock outstanding as of March 1, 2024. Assumes that all options exercisable through April 30, 2024 and owned by the named individual are exercised, and that shares acquirable under RSUs through April 30, 2024 are so acquired. The total number of shares outstanding used in calculating this percentage for each individual person also assumes that none of the options owned by other named individuals are exercised and that none of the shares acquirable under the RSUs held by other named individual are so acquired.

(5) Includes 585 RSUs and RPUs for executive officers and directors as a group that vest and convert to class A common stock prior to April 30, 2024. Directors hold vested equity interests that, in accordance with SEC reporting rules, are not reported in the table above because the individual does not have the right to acquire beneficial ownership of the underlying shares within 60 days of March 1, 2024. These equity interests represent additional financial interests in UPS that are subject to the same market risks as ownership of our common stock. For Carol Tomé, represents 1,389 phantom stock units; and for Michael Burns, Wayne Hewett, Franck Moison and Kevin Warsh, represents deferred non-employee director retainer fees allocated to 5,685, 1,250, 1,334 and 10,449 shares of UPS common stock, respectively, within the UPS Deferred Compensation Plan. Phantom stock units were granted to non-employee directors pursuant to a deferred compensation program previously provided to non-employee directors. Carol's phantom stock units were awarded during her prior service as a non-employee director. Dividends paid on UPS common stock are credited to the director's phantom stock unit balance. Upon termination of the individual's service as a director, amounts represented by phantom stock units will be distributed in cash over a time period elected by the recipient.

Delinquent Section 16(a) Reports

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who own beneficially more than 10% of either our class A or class B common stock to file reports of ownership and changes in ownership of such stock with the Securities and Exchange Commission. To our knowledge, for 2023 each of our directors and executive officers complied with all applicable Section 16(a) filing requirements, except for the late filing in of one Form 4 for each of our then-executive officers, relating to a single equity grant made in March 2023, that was late due to a Company administrative error.

Audit Committee Matters

Proposal 3 — Ratification of Auditors

What am I voting on? Ratify the Audit Committee's (as used in this Audit Committee Matters section, the "Committee") appointment of Deloitte & Touche LLP ("Deloitte") to serve as our independent registered public accounting firm for 2024.

Board's Recommendation: Vote **FOR** the ratification of the appointment of Deloitte as our independent registered public accounting firm for 2024.

Vote Required: Approval by a majority of the voting power of the shares present in person or by proxy and entitled to vote on the proposal.

Deloitte has been our independent auditor since we became a publicly traded company in 1999. Prior to 1999, Deloitte served as the independent auditor of our privately held parent company since 1969. Deloitte audited our 2023 consolidated financial statements and our internal control over financial reporting.

The Committee appointed Deloitte as our independent registered public accounting firm for the year ending December 31, 2024. The board recommends that shareowners ratify Deloitte's appointment. Although shareowner ratification is not required, the board believes that seeking ratification is a good corporate governance practice. If not ratified, the Committee will reconsider Deloitte's appointment. Even if ratified, the Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of UPS and its shareowners.

A Deloitte representative is expected to attend the Annual Meeting, will have the opportunity to make a statement if desired, and be available to respond to appropriate shareowner questions. Additional information about the Committee, Deloitte's appointment and fees, and other related matters follows.

Audit Committee Report

Roles and Responsibilities. The Committee's key responsibilities are described in its charter. The charter is reviewed annually and was most recently approved by the board in 2023 and is available on the governance section of the UPS Investor Relations website at www.investors.ups.com. Pursuant to its charter, the Committee's purposes, duties and responsibilities include:

- assisting the board in discharging its responsibilities relating to the Company's accounting, reporting and financial practices;
- overseeing the Company's accounting and financial reporting processes, including reviewing earnings or annual report press releases, overseeing the integrity of financial statements and evaluating major financial risks;
- having sole authority to appoint, oversee, determine the compensation of and terminate the Company's independent registered public accounting firm; and
- overseeing the Company's disclosure controls and internal controls, compliance with legal and regulatory requirements, and Code of Business Conduct.

Management has primary responsibility for preparing the Company's financial statements and establishing effective internal control over financial reporting. Deloitte is responsible for auditing those financial statements and the Company's internal control over financial reporting and expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles and on the effectiveness of internal control over financial reporting based on criteria established by the Committee of Sponsoring Organizations of the Treadway Commission.

The Committee appoints the independent registered public accounting firm, approves the terms of the audit engagement, and reviews and approves Deloitte's fees. In this context, the Committee discussed the terms of Deloitte's 2024 audit engagement, the audit's overall scope and plan, and the other matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("PCAOB") and the SEC. The Committee asked Deloitte questions relating to such matters.

Financial Statement Oversight. The Committee met with management and Deloitte to review and discuss the Company's audited financial statements and internal control over financial reporting. The Committee discussed with management and Deloitte the critical accounting policies applied by the Company in the preparation of its financial statements, the quality, and not just the acceptability, of the accounting principles utilized, the reasonableness of significant accounting judgments, and the clarity of disclosures in the financial statements.

The Committee regularly met with Deloitte and UPS's internal auditors, in each case with and without other members of management present, to discuss the results of their respective examinations, the evaluations of the Company's internal control and the overall quality and integrity of the Company's financial reporting.

Internal Audit Oversight. The Committee reviewed UPS's internal audit plan and the performance, responsibilities, charter, budget and staffing of UPS's internal audit function.

Compliance and Ethics Oversight. The Committee met with members of management to discuss the Company's legal and ethical compliance programs. The Committee also oversaw compliance with procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing and federal securities law matters, including confidential and anonymous submissions of these complaints.

Auditor Independence. Deloitte provided the Committee with the written disclosures and the letter required by the PCAOB regarding Deloitte's communications with the Committee concerning independence. The Committee discussed Deloitte's independence with the firm and considered whether Deloitte's provision of non-audit services was compatible with their independence.

Pre-approvals. The Committee requires the pre-approval of all audit and non-audit services provided by Deloitte. The Committee reviewed and pre-approved all fees paid to Deloitte.

Committee Assessment of Deloitte. The Committee, along with management and the Company's internal auditors, reviewed Deloitte's 2023 performance. The Committee considered the continued independence, objectivity and professional skepticism of Deloitte, the length of time that Deloitte has served as the Company's independent auditors, the breadth and complexity of the business and its global footprint. The Committee also considered external data and management's perception of Deloitte's auditing qualification and experience, the quantity and quality of Deloitte's staff, Deloitte's fees, the communication and interaction with the Deloitte team over the course of the prior year, PCAOB reports on Deloitte, and the potential impact of changing independent registered public accounting firms.

The Committee determined that Deloitte can provide both the necessary expertise and has a similar global footprint to effectively audit UPS worldwide. The Committee also considered the efficiencies resulting from Deloitte's deep understanding of our business, Deloitte's focus on independence, their quality control policies, the quality and efficiency of the work performed, and the quality of discussions and feedback sessions. Additionally, the Committee is involved in the selection of the new partner-in-charge of the audit engagement when there is a rotation required under applicable rules.

Based on the results of its review, the Committee concluded that Deloitte is independent and that it is in the best interests of UPS and its shareowners to appoint Deloitte to serve as the Company's independent registered accounting firm for 2024. The board recommends that shareowners ratify this appointment.

Furthermore, the Committee recommended to the Board of Directors that the audited financial statements be included in UPS's Annual Report on Form 10-K for the year ended December 31, 2023 for filing with the SEC.

