Progress Toward Sustainability Goals

In 2016, we established 10 sustainability goals to address our environmental impacts, advance industry-leading safety programs, and strengthen the communities where we live and work. We are proud to have achieved four goals one year ahead of schedule, and are on track to reach the remaining targets. Learn more about our progress in 2019.

2020 Social Impact Goals

$117 MILLION IN ANNUAL CHARITABLE CONTRIBUTIONS ✔

Annual charitable contributions reached $123.8 million in 2019, surpassing our 2020 goal one year ahead of schedule. This reflects a long-standing commitment by UPS, The UPS Foundation (our corporate citizenship arm), and UPS employees and retirees who generously support nonprofits and United Nations agencies that serve our communities and our world.

$118.3M — 2017
$114.9M — 2018
$123.8M — 2019
2020 Goal[1] $117M

[1] In 2018, we adjusted this goal from the previously stated goal of $127 million to $117 million to reflect enterprise-wide transformation initiatives.

20 MILLION VOLUNTEER HOURS ✔
(Cumulative since 2011)

UPSers, their families, and their friends contributed 3 million volunteer hours in 2019, driving our cumulative total since 2011 to 21.7 million volunteer hours and surpassing our 2020 goal one year early. We are proud of the employees whose commitment to community service makes a real difference around the globe. Each year, the Jim Casey Community Service Award is given to a UPSer who demonstrates an exceptional commitment to helping others in their community.

15.7M — 2017
18.7M — 2018
21.7M — 2019
2020 Goal 20M
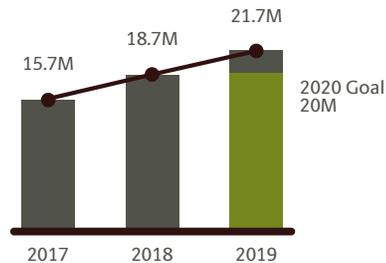
15 MILLION TREES PLANTED ✔
(Cumulative since 2012)

In 2011, UPS launched the Global Forestry Initiative to plant and preserve trees that help absorb carbon, prevent erosion, and provide wildlife habitat in urban and rural areas around the world. In 2019, we planted 2.8 million trees through employee volunteer projects and through grants to our environmental nonprofit partners, achieving our goal one year ahead of schedule with 15.4 million trees planted.

9.8M — 2017
12.5M — 2018
15.4M — 2019
2020 Goal 15M
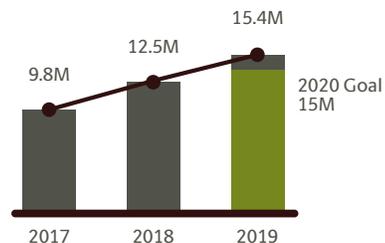
3% REDUCTION IN AUTO ACCIDENTS ✓
(Per 100,000 driver hours; 2016 baseline)

UPS is committed to sustaining our track record of industry-leading employee health, safety, and wellness programs across a growing workforce.

In 2016, we set a goal to reduce the number of auto accidents from 9.04 to 8.77 per 100,000 driver hours, representing a 3 percent reduction by 2020. In 2019, we surpassed this goal one year ahead of schedule, driven by continued investments in enhanced driver training techniques and advancements in vehicle technology. To continue our progress, we plan to install collision mitigation systems for select delivery trucks on targeted routes, based on the success of those systems in our tractor trailer fleet.

2016 (Baseline Year) **2018** **2019**

0%

-1.7%

2020 Goal -3%

-3.1%
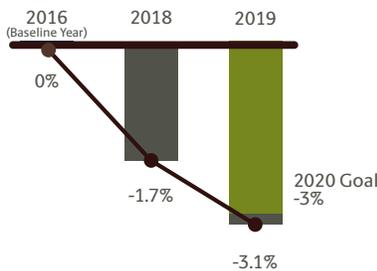
2% IMPROVEMENT IN EMPLOYEE ENGAGEMENT

In 2016, we set a goal to improve the Employee Engagement Index (EEI) 2 percent by 2020 (from 76.3 percent to 78 percent favorable). The EEI was derived from UPS's annual Employee Engagement Survey (EES); however, as part of our enterprise-wide transformation, we replaced the EES with the UPS Culture Survey, which launched in 2019. Moving forward, we plan to conduct the Culture Survey annually and evaluate development of a target to measure employee sentiment and engagement.


1% REDUCTION IN LOST TIME INJURIES
(Per 200,000 hours; 2016 baseline)

In 2016, we set a goal to reduce our rate of lost time injury (LTI) incidents from 1.82 to 1.80 occurrences per 200,000 hours worked by 2020. In 2019, our LTI rate rose to 2.07, a 13.7 percent increase over the baseline, primarily due to a continued increase in new employees hired to meet capacity demands of e-commerce growth.

Our research indicates a disproportionate number of injuries occur during the first year of employment. We continue to engage local health and safety committees to coach new hires as they learn and adapt to UPS's safety processes. In 2019, we introduced cloud technology that enables enhanced sharing of best practices across the committees and reduces administrative burden, increasing available time for in-person coaching with new hires.

We also enhanced the onboarding process by expanding the safety mentoring program to three months, and

13.7%

8.8%

0%

2020 Goal

2016 (Baseline Year) **2018** **2019**

-1%
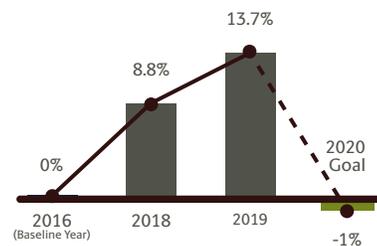
evolved the internal auditing process to better evaluate the safety culture in facilities and validate processes are being followed. To focus training for newer employees, we also introduced a metric to help track safety performance specifically for first-year employees.

