

WHEREAS: we believe in full disclosure of UPS’s lobbying activities and expenditures to assess whether its lobbying is consistent with UPS’s expressed goals and in shareowner interests.

Resolved: the shareowners request the Board prepare a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by UPS used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. UPS’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision-making process and oversight for making payments described in sections 2 and 3 above

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation, and (c) encourages the recipient of the communication to act with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which UPS is a member.

“Direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state, and federal levels.

The report shall be presented to the Nominating and Corporate Governance Committee and posted on UPS’s website.

Supporting Statement

We encourage transparency in UPS’s use of funds to lobby. UPS spent \$76.6 million from 2010 – 2020 on federal lobbying.¹ This does not include state lobbying, where UPS also lobbies but disclosure is uneven or absent. For example, UPS lobbied in 31 states in 2020² and spent \$1.9 million on lobbying in California from 2010 – 2020.³

Companies can give unlimited amounts to third party groups that spend millions on lobbying and often undisclosed grassroots activity, and these groups may be spending “at least double what’s publicly reported.”⁴ UPS sits on the board of the Chamber of Commerce and belongs to the Business Roundtable (BRT), which together have spent over \$2 billion on federal lobbying since 1998, and the RATE Coalition, a social welfare organization which also actively lobbies.

UPS does not disclose its memberships in, or payments to, trade associations and social welfare organizations, or the amounts used for lobbying, including at the grassroots level. And UPS does not disclose its membership in tax-exempt organizations that write and endorse model legislation, such as the American Legislative Exchange Council (ALEC).

¹ <https://www.opensecrets.org/>.

² <https://www.followthemoney.org/>.

³ <https://cal-access.sos.ca.gov/Lobbying/>.

⁴ <https://theintercept.com/2019/08/06/business-group-spending-on-lobbying-in-washington-is-at-least-double-whats-publicly-reported/>.

We believe UPS's lack of disclosure presents reputational risk when its lobbying contradicts company public positions. For example, UPS supports global climate action, yet the Chamber opposed the Paris Climate Accord. UPS supports greater investment in America's infrastructure, but the Chamber, BRT, and RATE Coalition lobbied against the infrastructure bill.⁵ And while UPS is committed to diversity, groups have asked UPS to cut ties with ALEC "because of its voter restriction efforts."⁶

We urge UPS to expand its lobbying disclosure.

⁵ <https://www.washingtonpost.com/us-policy/2021/08/31/business-lobbying-democrats-reconciliation/>.

⁶ <https://www.thenation.com/article/politics/alec-corporations-democracy/>.