The Audit Committee

Eva Boratto, Chair
Michael Burns
Wayne Hewett
Angela Hwang

Principal Accounting Firm Fees

The Committee, with the ratification of the shareowners, engaged Deloitte to perform the annual audits of the Company's financial statements for each of the fiscal years ended December 31, 2023 and 2022. The aggregate fees billed to us for the fiscal years ended December 31, 2023 and 2022 by Deloitte, the member firms of Deloitte Touche Tohmatsu Limited, and their respective affiliates are listed in the table:

	2023	2022
Audit Fees[1]	$ 20,228,000	$17,969,000
Audit-Related Fees[2]	$ 1,615,000	$ 1,977,000
Total Audit and Audit-Related Fees	$ 21,843,000	$19,946,000
Tax Fees[3]	$ 98,000	$ 65,000
All Other Fees[4]	$ 6,000	$ 80,000
Total Fees	$ 21,947,000	$20,091,000

(1) Fees for professional services performed by Deloitte for the audit of our annual financial statements and review of financial statements included in our Form 10-Q filings, internal control attestation procedures, statutory audits of foreign subsidiary financial statements and other services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) Fees for assurance and related services performed by Deloitte that are reasonably related to the performance of the audit or review of our financial statements. This includes employee benefit plan and compensation plan audits, independent service auditors' reports, attestation procedures related to securities offerings, other attestations.

(3) Fees for professional services performed by Deloitte with respect to tax compliance work and tax planning and advice services. This includes review of original and amended tax returns for the Company and its consolidated subsidiaries, refund claims, and payment planning and tax audit assistance.

(4) Fees for professional services performed by Deloitte with respect to assessment of climate reporting readiness and financial systems implementation assistance, and subscription fees to the Deloitte online accounting research platform.

Services Provided by Deloitte

All services provided by Deloitte are permissible under applicable laws and regulations. The Committee has established a policy requiring the pre-approval of all audit and non-audit services performed by Deloitte in order to help assure that the provision of such services does not impair Deloitte's independence.

Proposed services may be pre-approved through the application of detailed policies and procedures ("general pre-approval") or by specific review of each service ("specific pre-approval"). Unless a type of service to be provided by Deloitte has received general pre-approval, it requires specific pre-approval by the Committee. Any proposed services exceeding pre-approved cost levels also require specific approval by the Committee.

The Audit, Audit-Related, Tax and All Other services that have received general pre-approval of the Committee, and those services that are prohibited, are described in the policy along with the corresponding cost levels. The term of any general pre-approval is twelve months from the date of pre-approval, unless otherwise stated. The Committee annually reviews and pre-approves the services that may be provided by Deloitte without obtaining specific pre-approval and may revise the list from time to time based on subsequent determinations.

The Committee has delegated to its Chair the authority to pre-approve certain permitted services between the Committee's regularly scheduled meetings, and the Chair must report any pre-approval decisions to the Committee at its next scheduled meeting for review by the Committee. The policy prohibits the Committee from delegating its responsibilities to management for pre-approving Deloitte's permitted services.

Shareowner Proposals

In accordance with SEC rules, we have set forth below shareowner proposals and the shareowner proponents' supporting statements. The board's response to each proposal and voting recommendation are also set forth below. The board recommends a vote against each proposal because it does not believe the proposals will drive or create long-term shareowner value. Each shareowner proposal will be voted on at our Annual Meeting only if properly presented at the meeting. The Company is not responsible for any inaccuracies contained in the proposals.

Proposal 4 — Shareowner Proposal to Reduce the Voting Power of Class A Stock from 10 Votes Per Share to One Vote Per Share

What am I voting on? Whether you want the board to take steps to reduce the voting power of the Company's class A stock from 10 votes per share to one vote per share.

Board's Recommendation: Vote **AGAINST** this proposal because:

- UPS's capital structure is unique and does not present risks inherent in typical dual-class structures
- UPS's capital structure does not concentrate voting power or provide any holder a level of control. Class A shares are held by more than 155,000 owners, and management, collectively, holds less than 1% of the voting power of our stock
- UPS's capital structure does not entrench management or the board. There is no controlling founder or family, and we regularly refresh management and the board
- UPS's governance documents provide additional safeguards against traditional dual-class concerns, including a de facto "sunset" provision on outstanding shares and voting restrictions applicable to a significant voting block
- UPS's capital structure has contributed to its long-term success
- Eliminating this structure will not further improve UPS's corporate governance or financial performance

Vote Required: Approval by a majority of the voting power of the shares present in person or by proxy and entitled to vote on the proposal.

Shareowner Proposal

John Chevedden, 2215 Nelson Avenue, No. 205, Redondo Beach, CA 90278, has advised us that he intends to submit the proposal set forth below for consideration at the Annual Meeting. Share ownership will be promptly provided upon request to the UPS Corporate Secretary.

Proposal 4 - Equal Voting Rights for Each Shareholder

Shareholders request that our Board of Directors take steps to ensure that all of our company's outstanding stock has an equal one-vote per share in each shareholder voting situation. This would encompass all practicable steps including encouragement and negotiation with current and future shareholders, who have more than one-vote per share, to request that they relinquish, for the common good of all shareholders, any preexisting rights, if necessary.

This proposal is not intended to unnecessarily limit our Board's judgment in crafting the requested change in accordance with applicable laws and existing contracts. This proposal is important because certain shares have super-sized voting power with 10-votes per share compared to only one-vote per share for other shareholders. Corporate governance advocates have suggested a 7-year transition to equal voting rights for each share.

In spite of lopsided shares having 10-times more voting power, support for this UPS proposal topic has steadily grown from 21% in 2013 to 33% in 2023.

With stock having 10-times more voting power UPS takes our shareholder money but does not give us in return an equal voice in our company's management. Without a voice, shareholders cannot hold management accountable. It is important to continue to vote for this proposal to block UPS management from finding creative ways to further reduce their money at risk at UPS while maintaining the same control.

Plus, with the UPS shareholder-unfriendly brand of corporate governance, we had no right to call a special meeting or act by written consent. And we were restricted by provisions mandating an undemocratic 80%-vote in order to make a certain improvements to our corporate governance. This undemocratic 80% vote requirement translates into a well over a 100% vote requirement from the shares that typically vote at the annual meeting.

And in spite of insider UPS shares having super voting power 5 UPS directors each received more than 140 million against votes in 2023. This compares to 9 UPS directors each receiving less than 10 million against votes.

Please vote yes:
Equal Voting Rights for Each Shareholder — Proposal 4

Response of UPS's Board

UPS has a unique employee ownership culture that has helped it grow and thrive. Current and former employees have been important shareowners of the Company since well before the Company's IPO in 1999. UPS founder Jim Casey fostered this culture and an ownership mindset by urging his partners to run their departments like their own small business.

The Company's capital structure was developed and implemented in connection with the IPO in order to help ensure employees, who would own only a small portion of the number of shares outstanding, continued to feel like owners as contemplated by Jim Casey.

Our ownership structure includes class A and class B common stock. The class A shares are issued as incentive compensation and held by current and former UPS employees and their families in order to further our culture and ownership mindset. The Company's class B shares are publicly traded. This structure provides a significant incentive for our employees to take actions and make decisions that help facilitate UPS's long-term success, resulting in aligned interests among all shareowners. The structure also significantly enhances employee and retiree engagement, while not exposing class B shareholders to financial or other risk.

UPS's capital structure is unique and does not present risks inherent in typical dual-class structures

The board strongly disagrees with this proposal's characterization of UPS's capital structure. As described below, UPS's unique capital structure does not present any of the risks that typically accompany dual-class capital structures, such as concentrated voting power within a limited number of people (such as company founders) who have interests that may not align with other shareowners, promotion of managerial entrenchment or provision for disparate financial returns. In fact, UPS's governance provisions overlaying our capital structure are designed to limit any of these potential negative consequences.

UPS's dual-class structure does not concentrate voting power or provide any holder a level of control; UPS's governance documents would limit voting power in the event of vote concentration

Dual-class structures are typically designed to concentrate voting control in an individual or small group. UPS's dual-class structure does not have this design or effect. The class A shares are widely issued and held; there are approximately 157,000 current and former employees who own the shares, from employees in our operations to executive officers. No single holder or group of holders owns any significant voting block. Our executive officers and directors, collectively, hold less than 1% of our total voting power. As a result, no founders, executive officers and directors, or other holders, are able to exercise control or any significant influence over voting decisions.