Additionally, the segment of a delivery where a driver walks to and from the stop presents higher risks, such as tripping hazards. Thus, increased residential e-commerce deliveries impact the injury rate, so we are adapting our industry-leading safety methods and procedures to focus more on the increasing variables of residential delivery environments, compared to commercial stops.
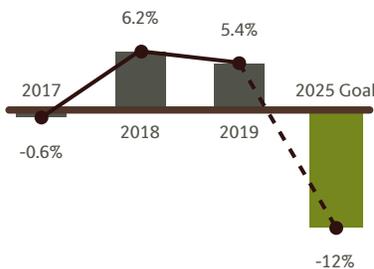
Environmental Goals

12% REDUCTION IN ABSOLUTE GHG EMISSIONS IN GLOBAL GROUND OPERATIONS
(By 2025; 2015 baseline)

In 2019, absolute emissions decreased 0.8 percent over 2018 performance; however, total emissions remain 5.4 percent above the 2015 baseline. When we set this goal, we expected to face headwinds due to e-commerce growth, which is driving a need for an increased level of residential package deliveries, as well as growth in the total number of shipments we complete. The e-commerce boom has also changed buyer behavior: consumers have become accustomed to getting nearly anything they want, when they want it, which is driving demand for faster shipping.

We have invested in operating capacity across our network to accommodate this volume growth, including network planning tools and technologies, as well as fleet expansion and facility automation, which, despite requiring more energy, help improve efficiencies across the network. The key pathway to achieving this goal is to spur the use of renewable energy across our fleet and facilities, so we set supporting targets to source more alternative fuels and to

expand our fleet of alternative fuel and advanced technology vehicles. We remain committed to this goal and are confident that recent investments in lower-emission vehicles and renewable fuels, as well as recent solar deployments, will accelerate our progress in the coming years.

We also continue to report on our GHG intensity goal, using the Transportation Intensity Index (TII), referenced below, which was introduced in 2010. Our goal is to reduce overall carbon intensity 20 percent by 2020 (2007 baseline). This Index captures the overall efficiency of our global network by measuring GHG emissions associated with transporting packages and freight for our customers in a given year. Separate carbon intensity metrics measuring the Scope 1 and Scope 2 CO_2e emissions for each of our three business segments are included in this Index. As of 2019, UPS has realized an overall carbon intensity reduction of 19 percent.

2017: -0.6%
2018: 6.2%
2019: 5.4%
2025 Goal: -12%

U.S. SMALL PACKAGE OPERATION
CO_2e/Package
-19.5%

GLOBAL AIRLINE FUEL
CO_2e/ATM
-12.8%

U.S. SUPPLY CHAIN & FREIGHT OPERATION
CO_2e/Pound of Freight
-32.1%

25% RENEWABLE ENERGY
(By 2025)

In 2019, we completed a 10MW deployment of rooftop solar arrays on facilities in New Jersey, Connecticut, and Massachusetts, and began procuring renewable electricity for more than 30 UPS facilities in Virginia. UPS operations in 10 European countries are now achieving near-zero emissions through the use of renewable electricity. These investments have generated a modest improvement over 2018, with 3.9 percent of our total electricity needs generated from renewable sources; however, there's more work to do to reach our 2025 goal.

Even as package volume increases, we must further slow the growth of energy use in our facilities. In 2020, we will

deploy additional solar arrays across select facilities and plan to explore other renewable electricity solutions that are feasible from an environmental and economic perspective, including additional purchases of renewable electricity.

2017: 0.1%
2018: 0.2%
2019: 3.9%
2025 Goal: 25%
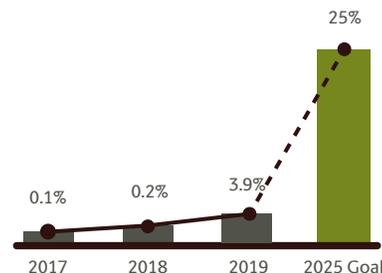
🔥 40% ALTERNATIVE FUEL AS A PERCENTAGE OF TOTAL GROUND FUEL
(By 2025)

The use of alternative and renewable fuels is critical to achieving our goal to reduce absolute GHG emissions. In 2019, we continued investing in alternative fuels for our ground fleet, purchasing 135 million gallons of alternative fuels, which represents 24 percent of our total ground fuel usage.

We also committed to purchase 250 million gallons of renewable natural gas (RNG) over the next several years, including the largest-ever single U.S. investment in RNG. As UPS continues to increase the percentage of alternative fuel and advanced technology vehicles compared to petrol and diesel-powered vehicles in the company's overall fleet, we expect to continue to be a leader in the purchase of alternative fuels. The company is roughly halfway to meeting our 2025 goal in this area.

⚡ 25% ALTERNATIVE FUEL & ADVANCED TECHNOLOGY VEHICLES AS A PERCENTAGE OF TOTAL VEHICLES PURCHASED
(In 2020)

UPS's fleet of more than 10,300 alternative fuel and advanced technology vehicles includes all-electric, hybrid electric, hydraulic hybrid, ethanol, compressed natural gas (CNG), liquefied natural gas (LNG), RNG, biodiesel, and propane vehicles.

In 2019, we continued expanding this specialized fleet; however, year-over-year investments slowed to 4 percent of new vehicles purchased. Nevertheless, we are on track to achieve this goal by the target date, driven by the 2019 commitment to purchase 6,000 natural gas-powered vehicles and planned vehicle purchases in the next three years.

In Q1 2020, we also announced a significant investment in the U.K.-based startup Arrival, which will expand our fleet to include an additional 10,000 all-electric vehicles.

	2017	2018	2019	2025 Goal
	22%	22%	24%	40%

	2017	2018	2019	2020 Goal
	12%	13%	4%	25%