

## 2024 Transparency Act Statement

This statement was published on behalf of UPS Norway AS in accordance with the Transparency Act that came into force on 1 July 2022. It aims to promote respect for fundamental human rights and decent working conditions in relation to the production of goods and the provision of services, while also ensuring that the public has access to information on how enterprises address risks stemming from these areas.

UPS fully supports the protection and advancement of basic human rights throughout its worldwide operations and is committed to support Norway's governmental efforts to eliminate modern slavery (i.e., slavery, servitude, forced or compulsory labor and human trafficking).

To comply with obligations that come with the Transparency Act, this statement maps out the steps that have been taken to ensure that fundamental human rights and decent working conditions are respected throughout UPS' supply chain.

### **About UPS**

The UPS group of companies are global leaders in logistics and international trade. As the largest express carrier and package delivery group in the world, UPS is also a leading provider of specialized transportation, logistics, capital, and e-commerce services.

UPS has a strong record of achievement and recognition in relation to its ethical conduct, its labour practices and to its charitable activities and contributions within the communities in which it operates. UPS has, for example, been:

- Named to America's Best Employers for Diversity list by Forbes in 2024: [America's Best Employers For Diversity 2024 \(forbes.com\)](#)
- Recognized in the Best Companies to Work for Women and Inclusion in 2024: Women's Choice Award 2024/
- Named to America's Most Responsible Companies list for ESG: Environment, Social, and Corporate Governance: America's Most Responsible Companies 2023
- Recognized as one of the Best Companies for Diversity 2023: Black Enterprise – Best Companies for Diversity
- Recognized as a Best Place to Work for Disability Inclusion: [2023 Best Places to Work – Disability Equality Index](#)
- Recognized as a Best of the Decade honoree for supplier diversity by Minority Business News USA in 2023: [MBN USA Portal](#)

The UPS Foundation ([The UPS Foundation Mission and Purpose | About UPS](#)) leads UPS's global citizenship efforts and philanthropy with a mission to help build stronger, safer, and more resilient communities around the world. The UPS Foundation's philanthropic

approach centres on four focus areas that reflect the Foundation's mission and UPS corporate values and expertise: Health and Humanitarian Relief, Equity and Economic Empowerment, Local Community Engagement and Planet Protection.

## **Our Supply Chains**

UPS's supply chains are complex and global, with UPS managing the flow of goods, funds, and information in more than 200 countries and territories worldwide and on a daily basis. UPS relies on a global network of employees, agents, local business partners, and suppliers. The group employs close to 500,000 people worldwide.

## **Relevant Policies**

**The UPS Anti-Trafficking in Persons Policy** ([UPS Anti Trafficking In Persons Policy](#)) strongly condemns trafficking and strictly prohibits the use of any of its assets or resources for any purpose that would enable the trafficking of persons, including forced labour, debt bondage, involuntary servitude, sex trafficking or commercial sex acts. This policy governs the UPS enterprise as a whole, including its employees, suppliers, consultants, third party representatives and subcontractors. Additionally, our recruiting and hiring activities must not knowingly include misleading or fraudulent practices, charge employees' recruitment fees, or use recruiters or recruiting companies that do not comply with local labour laws or do not pay wages that meet the host-country's legal requirements.

**The UPS Human Rights Statement** ([Human Rights Statement \(ups.com\)](#)) supports the principles articulated in the United Nations Guiding Principles on Business and Human Rights and commits to respecting all human rights articulated in the United Nations Universal Declaration of Human Rights. UPS believes that all people have a human right to be treated with dignity and without discrimination, whatever their nationality, place of residence, gender, national or ethnic origin, color, religion, language or any other status. UPS manages its business based on this belief and expects those with whom it does business to do the same. UPS is taking an integrated approach to diversity, equity and inclusion across its stakeholder groups of employees, customers, suppliers and communities embracing the dynamics of different backgrounds, experiences and perspectives. [Diversity, Equity & Inclusion | About UPS](#)

UPS has in place a **Code of Business Conduct** ([UPS Code Business Conduct 2013.pdf](#)) that applies to all employees, agents and third party representatives of UPS. The Code provides information about UPS standards of integrity and explains its legal and ethical responsibilities. It requires, among other things, compliance with national and local laws and the reporting of any violations of such laws and UPS business standards. The Code includes recognition of basic human rights, such as equality among people, employee well-being and security, personal freedom from persecution, and economic, social, and cultural freedom.

## **UPS Ethics Hotline Grievance Mechanism**

Designed to work in conjunction with UPS' Open Door Policy, any UPS employee, representative, or supplier who becomes aware of a situation in which he or she believes our legal or ethical responsibilities are being violated or feels pressured to violate the law or our ethical responsibilities, is invited to contact the UPS Ethics Hotline.

The UPS Ethics Hotline is managed and answered by a third-party vendor that is available globally 24 hours a day, 7 days a week, and 365 days a year. It is available via country specific toll-free telephone numbers or online website interface, with telephone operators available in multiple languages. It is confidential and callers are allowed to remain anonymous if they wish.

