

Decision GreenSM

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Decision GreenSM

UPS Today

200 Countries and Territories

- Conducts business with 98% of all companies in U.S.
- 425,300 Worldwide, 3rd largest employer in U.S.
- 97,800 drivers
- 101,700 delivery vehicles
- 574 aircrafts (9th largest airline)
- 813 airports served
- 1,926 daily flight segments
- 15.8 million packages a day, 7% of U.S. GDP and 2% World GDP
- 3,000+ facilities
- 7.9 million daily customers
- 18.5 million daily on-line tracking requests

UPS is a Recognized Sustainability Leader

- UPS Awards from review of our sustainability reports and answers to external assessments
- It's hard to measure this kind of intangible value but you know it's there and you want to keep it



Global 100
Most Sustainable Corporations in the World

**KLD GLOBAL CLIMATE
100SM INDEX**

CARBON DISCLOSURE PROJECT

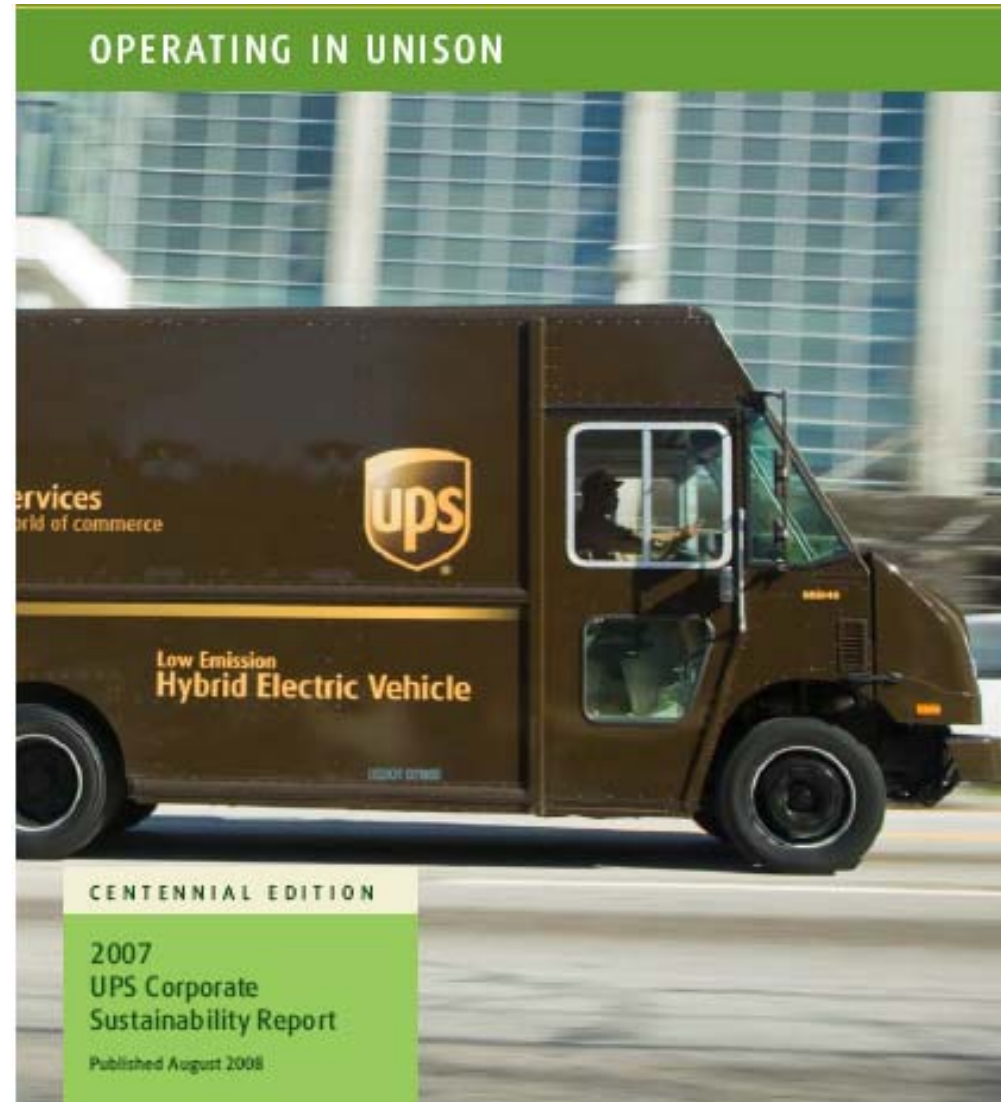
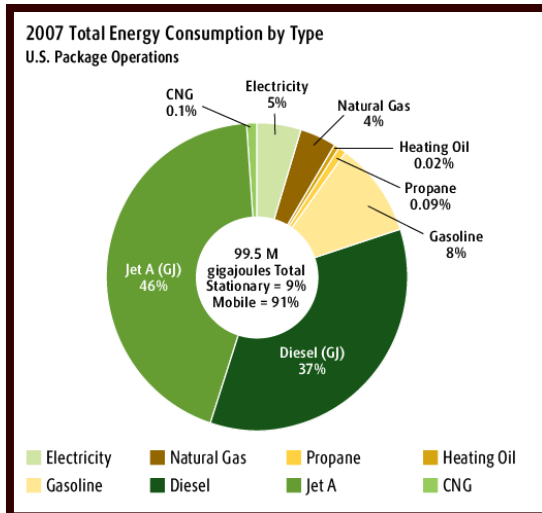
Fabulous 50 Climate Leadership Index