To further reduce any risk of any concentration of voting power and contrary to most dual-class structures, UPS's certificate of incorporation (the "Certificate") contains provisions that limit voting rights in the event of a concentration of ownership. Specifically, the voting power of any shareholder, whether the holder of class A or class B common stock, is curtailed if that holder controls over 25% of UPS's outstanding voting power.

UPS's actual governance practices do not entrench management or the board

In many instances, dual-class capital structures have the purpose or effect of entrenching management or the board. UPS maintains robust corporate governance practices typical of more traditional capital structures, and its capital structure is not used for entrenchment purposes. The board regularly reviews and considers succession planning issues. Our CEO has served in that role only since June 2020, and we maintain an independent board chair. Also, since 2020, we have added five new board members, all of whom are diverse, and had four board members retire. In addition, during that time we added five new Executive Leadership Team members, three of whom are diverse, and had seven leave the Company.

UPS's dual-class capital structure has an effective "sunset" exercised through both governance documents and corporate practice; no disparate financial treatment is allowed

UPS's Certificate contains a number of provisions that provide additional safeguards against traditional dual-class concerns. For example, the Certificate contains provisions that provide an effective "sunset" provision on outstanding class A shares. This is accomplished through significant transfer restrictions; in most cases class A share transfers require or result in the conversion of those shares to class B shares. Further, the Company's recent pay mix redesign - which has the effect of reducing the number of class A shares issued each year - will accelerate this reduction. As a result, the average annual decline in the number of outstanding shares of class A common stock has been 3% per year since the Company went public.

These governance principles run counter to traditional notions of dual-class structures. In addition, the Certificate generally requires equal economic treatment of the class A and class B common stock, ensuring that holders of one class would not receive disparate economic or financial treatment as a result of the different voting rights.

UPS's capital structure has contributed to its long-term success

The provisions underlying UPS's dual-class capital structure do not impact management's pursuit of long-term growth strategies, and avoid the drawbacks associated with excessive emphasis on the short-term. Management runs our Company with a sense of purpose by focusing on sustainable value creation benefiting all the Company's stakeholders. In this regard, the interests of all UPS shareowners are aligned.

The interests of employees, who hold class A shares, go beyond UPS's current stock price and include operating the Company with a broader focus, which is important to our long-term success. Our growth and achievements have been bolstered by the engagement our capital structure has inspired in our employees and retirees.

Eliminating this structure will not further improve UPS's corporate governance or financial performance

UPS already maintains robust corporate governance practices, and our corporate structure and practices do not present risks typically associated with dual-class structures. Other than our CEO, all UPS director nominees are independent. All UPS directors are elected annually by a majority of votes cast in uncontested director elections, only independent directors serve on the board's Audit, Compensation and Human Capital, Nominating and Corporate Governance and Risk Committees, and we have an independent Board Chair. Our board consists of an appropriate mix of newer and longer-tenured directors.

In recent periods, the board has voluntarily adopted a number of corporate governance principles aligned with marketplace developments. These include increasing disclosures around lobbying and participation in the political process, specifically assigning human capital oversight responsibilities to the Compensation and Human Capital Committee, assigning environmental sustainability oversight responsibilities to the Nominating and Corporate Governance Committee, and adding to the Company's proxy statement and sustainability reports gender and ethnicity information for employees and directors.

For the foregoing reasons, the board believes that UPS's current capital structure does not present governance risks and continues to be in the best interests of the Company and its stakeholders. Shareowners have agreed with this assessment when they rejected similar proposals every year since 2013.

The board recommends that shareowners vote **AGAINST** this proposal.

Proposal 5 — Shareowner Proposal Requesting a Report on the Risks Arising From Voluntary Carbon-Reduction Commitments

What am I voting on? Whether you want the Company to be required to prepare an additional report analyzing the risks arising from voluntary carbon-reduction commitments.

Board's Recommendation: Vote **AGAINST** this proposal because:

- UPS already provides significant transparency, including comprehensive disclosures with regular updates on our progress, and on risks and opportunities associated with our emissions reductions efforts
- The UPS board provides effective oversight of UPS's strategy, which includes risks and opportunities associated with emissions reductions efforts
- Management's execution of our strategy is grounded in a fiscally responsible approach using sound engineering principles
- Management engages with key stakeholders to provide appropriate periodic updates on risks and opportunities

Vote Required: Approval by a majority of the voting power of the shares present in person or by proxy and entitled to vote on the proposal.

Shareowner Proposal

The National Center for Public Policy Research, 2005 Massachusetts Ave. NW, Washington, DC 20036 has advised us that they intend to submit the proposal set forth below for consideration at the Annual Meeting. Share ownership will be promptly provided upon request to the UPS Corporate Secretary.

Reduce Company Greenwashing Risk

Whereas: Shareholders must protect our assets against potentially unfulfillable Company ESG promises, including the extent to which the Company can reduce Scope 1, 2, and 3 greenhouse gas (GHG) emissions.

The Securities and Exchange Commission (SEC) has taken enforcement actions related to Environmental, Social, Governance (ESG) issues or statements by companies who misrepresent or engage in fraud related to ESG efforts.[1]

In 2021, the SEC created the Climate and ESG Task Force in its Division of Enforcement.[2] The focus of the Task Force is "to identify any material gaps or misstatements" in disclosure of climate risks and analyze "compliance issues relating to investment advisers' and funds' ESG strategies."[3]

The Task Force has taken numerous enforcement actions including charging Goldman Sachs Asset Management for policies and procedures failures related to ESG investments, resulting in a $4 million penalty,[4] and charging DWS Investment Management Americas Inc. in part for misstatements regarding its ESG investment process that resulted in an overall $25 million in penalties.[5]

The SEC has proposed to require companies to disclose information about their Scope 1 and 2 emissions, and to require them to disclose Scope 3 emissions "if material *or if the registrant has set a GHG emissions target or goal that includes Scope 3 emissions."*[6]

The Environmental Protection Agency defines Scope 3 emissions as, "the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain."[7] Put differently, "Scope 3 emissions for one organization are the scope 1 and 2 emissions of another organization."[8] This means that Scope 3 emissions are already counted as another entity's emissions, and are external to the reporting company, such as product use and how employees commute.[9]

1 https://www.sec.gov/securities-topics/enforcement-task-force-focused-climate-esg-issues
2 https://www.sec.gov/news/press-release/2021-42
3 https://www.sec.gov/news/press-release/2021-42; https://www.sec.gov/securities-topics/enforcement-task-force-focused-climate-esg-issues
4 https://www.sec.gov/news/press-release/2022-209
5 https://www.sec.gov/news/press-release/2023-194
6 https://www.sec.gov/news/press-release/2022-46
7 https://www.epa.gov/climateleadership/scope-3-inventory-guidance
8 https://www.epa.gov/climateleadership/scope-3-inventory-guidance
9 https://www.epa.gov/climateleadership/scope-3-inventory-guidance

Voluntary commitments to reduce carbon emissions create unnecessary risk for the Company because of the lack of scientific consensus over the ability to achieve net zero emissions.

In August 2023, the Global Climate Intelligence Group asserted, "There is no climate emergency."[10] The declaration includes 1,609 signatories and "oppose[s] the harmful and unrealistic net-zero CO2 policy proposed for 2050."[11]

A June 2023 study by the Energy Policy Research Foundation found that net zero advocates have misconstrued the International Energy Agency's position on new oil and gas investment and that it has made questionable assumptions and milestones for NZE about government policies, energy and carbon prices, behavioral changes, economic growth, and technology maturity.[12]

Supporting Statement: UPS voluntarily reports on Scope 1, 2 and 3 emissions and makes voluntary commitments to reduce them.[13] UPS does so even though it has failed to report on its evaluation of the technological or financial feasibility of such commitments. Given the SEC's climate and ESG enforcement actions, the Company must exercise caution and provide transparency about such commitments.

