



Accelerating Sustainable Solutions

2019 Corporate Sustainability Highlights

CEO Message

The World is Changing Fast. But UPS is Faster.



David Abney
UPS Chairman and CEO

As I write this letter for our annual Sustainability Report, it's difficult to think beyond the impact of the coronavirus pandemic on the economy, families and communities around the world. Some suggest this isn't the right time to talk about environmental and societal issues, which may feel less urgent at the moment. But I think these conversations are critical – now more than ever. The crisis has sparked innovation, collaboration and resilience that I hope we apply to future global challenges.

UPS is considered an essential business in many countries, so we're doing our part to support global coronavirus response efforts, from helping customers to realign supply chains and deliver critical supplies, to providing funds and in-kind transportation to our humanitarian relief partners.

We couldn't support these efforts without the hard work and dedication of nearly 495,000 UPSers around the world. The safety of our people is top priority and we are

We will continue partnering with customers, governments and non-profits around the world so we all come back stronger and healthier from this crisis.

taking actions to keep them safe, including enhancing cleaning procedures, providing protective equipment and introducing an emergency paid leave programme to help UPSers impacted by COVID-19.

During uncertain times, you can always count on UPSers to deliver. We will continue partnering with customers, governments and non-profits globally so we all come back stronger and healthier from this crisis.

This mindset of resiliency underpins everything we do at UPS, from helping communities recover from disasters to creating more sustainable practices that strengthen our business in an ever-changing world.

Reflecting on Sustainability at UPS

It's amazing how much has changed since I joined the company as a part-time parcel loader so many years ago. We've expanded to international markets, launched UPS Airlines and embraced innovation, from route optimisation technology to drone deliveries.

We also developed our Rolling Laboratory, a fleet of more than 10,300 lower-emission vehicles and invested \$1 billion in alternative vehicles, fuels and infrastructure over the last decade. Knowing that our customers are looking for ways to ship more with less impact, we were the first small parcel carrier to offer a carbon-neutral shipping option in 2009. The UPS Business Resource Groups, introduced in 2006, have advanced diversity and inclusion across the company, with nearly 200 chapters worldwide. And in 2016, we set new goals to address our environmental impacts, advance employee safety programmes, and strengthen our communities.

Advancing Sustainability in 2019

I'm grateful to have had the opportunity to champion UPS's sustainability initiatives over the years. Today, the pace of change is accelerating, and UPS continues to adapt to stay ahead. In 2019, we advanced sustainability in a number of ways, including:

- Achieving four of our 2020 sustainability goals one year ahead of schedule, including donating \$117 million in charitable contributions; volunteering 20 million hours; planting 15 million trees; and reducing road accident frequency by 3 per cent
- Making the US's largest-ever investment in renewable natural gas, which will reduce emissions by more than 1 million metric tons
- Adding more than 6,000 compressed natural gas vehicles to our fleet
- Launching UPS Flight Forward,™ one of the first US Federal Aviation Administration-certified drone airlines
- Introducing the annual Diversity & Inclusion Horizon Award to recognise business units that embrace diversity and inclusion to drive innovation
- Investing more than \$1 billion in training and development programmes to help employees build their skills and knowledge

While we're on track to reach our goal to have 25 per cent of vehicles purchased in 2020 run on alternative fuel or advanced technology, more work is needed to achieve our 2025 goals to reduce absolute emissions and use

more renewable energy across our operations. We are accelerating efforts to advance these goals, including a recent investment in the UK-based start-up Arrival, which will expand our fleet to include an additional 10,000 all-electric vehicles.

Preparing for the Future

I am thrilled that Carol Tomé, a member of the UPS Board of Directors since 2003, will be stepping up as UPS's 12th CEO and I will become Executive Chairman. I will retire from the UPS Board on 30 September 2020. To ensure a smooth transition and successful peak season, I will remain as a special consultant to the end of 2020 and then retire after 46 years to service. On 30 September, William Johnson, UPS Lead Independent Director, will assume the role of Non-Executive Chairman. With her experience, leadership and deep knowledge of UPS, Carol is well-equipped to take this great company to new heights.