FORTUNE

**Recognized as America's #1
in Social Responsibility '04-'07**

Green Focus on Transport

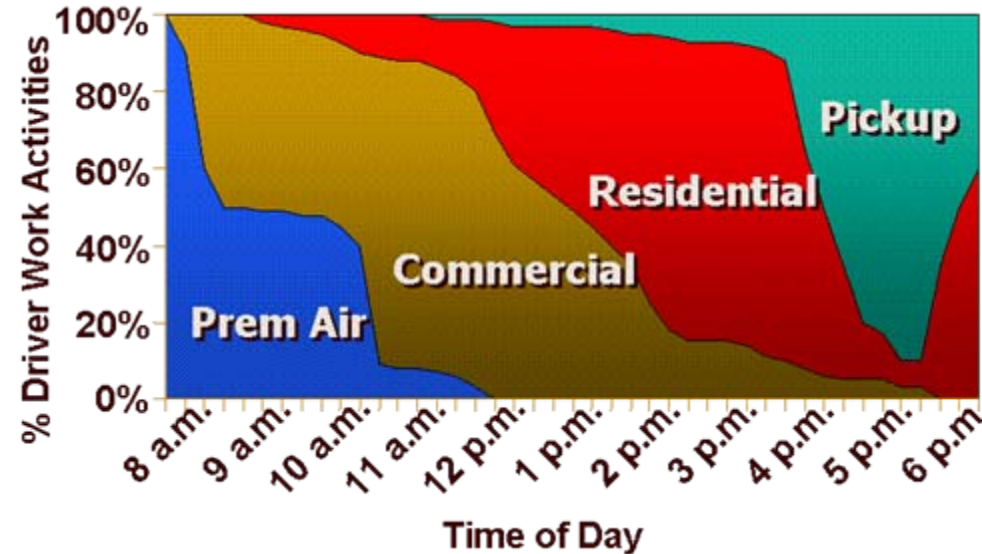
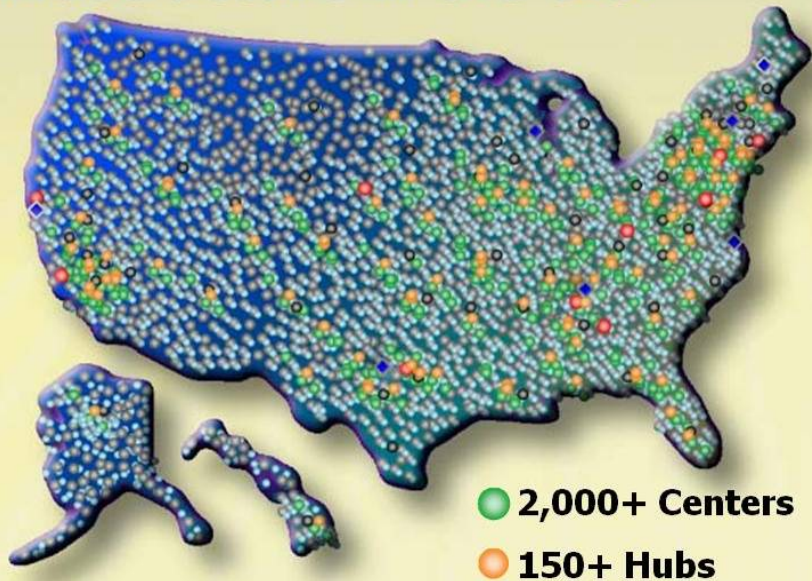
- 91% of our U.S. Energy consumption is from mobile sources
- 88% of our U.S. CO₂ emissions is from mobile sources