Resolved: Shareholders request the Company produce a report analyzing the risks arising from voluntary carbon-reduction commitments.

Response of UPS's Board

UPS supports global efforts to mitigate the impact of climate change. Sustainability is an inherent part of UPS's overall business and operating strategy, and 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. UPS takes a fiscally responsible approach utilizing sound engineering principles in the execution of our strategy. The UPS board provides effective oversight of UPS's strategic risks and opportunities. Management's day-to-day execution of our strategic objectives involves a multi-layered approach facilitated by an understanding of our business, the macroeconomic environment and the associated risks and opportunities. We report publicly on risks and opportunities associated with our approach and progress toward our goals on a regular basis. As a result, the requested report would not significantly alter the mix of information available.

UPS is committed to reducing our carbon footprint for the benefit of all stakeholders, and provides transparent, comprehensive sustainability disclosures with regular updates on our progress

UPS is committed to sustainable business practices and transparent sustainability reporting. We published our first Corporate Sustainability Report in 2003. Each year, we publish comprehensive sustainability related disclosures showcasing our commitment to our investors, our customers, our employees and the communities in which we operate. These include disclosures under the Global Reporting Initiative ("GRI") and the Carbon Disclosure Project ("CDP") frameworks, as well as an annual Social Impact Report which highlights our efforts to empower resilient, just and safe communities. We believe these disclosures provide stakeholders the information they need to assess our sustainability efforts and progress. Additional material issues are discussed in our periodic filings with the SEC.

The UPS board provides effective oversight of UPS's strategy, which includes risks and opportunities associated with emissions reductions efforts

The board's oversight responsibilities include strategic planning, risk management and financial reporting. This includes oversight of climate-related matters as a part of the Company's overall business strategy. The board considers climate-related risks and opportunities in numerous ways, including through its standing committees. The board's Risk Committee, consisting entirely of independent directors, is responsible for oversight of management's identification and evaluation of enterprise risks, including the Company's climate-related risks. Economic, environmental and social sustainability risks and opportunities are considered as part of our comprehensive enterprise risk management program. Under our enterprise risk management process, risks, including climate-related, are identified, prioritized and assigned an owner, who is responsible for developing mitigation plans. The Risk Committee reviews these items on a regular basis.

[10] https://clintel.org/wp-content/uploads/2023/08/wcd-version-081423.pdf
[11] https://clintel.org/wp-content/uploads/2023/08/WCD-version-081423.pdf
[12] https://assets.realclear.com/files/2023/06/2205_a_critical_assessment_of_the_ieas_net_zero_scenario_esg_and_the_cessation_of_investment_in_new_oil_and_gas_fields.pdf
[13] https://about.ups.com/content/dam/upsstories/assets/reporting/sustainability-2021/2020_UPS_TCFD_Report_081921.pdf

The board's Nominating and Corporate Governance Committee, also consisting entirely of independent directors, has additional oversight responsibility for environmental risks and opportunities. This committee receives regular updates and discusses the Company's progress towards its sustainability-related goals as well as the associated risks and opportunities, with feedback from these discussions shared with the full Board. The board's Audit Committee, consisting entirely of independent directors, is responsible for overseeing the annual engagement of the independent third party that provides assurance on the Company's annual sustainability report.

The board delegates authority for day-to-day management of the Company and its operations, including those related to climate matters, to the Executive Leadership Team. The board and its committees regularly receive updates from management regarding the effectiveness of policies and procedures, progress regarding targets, risks and opportunities, global compliance standards and other priority climate-related topics. The Company's Chief Corporate Affairs and Sustainability Officer (the "CCASO"), who is a member of the Executive Leadership Team and a direct report to the CEO, is responsible for leading climate-related discussions with the board. The CCASO reports quarterly to the Nominating and Corporate Governance Committee and regularly to the full board on climate-related matters.

Additionally, efforts to monitor, assess and manage climate-related risks are supported across the Executive Leadership Team. For example, the CFO co-chairs the Company's Sustainability Council with the CCASO. The CCASO also serves on the Company's executive officer level risk committee, which meets quarterly to review the Company's enterprise risk strategy, including climate-related risks.

Management's execution of our strategy is grounded in a fiscally responsible approach using sound engineering principles

We approach sustainable development holistically so that our cross-functional sustainability initiatives align with our Customer First, People Led, Innovation Driven strategy. This strategy is guiding us towards our goals of carbon neutrality by 2050 and improving the well-being of one billion lives by 2040. We offer our customers a number of sustainable solutions to help them measure and manage the carbon emissions in their supply chain, as well as design more sustainable packaging, including UPS carbon impact analysis, UPS carbon neutral shipping, supply chain optimization analyses, UPS co-innovation workshops, an Eco Responsible packaging program and Packsize on-demand packaging.

A component of UPS's short, medium- and long-term strategy is to evaluate and implement new technologies to improve efficiency and maintain one of the most efficient air and ground fleets in our industry in a manner that balances risks and opportunities. This is accomplished through our "Rolling Laboratory" approach. Through this approach UPS works with manufacturers, government agencies and other stakeholders around the world to pilot projects before determining whether and how new vehicles and technologies are ready for commercial deployment. Under this approach, Alternate fuel vehicles or advanced technologies adopted by UPS must meet the following criteria:(1) the fuel/technology must be safe; (2) it must have a reliable fueling infrastructure; (3) the supply of vehicles and parts must be predictable; (4) there must be a measurable improvement in emissions and/or fuel savings; and (5) it must be economically viable in terms of initial purchase price, maintenance costs and reliability and adapt to our fleet use characteristics.

As a result, UPS undertakes multiple initiatives simultaneously to reduce risk. The Company is currently focused on five key levers to decarbonize our business: network efficiency and innovation; increasing sustainable aviation fuel availability; renewable/biofuel solutions; fleet electrification; and renewable electricity transformation. We report on our progress on initiatives on a regular basis both internally and externally.

Management engagement with key stakeholders supplements our other disclosures

As discussed elsewhere in this Proxy Statement, maintaining open and ongoing dialogs with key stakeholders is an important component of our corporate culture. In addition to information available in our written reports, our management team participates in numerous investor meetings throughout the year to discuss our business, strategy, including our emissions reductions targets, and financial results. In addition, each year we undertake a stakeholder outreach program in which we discuss, among other things progress on our environmental sustainability journey. This includes discussions with key stockholders, UPS retirees and other stakeholders. This year we contacted holders of over 47% of our class B common stock as a part of this program. Engagement provides us with the opportunity to appropriately update stakeholders on recent accomplishments, risks and opportunities, and to receive feedback on our efforts. Similarly, it provides us with an opportunity to discuss how management believes its actions are aligned with long-term value creation.

For the foregoing reasons, the board believes producing this report is unnecessary, not an efficient use of resources and will only serve to benefit the limited interests of a small group of shareowners. For these reasons, the board recommends that shareowners vote **AGAINST** this proposal.

Proposal 6 — Shareowner Proposal Requesting the Board Prepare an Annual Report on Diversity, Equity and Inclusion

What am I voting on? Whether you want the Company to be required to prepare an additional report on diversity, equity and inclusion.

Board's Recommendation: Vote **AGAINST** this proposal because:

- UPS has taken significant steps to develop and maintain a diverse and inclusive workforce
- UPS's commitment to diversity is reflected in our workforce demographics
- UPS provides investors with significant diversity and inclusion information
- UPS has consistently been named a top company for diversity, equity, and inclusion
- The board provides independent oversight of UPS's human capital management

Vote Required: Approval by a majority of the voting power of the shares present in person or by proxy and entitled to vote on the proposal.