Once a report is received, an assessment is made to understand which team is best suited to evaluate and resolve the concern. Investigations are conducted promptly, discreetly, and professionally; discussions and inquiries will be kept in confidence to the extent possible or permitted by law.

## **Ongoing Risk Identification and Mitigation Activities**

It always has been, and continues to be, our policy to conduct business in compliance with all applicable laws and regulations and in accordance with the highest ethical standards. We expect UPS employees and the people acting on our behalf to adhere to these principles in order to mitigate any potential human rights risk.

### **In our own business:**

We require our employees to regularly go through a defined set of compliance trainings that cover diverse topics revolving around ethical business conduct. It is intended to provide additional guidance to employees, especially in making the correct business decisions in their areas of responsibility; these trainings go hand-in-hand with the UPS Code of Conduct, as it ensures that each employee is fully trained on the different compliance topics that it addresses.

Besides the UPS Ethics Hotline, there are also other mechanisms that give insight on the level of risk in the organization. We conduct an annual internal survey that is designed to gauge the legal and ethical compliance environment among specific employee groups, where its completion is required by the Audit Committee of the UPS Board of Directors. Additionally, senior management in the organization are also asked to participate in an annual enterprise risk management survey to identify potential risks that will require ownership and mitigation activities; risks connected to human rights could potentially be identified in these surveys.

When it comes to ensuring that policies and procedures are followed throughout UPS, we have an independent Internal Audit function that brings a systematic and disciplined approach to evaluating and improving the effectiveness of the organization's risk management, internal control, and governance processes; audited areas relating to

human rights may range from employment practices to employee health & safety.

### **In our supply chain:**

UPS is committed to operating at the highest standard of business conduct within the communities we service. We respect our communities, our employees, our customers, and our stakeholders by upholding the values and policies that have made our business successful for over a century. Clearly written policies, together with the UPS values, mission, and strategy statements, provide the framework for managing our business. Defined policies are necessary for all of us to possess the same understanding of the philosophies, guidelines, and uniform practices that shape our actions. Vendors and all their subcontractors are expected to share our values and principles while operating in compliance with all applicable laws and regulations.

Suppliers are prompted to agree to the UPS General Terms and Conditions of Purchase prior to starting the business relationship, which includes provisions regarding compliance with all Modern Slavery legislations as well as the UPS Code of Conduct.

### **Risk Assessment and Due Diligence Process**

Within UPS, we believe that the level of human rights risk in our organization is adequately covered as all employees have undergone specific training on the different areas of the UPS Code of Conduct. This is supported by our Internal Audit function which reviews if policies and procedures are followed in employment practices. In the chance that any audit findings are made, leadership is made aware and necessary corrective actions go into place to ensure that any potential risk is directly mitigated. Likewise, the UPS Ethics Hotline, supplements Internal Audit in ensuring that other potential human rights concerns are identified timely.

When it comes to our supply chain, we have a thorough risk assessment and due diligence process looking into the suppliers of UPS Norway AS. This involves the following steps:

- 1) **Identifying Key Suppliers:** Key partners are listed based on UPS' total expense. Above a certain threshold, these suppliers are identified and progress to the next step in the risk assessment process.
- 2) **Two-fold approach to assess risk:** Each identified supplier is assessed based on risk elements related to (i) the type of service or product they provide, as well as (ii) their geographic location. Upon completion of the risk assessment, a selection of suppliers is identified and are subject to the Due Diligence Process.

In this assessment, UPS uses market leading reviews and indexes which give independent and objective grounds to classify vendors and identify risks.

Risk indicators utilized in the assessment are as follows:

- **International Trade Union Confederation (ITUC) – Global Rights Index**: Depicts the world’s worst countries for workers by rating countries on a scale from 1 to 5+ on the degree of respect for workers’ rights.
- **Freedom House – Freedom Map**: Measures political and individual freedom. This includes political diversity, freedom of expression, equitable judicial systems and verifying that there is no economic oppression.
- **Transparency International – Corruption Perception Index**: Measures the degree of the corruption perception in the public sector globally.
- **The Norwegian Agency for Public and Financial Management (DFØ) – Guidance on Public Procurement and Human Rights (PPHR)**.

3) **Human Rights Questionnaire**: Identified suppliers are required to complete a questionnaire designed to identify potential human rights related deficiencies within their organization and supply chain. It also reinforces the message towards suppliers that UPS has put Human Rights compliance at the top of its priorities. Each completed questionnaire is reviewed, and any identified red flags necessitate further explanation from the supplier.

4) **Corrective Actions**: If a supplier fails to provide an adequate explanation to address the identified red flags in the questionnaire, a risk memo regarding the supplier is issued and requires UPS Norway AS’ management's approval. Following this, corrective action plans are implemented to mitigate the risk. These actions could involve contractual amendments, the termination of the supplier contract, or other appropriate measures as deemed necessary.

UPS Norway has run the above Due Diligence process between January and May 2024 with regard to 231 suppliers. 47 of these have been subject to specific scrutiny and answered the Human Rights Questionnaire.

Based on responses and explanations provided by our suppliers, UPS has not identified human rights related risks which would require immediate further action. This review will be updated and confirmed on a yearly basis.