Inherent Efficiencies

- *Reduced fuel consumption = reduced environmental impact*

Most Comprehensive Infrastructure in the U.S.

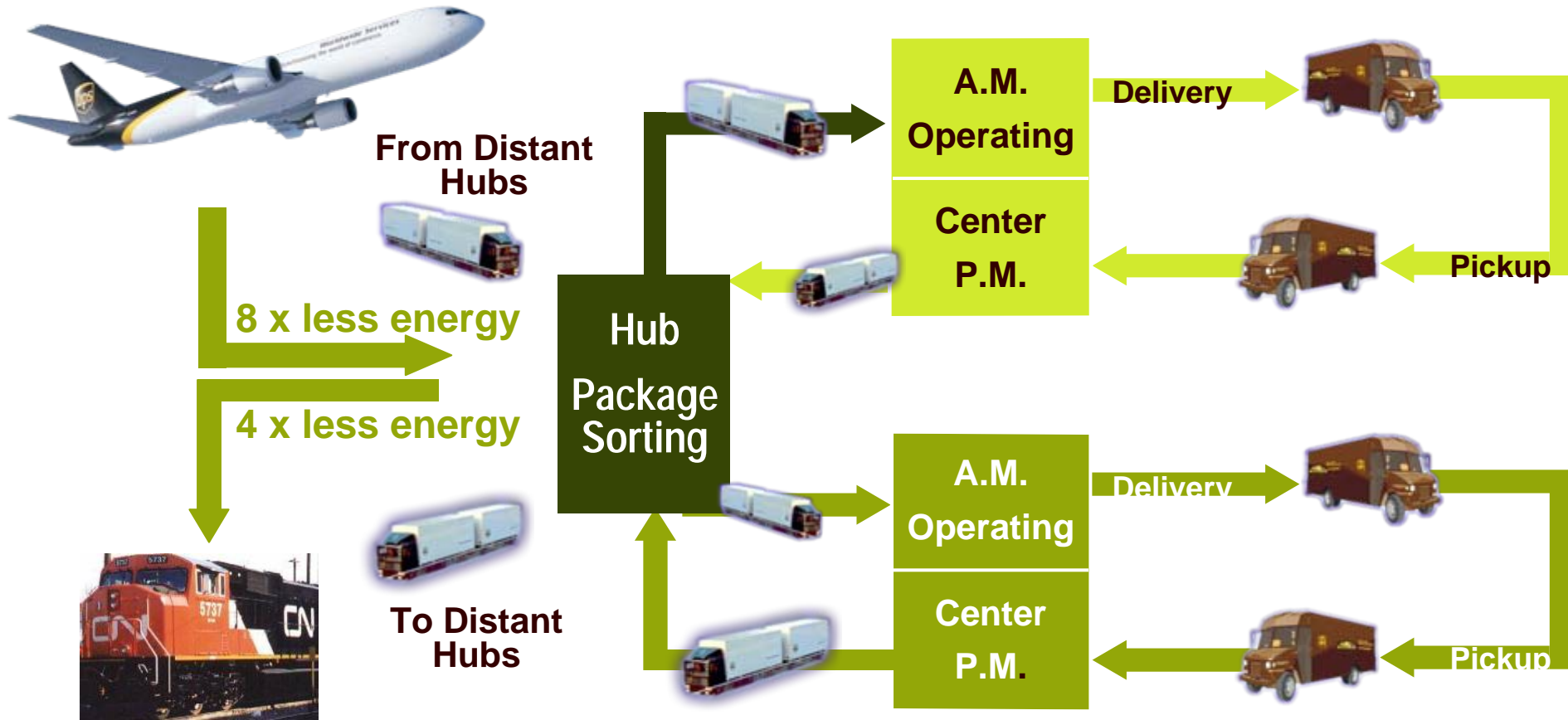


- **Scale enables efficiency / Direct routing through the UPS network**

- **One network, same facilities, same vehicles = 1 Driver / 1 Vehicle - All Products On Board**

The Efficient Intermodal UPS Network

Time definite – Optimization of your footprint!



Intermodal CO2 benefits are huge!

Load Factor Efficiency – right size on the fly / hub & spoke

Technology & Route Optimization

Distribution Efficiency and Fuel Conservation

- **Package Flow Technology / Smart Labels**

- “Trip ticket” through the UPS network

- **Delivery Information Acquisition Device**

- Links to Global Positioning Satellites

- **State-of-the-art UPS Software**

- Maximum coverage while reducing miles
- Reduction of hours
- Minimizes driver overlap
- Saves fuel
- Reduced emissions