Shareowner Proposal

As You Sow, 2020 Milvia St. Suite 500, Berkeley, CA 94704, has advised us that it intends to submit the proposal set forth below for consideration at the Annual Meeting on behalf of the Marguerite Casey Foundation and Mack Street 2016 Trust. Share ownership will be promptly provided upon request to the UPS Corporate Secretary.

Resolved: Shareholders request that United Parcel Service inc. ("UPS") report to shareholders on the effectiveness of the Company's diversity, equity, and inclusion efforts. The report should be done at reasonable expense, exclude proprietary information, and provide transparency on outcomes, using quantitative metrics for workforce diversity, hiring, promotion, and retention of employees, including data by gender, race, and ethnicity.

Supporting Statement: Quantitative data is sought so that investors can assess and compare the effectiveness of companies' diversity, equity, and inclusion programs.

It is advised that this content be provided through UPS's existing sustainability reporting infrastructure. An independent report specific to this topic is not requested.

Whereas: As of the date of the filing of this proposal, UPS had not yet shared sufficient hiring, promotion or retention data to allow investors to determine the effectiveness of its diversity and inclusion programs.

Of public American companies, UPS is the second largest employer who has not agreed to provide any hiring, promotion, or retention data by their employees' race or ethnicity. Large employers that provide, or have committed to provide, more inclusion factor data than UPS include, but are not limited to: Alphabet, Boeing, Comcast, CVS Health, Gap, General Motors, General Dynamics, Honeywell International, IBM, McDonald's, Microsoft, Procter & Gamble, Raytheon, Union Pacific, Walt Disney, and Walmart.

As You Sow and Whistle Stop Capital released research in November 2023[1] that reviewed over 4,500 EEO-1 reports, which show corporate workforce diversity. The data shows a positive correlation between manager diversity and corporate performance. Additional research includes:

Hiring: Studies conducted by economists at the University of Chicago and UC Berkeley found that "discriminating companies tend to be less profitable," stating "it is costly for firms to discriminate against productive workers."[2]
Promotion: Without equitable promotional practices, companies will be unable to build the necessary employee pipelines for diverse management. Women and employees of color experience "a broken rung" in their careers; for every 100 men who are promoted, only 87 women are. Whereas women of color comprise 18 percent of the entry-level workforce and only 6 percent of executives.[3]

Retention: Retention rates indicate if employees believe a company represents their best opportunity. Morgan Stanley has found that employee retention above industry average can indicate a competitive advantage and higher levels of future profitability.[4]

[1] https//www.asyousow.org/report-page/2023-positive-relationships-linking-workforce-diversitv-and-financial-performance
[2] https://www.nytimes.com/2021/07/29/business/economv/hiring-racial-discrimination.html
[3] https://www.mckinsey.com/featured-insights/diversitv-and-inclusion/women-in-the-workplace
[4] https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf, p. 2

UPS itself says: "UPS views diversity, equity and inclusion (DEI") as an imperative that enables the Company to attract, develop and retain talented employees, foster innovation, and bring strength and stability to businesses and communities."[5]

UPS is called on to provide data that allows investors to access how effectively its human capital management systems are meeting the business imperative to provide a diverse, inclusive and equitable workforce.

Response of UPS's Board

Throughout our history, UPS has transformed from messengers on bicycles to a nationwide package delivery company to a worldwide network of approximately 500,000 UPS employees. We believe in creating an inclusive and equitable environment that represents a broad spectrum of diverse backgrounds and stakeholders. By leveraging diversity with respect to gender, age, ethnicity, skills and other factors, and creating inclusive environments, we believe we can improve organizational effectiveness, cultivate innovation and drive growth.

We work closely with our customers, communities, suppliers and employees to advance a culture that embraces diversity and inclusion, and fosters open participation from those with different ideas and perspectives. Producing an additional special report as requested in the proposal is unnecessary, not an efficient use of resources, and therefore not in the best interests of the Company or its shareowners.

UPS has taken significant steps to develop and maintain a diverse and inclusive workforce

As one of the world's largest employers, UPS employs people across all cultures, backgrounds, lifestyles and experiences. We provide opportunities for employees to connect, network and learn from others outside of normal work teams and with different backgrounds and experiences to further our goals. We accomplish this through employee training programs and a commitment to employee Business Resource Groups ("BRGs"). UPS's global BRGs foster a strong culture of diversity and inclusion at the Company and include nearly 200 chapters in 34 countries with more than 15,000 members. We support BRGs across 11 categories: African American, Asian, Hispanic/Latino, Focus on Abilities, LGBT & Allies, Millennial, Multicultural, Parents & Caregivers, Veterans, Women in Operations, and Women's Leadership Development. All BRGs have executive sponsors and advisors among senior management and sponsors among local management who support their strategy and growth. BRG executive sponsors help connect BRGs with people at the highest levels of UPS, so the BRGs can best align their objectives with those of the Company. BRGs at UPS make significant contributions to growing the business, developing our people and supporting the communities we serve.

Our Chief Human Resources Officer also serves as the Chief DEI Officer, a position on the Company's Executive Leadership Team reporting directly to our CEO. Our Chief DEI Officer regularly reports directly to the Board of Directors on, among other things, progress towards our goals. The Chief DEI Officer also engages with UPS suppliers, customers and other external partners to encourage the adoption of more proactive efforts in these areas.

UPS's commitment to diversity is reflected in our workforce demographics

Starting from the most senior levels at UPS, our commitment to diversity and inclusion is evident:

- *Board of Directors* – 42% of our directors are women and 33% are non-white; 100% of the directors who have joined our board since 2020 are diverse
- *Executive Leadership Team* – 33% of our Executive Leadership Team members are women and 22% are non-white
- *Management* – as disclosed in our most recent GRI Report, while 22% of our workforce is composed of women, 38% of our entry level management positions, and 26% of our senior and middle management positions, are held by women; in addition, 49% of our entry level management positions, and 38% of senior and middle management positions, are held by non-white employees.

UPS provides investors with significant diversity and inclusion data

UPS discloses significant diversity and inclusion information for investors. For example, we annually disclose our consolidated EEO-1 report, which contains prior year gender, racial and ethnic composition of our US workforce by EEO-1 job category. We also include race and gender information for our board nominees in our Proxy Statement, and publicly disclose progress towards our women and ethnic diversity in management aspirational goals. We provide additional information about our diversity and inclusion efforts in our annual GRI Reports. We believe these disclosures provide investors with necessary and appropriate information to determine the effectiveness of our human capital management efforts.

[5]https://www.sec.gov/ix?doc=/Archives/edgar/data/1090727/000109072723000015/ups-20230320.htm

UPS has consistently been named a top company for its diversity and inclusion efforts

We further believe the effectiveness and appropriateness of our efforts in this area have been validated through our receipt of numerous awards, including:

- UPS was recognized by Forbes in 2023 as one of America's Best Employers for Veterans;
- Carol Tomé was recognized by the Diversity and Leadership Conference as a 2023 Top 50 CEO for Diversity;
- UPS was named as One of America's Greatest Workplaces 2023 For Diversity;
- UPS was recognized by Forbes as one of the Best Workplaces for Women;
- UPS was named by Black Enterprise to its Best Companies for Diversity, Equity and Inclusion list;
- UPS was named by Supply Chain as one of the top 10 companies committed to implementing diversity, equity and inclusion initiatives in recruitment and partnership;
- UPS was ranked #22 on the 2022 Break the ceiling touch the sky® 101 Best Global Companies for Women in Leadership Index;
- UPS was named as one of the best places to work for LGBTQ employees, scoring a 100% on the Human Rights Campaign Foundation's 2022 Corporate Equality Index; and
- UPS was listed as a 2023 Best Place to Work on Disability: IN's Disability Equality Index.

