



**BE IT 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<sup>1</sup> 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."<sup>2</sup>

Promotion: Without equitable promotional practices, companies will be unable to build the necessary employee pipelines for diverse management. Women and employees of

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<sup>1</sup> <https://www.asyousow.org/report-page/2023-positive-relationships-linking-workforce-diversity-and-financial-performance>

<sup>2</sup> <https://www.nytimes.com/2021/07/29/business/economy/hiring-racial-discrimination.html>



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.<sup>3</sup>

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.<sup>4</sup>

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.”<sup>5</sup>

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

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<sup>3</sup> <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>

<sup>4</sup> [https://www.morganstanley.com/im/publication/insights/articles/article\\_culturequantframework\\_us.pdf](https://www.morganstanley.com/im/publication/insights/articles/article_culturequantframework_us.pdf), p. 2

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