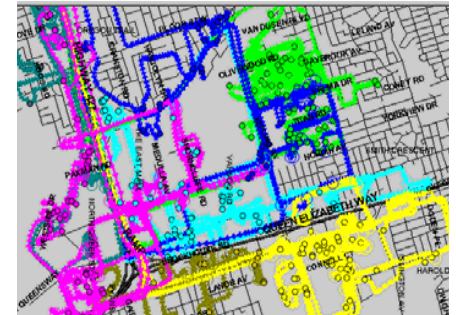
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Vehicle Technology & Low Carbon Fuels



CNG - 876



HHV - 1



HEV - 50



Hydrogen - 2X



LNG - 11



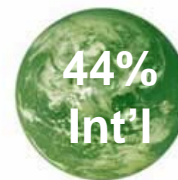
Electric - 3



Propane - 688

UPS's alternative fuel fleet of 1,629 vehicles has traveled 144 million miles since 2000. Adopted CNG in the 1980's.

- + 167 CNG in 2008**
- + 139 Propane in 2008**
- + 200 Hybrid Electric Vehicles in 2009**
- + 2 Hybrid hydraulic Vehicles in 2009**
- + 12 Electric in U.K. (6) & Germany (6) in 2009**
- 7 Hybrid Hydraulic Vehicles in 2010**



Electric in U.K.	1
CNG in Germany	3
CNG in France	16
CNG in Brazil	17
CNG in Chile	1
Propane in Mexico	7
Propane in Canada	672

International Alternative Fueled Fleet



- 1 Electric in U.K.
 - 3 CNG in Germany
 - 16 CNG in France
 - 17 CNG in Brazil
 - 1 CNG in Chile
 - 7 Propane in Mexico
 - 672 Propane in Canada
-

717 Total



HHV – Innovating Delivery!