The board provides effective, independent oversight of UPS's human capital management

Our board is responsible, directly and through the Compensation and Human Capital Committee, for oversight of human capital matters. Management provides regular updates and leads discussions with the board and its committees around human capital, technology initiatives impacting the workforce, health and safety matters, employee survey results related to culture and other matters, hiring and retention, employee demographics, labor relations and contract negotiations, compensation and benefits, succession planning and employee training initiatives.

In addition, the Compensation and Human Capital Committee charter was recently expanded to include oversight responsibility for performance and talent management, diversity, equity and inclusion, work culture and employee development and retention. We believe the board's oversight of these matters helps identify and mitigate exposure to labor and human capital management risks, and is part of the broader framework that guides how we attract, retain and develop a workforce that aligns with our values and strategies.

We believe our existing diversity and inclusion practices, and significant disclosures, provide meaningful information that allows investors to determine the effectiveness of our human capital management policies related to workplace diversity. Therefore, approval of this proposal would not result in an efficient use of resources.

As a result, the board recommends that shareowners vote **AGAINST** this proposal.

Important Information About Voting at the 2024 Annual Meeting

What is included in the proxy materials, and why am I receiving them?

The proxy materials for our Annual Meeting include this Proxy Statement and notice of the 2024 Annual Meeting, as well as our 2023 Annual Report. If you received paper copies of these materials, you also received a proxy card or voting instruction form. We began distributing the Proxy Statement, Annual Meeting notice and proxy card, and Notice of Internet Availability of Proxy Materials (the "Notice") on March 18, 2024.

When you vote, you appoint each of Carol Tomé and Norman M. Brothers, Jr. to vote your shares at the Annual Meeting as you have instructed them. If a matter that is not on the form of proxy is voted on, then you appoint them to vote your shares in accordance with their best judgment. This allows your shares to be voted whether or not you attend the Annual Meeting.

Why did some shareowners receive a Notice of Internet Availability of Proxy Materials while others received a printed set of proxy materials?

We may furnish our proxy materials to requesting shareowners over the Internet, rather than by mailing printed copies, so long as we send them a Notice. The Notice explains how to access and review the Proxy Statement and Annual Report and vote over the Internet at www.proxyvote.com. If you received the Notice and would like to receive printed proxy materials, follow the instructions in the Notice. If you received printed proxy materials, you won't receive the Notice, but you may still access our proxy materials and submit your proxy over the Internet at www.proxyvote.com.

Can I receive future proxy materials and annual reports electronically?

Yes. This Proxy Statement and the 2023 Annual Report are available on our investor relations website at www.investors.ups.com. Instead of receiving a Notice or paper copies of the proxy materials in the mail, shareowners can elect to receive emails that provide links to our future annual reports and proxy materials on the Internet. Opting to receive your proxy materials electronically will reduce costs and the environmental impact of our annual meetings and will give you an automatic link to the proxy voting site.

If you are a shareowner of record and wish to enroll in the electronic proxy delivery service for future meetings, you may do so by going to www.icsdelivery.com/ups and following the prompts. If you hold class B shares through a bank or broker, please refer to your voting instruction form, the Notice or other information provided by your bank or broker for instructions on how to elect this option.

Who is entitled to vote?

Holders of our class A common stock and our class B common stock at the close of business on March 5, 2024 are entitled to vote. This is the "Record Date." You must use your 16-digit control number found on your proxy card, voting instruction form or the Notice of Internet Availability you previously received to participate in the meeting and vote. A list of shareowners entitled to vote at the Annual Meeting will be accessible during regular business hours for ten days prior to the meeting at our principal place of business, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328.

To how many votes is each share of common stock entitled?

Holders of class A common stock are entitled to 10 votes per share. Holders of class B common stock are entitled to one vote per share. On the Record Date, there were 125,210,605 shares of our class A common stock and 727,925,905 shares of our class B common stock outstanding and entitled to vote.

The voting rights of any shareowner or group of shareowners, other than any of our employee benefit plans, that beneficially owns shares representing more than 25% of our voting power are limited so that the shareowner or group may cast only one one-hundredth of a vote with respect to each vote in excess of 25% of the outstanding voting power.

How do I vote before the Annual Meeting?

Shareowners of record may vote as described below:

- *Online.* You can vote in advance of the Annual Meeting via the Internet at www.proxyvote.com. Internet voting is available 24 hours a day and will be accessible until 11:59 p.m. Eastern Time on May 1, 2024.
- *By Telephone.* If you received a proxy card by mail, the toll-free telephone number is noted on your proxy card. Telephone voting is available 24 hours a day at 1-800-690-6903 and will be accessible until 11:59 p.m. Eastern Time on May 1, 2024.
- *By Mail.* If you received a proxy card by mail and choose to vote in advance by mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope.

If you hold class A shares in the UPS Stock Fund in the UPS 401(k) Savings Plan, you may vote your shares through the Internet, by telephone, or by mail as if you were a registered shareowner. To allow sufficient time for voting by the Plan trustee, your voting instructions must be received by 11:59 Eastern Time on April 29, 2024.

Even if you plan to attend the Annual Meeting, we encourage you to vote in advance. If you vote through the Internet or by telephone, you do not need to return your proxy card.

The method you use to vote in advance will not limit your right to vote online during the Annual Meeting.

BENEFICIAL SHAREOWNER VOTING OPTIONS
If you are a beneficial owner, you will receive instructions from your bank, broker or other nominee that you must follow in order for your shares to be voted. Many of these institutions offer telephone and Internet voting. If your voting instruction form or Notice indicates that you may vote these shares through www.proxyvote.com, you will need the 16-digit control number indicated on that form or Notice. If you did not receive a 16-digit control number, please contact your bank, broker or other nominee at least five days before the Annual Meeting and obtain a legal proxy to be able to participate in or vote at the Annual Meeting.

Can I revoke my proxy or change my vote?

Shareowners of record may revoke their proxy or change their vote at any time before the polls close at the Annual Meeting by:

- submitting a subsequent proxy through the Internet, by telephone or by mail with a later date;
- sending a written notice to our Corporate Secretary at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328; or
- voting online during the Annual Meeting using the 16-digit code.

If you hold class B shares through a bank or broker, please refer to your proxy card, the Notice or other information forwarded by your bank or broker to see how you can revoke your proxy and change your vote before the Annual Meeting. Beneficial shareowners that attend the Annual Meeting using the 16-digit code they received as described below will also be able to change their vote by voting online at any time before the polls close at the Annual Meeting.

How many votes do you need to hold the Annual Meeting?

The presence, online or by proxy, of the holders of a majority of the votes entitled to be cast at the Annual Meeting will constitute a quorum. A quorum is necessary to hold the Annual Meeting and conduct business. If a quorum is not present, the Annual Meeting may be adjourned from time to time until a quorum is present.

What happens if I do not provide voting instructions or if a nominee is unable to stand for election?

If you sign and return a proxy but do not provide voting instructions, your shares will be voted as recommended by the board. If a director nominee is unable to stand for election, the board may either reduce the number of directors that serve on the board or designate a substitute nominee. If the board designates a substitute nominee, shares represented by proxies voted for the nominee who is unable to stand for election will be voted for the substitute nominee.

Will my shares be voted if I do not vote through the Internet, by telephone or by signing and returning my proxy card?

If you are a shareowner of record and you do not vote, then your shares will not count in deciding the matters presented for shareowner consideration at the Annual Meeting. If your class A shares are held in the UPS Stock Fund in the UPS 401(k) Savings Plan and you do not vote by 11:59 p.m. Eastern Time on April 29, 2024, then the Plan trustee will vote your shares for each proposal in the same proportion as the shares held by the Plan for which voting instructions were received.

If your class B shares are held in street name through a bank or broker, your bank or broker must vote according to specific instructions they receive from you. If brokers do not receive specific instructions, brokers may in some cases vote the shares in their discretion. But they are not permitted to vote on certain proposals and may elect not to vote on any of the proposals without your voting instructions. If you do not provide voting instructions and the broker elects to vote your shares on some but not all matters, it will result in a "broker non-vote" for the matters on which the broker votes. Abstentions occur when you provide voting instructions but instruct the broker to abstain from voting on a particular matter. Broker non-votes that are represented at the Annual Meeting will be counted for purposes of establishing a quorum. We encourage you to provide instructions to your bank or brokerage firm by voting your proxy so that your shares will be voted at the Annual Meeting in accordance with your wishes.

What is the vote required for each proposal to pass, and what is the effect of abstentions and broker non-votes on each of the proposals?

Our Bylaws provide for majority voting in uncontested director elections. Therefore, a nominee will only be elected if the number of votes cast for the nominee’s election is greater than the number of votes cast against that nominee. See “Corporate Governance – Majority Voting and Director Resignation Policy” for an explanation of what would happen if more votes are cast against a nominee than for the nominee. Abstentions are not considered votes cast for or against the nominee. For each other proposal to pass, in accordance with our Bylaws, the proposal must receive the affirmative vote of a majority of the voting power of the shares present in person or by proxy at the Annual Meeting and entitled to vote on such proposal.

The following table summarizes the votes required for each proposal to pass and the effect of abstentions and broker non-votes on each proposal.

Proposal Number	Item	Vote Required for Approval	Abstentions	Uninstructed shares
1.	Election of 12 directors	Majority of votes cast	No effect	No effect
2.	Advisory vote to approve NEO compensation	Majority of the voting power of the shares represented at the meeting and entitled to vote on the proposal	Same as a vote against	No effect
3.	Ratification of independent registered public accounting firm	Majority of the voting power of the shares represented at the meeting and entitled to vote on the proposal	Same as a vote against	No effect
4. - 6.	Shareowner proposals	Majority of the voting power of the shares represented at the meeting and entitled to vote on the proposal	Same as a vote against	No effect

How do I attend and vote at the Annual Meeting?

The Annual Meeting will take place on May 2, 2024, at 8:00 a.m. Eastern Time. There will not be a physical location for the Annual Meeting, and you will not be able to attend in person. You or your proxyholder can participate and vote by visiting www.virtualshareholdermeeting.com/UPS2024 and entering the 16-digit control number included in your Notice, on your proxy card, or on the instructions that accompanied your proxy materials. If you are a beneficial shareowner, see the information relating to beneficial shareowners above under “How do I vote before the Annual Meeting” for obtaining your 16-digit control number. You may begin to log into the meeting platform at 7:45 a.m. Eastern Time on Thursday, May 2, 2024.

How can I submit a question at or prior to the Annual Meeting?

If you wish to submit a question prior to the Annual Meeting, you may do so by visiting proxyvote.com and entering your 16-digit control number, then clicking "Submit a Question for Management."

We have designed the format of the Annual Meeting so that shareowners will have the same rights and opportunities as they would have had at a physical meeting. To this end, shareowners will be able to submit questions during the Annual Meeting. If you wish to submit a question during the Annual Meeting, you may do so by logging into www.virtualshareholdermeeting.com/UPS2024 with your 16-digit control number, as described above under "How do I attend and vote at the Annual Meeting?" We will answer questions and address comments relevant to meeting matters that comply with the meeting rules of conduct during the Annual Meeting, subject to time constraints. We will summarize multiple questions submitted on the same topic. We will make every effort to respond to all appropriate questions during the meeting, as time permits.

If there are matters of individual concern to a shareowner and not of general concern to all shareowners, or if a question posed was not otherwise answered, we provide an opportunity for shareowners to contact us separately at www.investors.ups.com.

What if I have technical difficulties or trouble accessing the virtual Annual Meeting?

For help with technical difficulties on the meeting day you can call 1-800-586-1548 (toll free) or 303-562-9288 (international) for assistance. Technical support will be available starting at 7:00 a.m. Eastern Time and until the meeting has finished.

What does it mean if I receive more than one Notice, proxy card or voting instruction form?

This means that your shares are registered in different names or are held in more than one account. To ensure that all shares are voted, please vote each account by using one of the voting methods as described above.

When and where will I be able to find the voting results?

You can find the official results of the voting at the Annual Meeting in our Current Report on Form 8-K that we will file with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment as soon as they become available.

Other Information for Shareowners

Solicitation of Proxies

We will pay our costs of soliciting proxies. Directors, officers and other employees, acting without special compensation, may solicit proxies by mail, email, in person or by telephone. We will reimburse brokers, fiduciaries, custodians and other nominees for out-of-pocket expenses incurred in sending our proxy materials and Notice to, and obtaining voting instructions relating to the proxy materials and Notice from, shareowners. In addition, we have retained Georgeson, Inc. to assist in the solicitation of proxies for the Annual Meeting at a fee of approximately $16,000 plus associated costs and expenses.

Eliminating Duplicative Proxy Materials

We have adopted a procedure approved by the SEC called "householding" under which multiple shareowners who share the same last name and address and do not participate in electronic delivery will receive only one copy of the annual proxy materials or Notice unless we receive contrary instructions from one or more of the shareowners. If you wish to opt out of householding and continue to receive multiple copies of the proxy materials or Notice at the same address, or if you have previously opted out and wish to participate in householding, you may do so by notifying us in writing or by telephone at: UPS Investor Relations, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328, (404) 828-6059, and we will promptly deliver the requested materials. You also may request additional copies of the proxy materials or Notice by notifying us in writing or by telephone at the same address or telephone number.

Submission of Shareowner Proposals and Director Nominations

Proposals for Inclusion in the Proxy Statement for the 2025 Annual Meeting

Shareowners who, in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, wish to present proposals for inclusion in the proxy materials to be distributed in connection with the 2025 Annual Meeting of Shareowners must submit their proposals so that they are received by our Corporate Secretary at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328, or via email to investor@ups.com, no later than 6:00 p.m. Eastern Time on November 18, 2024. Any proposal will need to comply with SEC regulations regarding the inclusion of shareowner proposals in Company-sponsored proxy material. As the rules of the SEC make clear, simply submitting a proposal does not guarantee its inclusion.

Director Nominations for Inclusion in the Proxy Statement for the 2025 Annual Meeting

Shareowner notice of the intent to use proxy access must be delivered to the Corporate Secretary at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328 not later than the close of business on the 120th day, nor earlier than the 6:00 p.m. Eastern Time on the 150th day, prior to the first anniversary of the date the definitive proxy statement was first released to shareowners in connection with the preceding year's annual meeting of shareowners; provided, however, that in the event the annual meeting is more than 30 days before or after the anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year, to be timely, the notice must be so delivered not earlier than the close of business on the 150th day prior to such annual meeting, and not later than the close of business on the later of the 120th day prior to such annual meeting, or the 10th day following the day on which public announcement of the date of such meeting is first made by the Company. Therefore, any notice of the intent to use proxy access must be delivered to our Corporate Secretary no later than 6:00 p.m. Eastern Time on November 18, 2024 and no earlier than 6:00 p.m. Eastern Time on October 19, 2024. However, if the date of our 2025 Annual Meeting occurs more than 30 days before or 30 days after May 2, 2025, the anniversary of the 2024 Annual Meeting, a shareowner notice will be timely if it is delivered to our Corporate Secretary by the later of (a) the close of business on the 120th day prior to the date of the 2025 Annual Meeting and (b) the 10th day following the day on which we first make a public announcement of the date of the 2025 Annual Meeting. As our Bylaws make clear, simply submitting a nomination does not guarantee its inclusion.