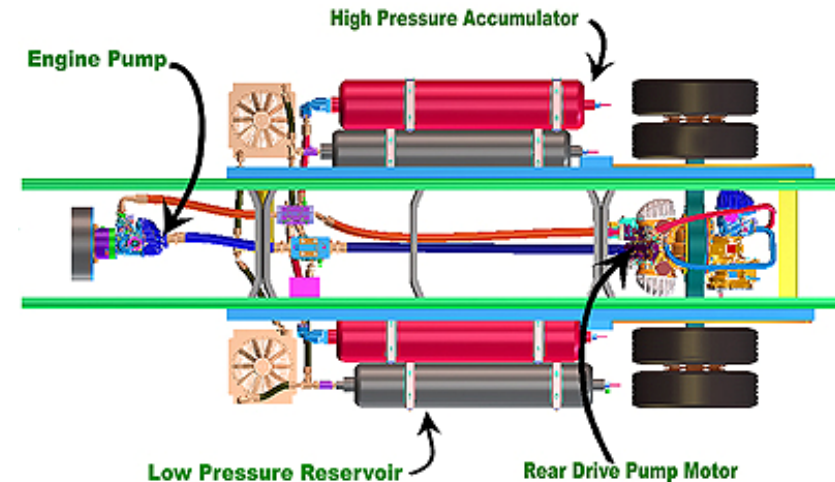
30% less carbon dioxide than normal UPS delivery trucks

- **Hydraulic Hybrid**

- EPA, UPS and Eaton Corp.
- Hydraulic energy storage and propulsion system
- Demonstrated 45-50 % mpg improvement
- Re-generative braking

- **If commercialized:**

- + \$7k increase in cost
- pays back in 2 years



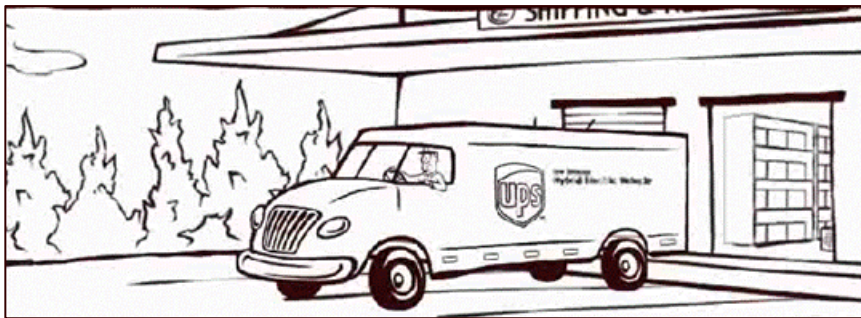
Aircraft Network Fuel Efficiency

- Retiring old & purchasing fuel & noise efficient aircraft
- Airline Fuel Conservation
 - Single engine taxi / optimize fuel on-board / auxiliary power / slowing flights when service not impacted / ...
- LIDO - Innovative routing technology
- ADS-B – In flight aircraft visibility
- SMS – Surface Management Systems
 - created in collaboration with the FAA and NASA to assist with Real-time Airline Operations Management Decisions
 - Proactive management of departure queues
 - Reduce aircraft taxiway congestion
 - Saves approximately 375,000 gallons of Jet Fuel annually

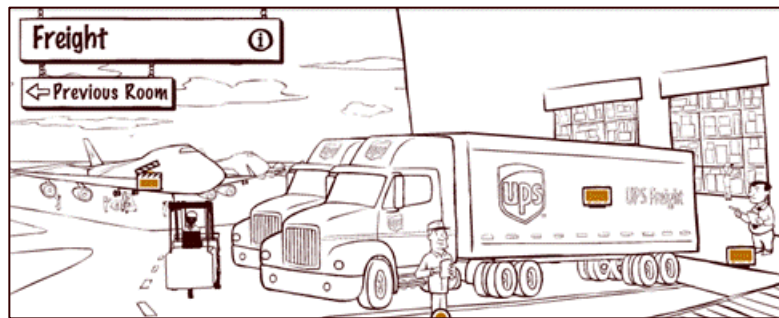


Customer request for 100% SmartWay Transport

- 100% of customer transport movements performed by vehicles in the SmartWay Transport Partnership.
- Customer met the criteria to label their product packaging with SmartWay logo



UPS Package SmartWay Transport Partner @1.25



UPS Freight SmartWay Transport Partner @1.25

Supply Chains. Synchronized.