Other Proposals or Director Nominations for Presentation at the 2025 Annual Meeting

Shareowners who wish to propose business or nominate persons for election to the Board of Directors at the 2025 Annual Meeting of Shareowners, and the proposal or nomination is not intended to be included in our 2025 proxy statement, must provide a notice of shareowner business or nomination in accordance with Article II, Section 10 of our Bylaws (which includes information required under Rule 14a-19 under the Securities Exchange Act of 1934). In order to be properly brought before the 2025 Annual Meeting of Shareowners, Article II, Section 10 of our Bylaws requires that a notice of a matter the shareowner wishes to present (other than a matter brought pursuant to Rule 14a-8), or the person or persons the shareowner wishes to nominate as a director (other than through proxy access), must be received by our Corporate Secretary not later than the close of business on the 90th day, nor earlier than the close of business on the 150th day, prior to the first anniversary of the preceding year’s annual meeting. Therefore, any notice intended to be given for a proposal or nomination not intended to be included in our 2025 proxy materials must be received by our Corporate Secretary at 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328 no later than 6:00 p.m. Eastern Time on February 1, 2025, and no earlier than 6:00 p.m. Eastern Time on December 3, 2024. However, if the date of our 2025 Annual Meeting occurs more than 30 days before or 30 days after May 2, 2025, the anniversary of the 2024 Annual Meeting, a shareowner notice will be timely if it is delivered to our Corporate Secretary by the later of (a) the close of business on the 90th day prior to the date of the 2025 Annual Meeting and (b) the 10th day following the day on which we first make a public announcement of the date of the 2025 Annual Meeting.

To be in proper form, a shareowner’s notice must be a proper subject for shareowner action at the Annual Meeting and must include the specified information concerning the proposal or nominee as described in Article II, Section 10 of our Bylaws. Our Bylaws are available on the governance page of our investor relations website at www.investors.ups.com.

2023 Annual Report on Form 10-K

A copy of our 2023 Annual Report on Form 10-K, including financial statements, as filed with the SEC may be obtained without charge upon written request to: Corporate Secretary, 55 Glenlake Parkway, N.E., Atlanta, Georgia 30328. It is also available on our investor relations website at www.investors.ups.com.

Other Business

Our Board of Directors is not aware of any business to be conducted at the Annual Meeting other than the proposals described in this Proxy Statement. Should any other matter requiring a vote of the shareowners arise, the persons named in the accompanying proxy card will vote in accordance with their best judgment. A proxy granted by a shareowner in connection with the Annual Meeting will give discretionary authority to the named proxy holders to vote on any such matters that are properly presented at the Annual Meeting, subject to SEC rules.

This Proxy Statement contains “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. Such statements relate to our intent, belief and current expectations about our strategic direction, prospects and future results, and give our current expectations or forecasts of future events; they do not relate strictly to historical or current facts.

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, those described in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the SEC and being made available with this Proxy Statement, and may also be described from time to time in our future reports filed with the SEC. 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. 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 such forward-looking statements because such statements speak only as of the date when made. 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.

Any standards of measurement and performance made in reference to our environmental, social, governance and other sustainability plans and goals are developing and based on assumptions, and no assurance can be given that any such plan, initiative, projection, goal, commitment, expectation, or prospect can or will be achieved.

Website links included in this Proxy Statement are for convenience only. The content of any website links is not incorporated herein and does not constitute a part of this Proxy Statement.

ANNUAL MEETING OF SHAREOWNERS

Thursday, May 2, 2024, 8:00 a.m. Eastern Time

www.virtualshareholdermeeting.com/UPS2024

UNITED PARCEL SERVICE, INC.
INVESTOR RELATIONS B1F7
55 GLENLAKE PARKWAY, N.E.
ATLANTA, GA 30328

SCAN TO
VIEW MATERIALS & VOTE

VOTE BY INTERNET
Before The Meeting - Go to **www.proxyvote.com or scan the QR Barcode above**

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 P.M. Eastern Time on May 1, 2024. Shares held in the UPS Stock Fund in the UPS 401(k) Savings Plan must be voted by 11:59 P.M. Eastern Time on April 29, 2024. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to **www.virtualshareholdermeeting.com/UPS2024**

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 P.M. Eastern Time on May 1, 2024. Shares held in the UPS Stock Fund in the UPS 401(k) Savings Plan must be voted by 11:59 P.M. Eastern Time on April 29, 2024. Have your proxy card in hand when you call and follow the instructions.

VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

If you vote by Internet or phone, you do not need to return this card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

V32156-P07187 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

UNITED PARCEL SERVICE, INC.

The board of directors recommends you vote FOR all 12 director nominees.

1. To elect each of the 12 named director nominees to hold office until UPS's 2025 Annual Meeting of shareowners and until their respective successors are elected and qualified.

Nominees:		For	Against	Abstain
1a.	Carol Tomé	☐	☐	☐
1b.	Rodney Adkins	☐	☐	☐
1c.	Eva Boratto	☐	☐	☐
1d.	Michael Burns	☐	☐	☐
1e.	Wayne Hewett	☐	☐	☐
1f.	Angela Hwang	☐	☐	☐
1g.	Kate Johnson	☐	☐	☐
1h.	William Johnson	☐	☐	☐
1i.	Franck Moison	☐	☐	☐
1j.	Christiana Smith Shi	☐	☐	☐
1k.	Russell Stokes	☐	☐	☐
1l.	Kevin Warsh	☐	☐	☐

The board of directors recommends you vote FOR the following proposals:	For	Against	Abstain
2. To approve on an advisory basis named executive officer compensation.	☐	☐	☐
3. To ratify the appointment of Deloitte & Touche LLP as UPS's independent registered public accounting firm for the year ending December 31, 2024.	☐	☐	☐

The board of directors recommends you vote AGAINST the following shareowner proposals:	For	Against	Abstain
4. To take steps to reduce the voting power of UPS class A stock from 10 votes per share to one vote per share.	☐	☐	☐
5 To prepare a report on the risks arising from voluntary carbon-reduction commitments.	☐	☐	☐
6. To prepare an annual report on the effectiveness of UPS's diversity, equity and inclusion efforts.	☐	☐	☐

In their discretion upon such other matters as may properly come before the meeting or any adjournments or postponements thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date

Annual Meeting of Shareowners
Thursday, May 2, 2024, 8:00 a.m. Eastern Time
The meeting will be held online at:
www.virtualshareholdermeeting.com/UPS2024

You or your proxyholder can participate and vote at the
Annual Meeting by entering your unique control number.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

V32157-P07187

UNITED PARCEL SERVICE, INC.
This proxy is solicited by the Board of Directors for the Annual Meeting of Shareowners to be held on May 2, 2024

I hereby appoint CAROL B. TOMÉ and NORMAN M. BROTHERS, JR., or either of them, with power of substitution, as attorneys and proxies to vote all of the shares of stock outstanding in my name as of March 5, 2024, at the Annual Meeting of Shareowners of United Parcel Service, Inc. to be held online at www.virtualshareholdermeeting.com/UPS2024 on May 2, 2024, and at any or all adjournments or postponements thereof, as stated on the reverse side and with discretionary authority on all other matters that properly come before the meeting. **If this proxy is signed and returned but no direction is made, this proxy will be voted as the Board of Directors recommends and in the discretion of the proxies on all other matters that may properly come before the meeting.**

If my shares are held in the UPS Stock Fund in the UPS 401(k) Savings Plan, I direct the Trustee to vote the stock in the manner stated on the reverse side. **If this proxy is signed and returned but no direction is made, the Trustee will vote the shares as the Board of Directors recommends and in the discretion of the Trustee on all other matters that may properly come before the meeting.** If this card is not returned by 11:59 P.M. Eastern Time on April 29, 2024 or is returned unsigned, then the Trustee will vote the shares in the same proportion as the shares for which voting instructions are received from other participants. The results of the voting will be held in strict confidence by the Trustee.

(CONTINUED AND TO BE SIGNED ON THE REVERSE SIDE)