We don't just synchronize deliveries.
We synchronize transportation around the world.



UPS Supply Chain Solutions

- UPS Supply Chain Solutions utilizes contract carriage in addition to UPS
- UPS initiative to bring all carriers into the SmartWay program

SmartWay – a good step towards valuing efficiency

A stronger economy.
A healthier environment.



SmartWay Transport Partners **DELIVER.**

Carriers

Carriers can integrate cost saving, fuel efficient technology and strategies into their fleet:

- Idle Reduction
- Improved Aerodynamics
- Improved Freight Logistics
- Automatic Tire Inflation Systems
- Driver Training
- Advanced Lubricants
- Advanced Powertrain Technologies

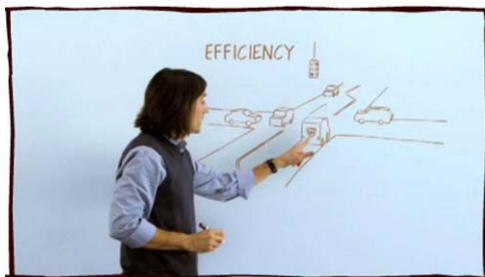
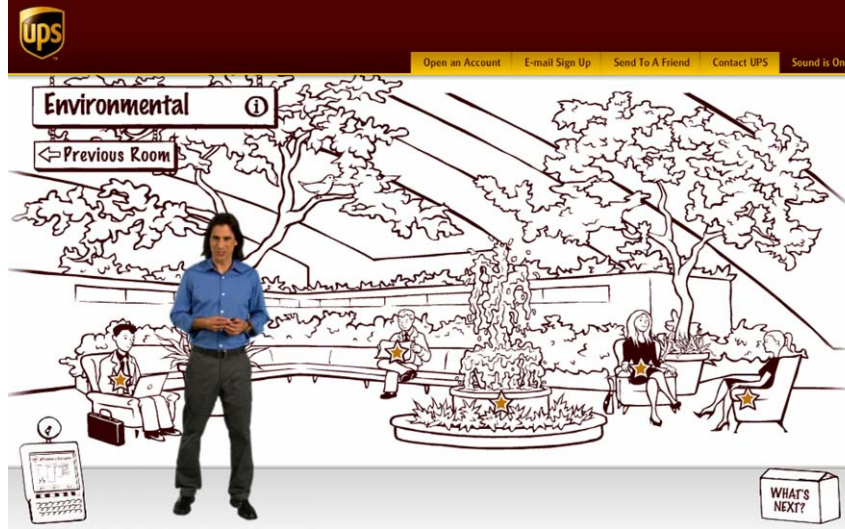
Shippers

Shippers can implement facility measures that improve efficiency and reduce emissions:

- Intermodal Shipping
- Pick-up and Delivery Scheduling
- Full Truck Loads
- Preferential Docking
- Warehouse Improvements
- Electric Forklifts
- Driver Comfort Stations
- Idle-Reduction at Docks

What Does SmartWay do for UPS!

- Complements our long standing strategy of “efficiency”
- A tool to SUM the fuel reduction and emissions benefits of multiple strategies
- Reinforces the “triple bottom line”
- Collaborative market mechanism that rewards environmental responsibility with revenue
- New forum for participation between shipper and carrier
- Adds Brand value through social and environmental responsibility



- efficient network
- routing technology
- intermodal

- all products on board
- paperless billing, invoices & customs
- packaging design lab
- environmentally preferable packaging
- UPS Sustainability – “walk the talk”

- Supply Chain optimization services

For more information go to: sustainability.ups.com and www.whiteboard.ups.com

No trees were killed in the preparation of this presentation