As we face an urgent global pandemic, and continue to address prevailing challenges such as climate change, UPS remains a force for positive impact. On countless occasions, UPS has met challenges through innovation and collaboration. I am confident we will continue to deliver solutions the world needs.

David Abney
Chairman and CEO



Carol Tomé
UPS CEO Elect

During my time as a UPS Board member, I have admired the vision and commitment that put UPS on a path to creating a more sustainable company – and world. I thank David for his many years of dedicated leadership at UPS, including being a steadfast champion for sustainability. I look forward to building on this foundation as we create the next generation of sustainability at UPS.

Progress Toward Sustainability Goals

In 2016, we established 10 sustainability goals to address our environmental impacts, advance industry-leading safety programmes 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.



\$117 MILLION IN ANNUAL CHARITABLE CONTRIBUTIONS BY 2020

Annual charitable contributions reached US \$123.8 in 2019, reflecting a long-standing commitment by UPS, The UPS Foundation (our corporate citizenship arm), and UPS employees and retirees.



20 MILLION VOLUNTEER HOURS BY 2020 (Cumulative since 2011)

UPSers, their families and their friends contributed 3 million volunteer hours in 2019 and exceeded our goal early with 21.7 million total volunteer hours.



15 MILLION TREES PLANTED BY 2020 (Cumulative since 2012)

We planted 2.8 million trees in 2019, surpassing our goal one year early with 15.4 million total trees planted.



3% REDUCTION IN AUTO ACCIDENTS BY 2020 (Per 100,000 driver hours; 2016 baseline)

We achieved our goal one year ahead of schedule with a 3.1 per cent reduction in vehicle accidents.



2% IMPROVEMENT IN EMPLOYEE ENGAGEMENT BY 2020

In 2016, we set a goal to improve the Employee Engagement Index 2 per cent by 2020. The Index was derived from UPS's annual Employee Engagement Survey (EES). As part of our enterprise-wide transformation, we replaced the EES with the UPS Culture Survey in 2019 and plan to conduct the survey annually.



1% REDUCTION IN LOST TIME INJURIES BY 2020 (Per 200,000 hours; 2016 baseline)

Our LTI rate rose to 2.07, a 13.7 per cent increase over the baseline, primarily due to a continued increase in new employees hired to meet the capacity demands of e-commerce growth. To address this, we enhanced sharing of best practices, expanded the onboarding safety mentoring programme and evolved the internal auditing process to better evaluate safety in facilities.



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

In 2019, absolute emissions decreased 0.8 per cent over 2018 performance; however, total emissions remain 5.4 per cent above the 2015 baseline. We've faced headwinds due to e-commerce growth, as well as growth in the total number of shipments we complete. We remain committed to this goal and are confident that investments in lower-emission vehicles, renewable fuels and solar deployments will accelerate our progress.



25% RENEWABLE ENERGY BY 2025

In 2019, we completed a 10 MW deployment of rooftop solar arrays in the US and UPS operations in 10 European countries are now achieving near-zero emissions through the use of renewable electricity. These investments in renewable energy are generating 3.9 per cent of our total electricity needs.



40% ALTERNATIVE FUEL AS A PERCENTAGE OF TOTAL GROUND FUEL BY 2025

In 2019, we continued investing in alternative fuels for our ground fleet by purchasing 511 million liters of alternative fuels, which represents 24 per cent of our total ground fuel usage. We also committed to purchase 946 million liter equivalents of renewable natural gas over the next several years.



25% ALTERNATIVE FUEL & ADVANCED TECHNOLOGY VEHICLES AS A PERCENTAGE OF TOTAL VEHICLES PURCHASED IN 2020

In 2019, we continued proliferating our fleet of more than 10,300 alternative fuel and advanced technology vehicles, including a commitment to purchase 6,000 natural gas-powered vehicles. In Q1 2020, we also announced a significant investment in Arrival, expanding our fleet by an additional 10,000 all-electric vehicles.

A Message from Our Chief Sustainability Officer

Listen, Learn, Lead.

As I close in on my first year at UPS, I'm reflecting on what drew me to join this organisation. First, there's the company's reputation for integrity – when UPS commits to doing something, we deliver. Whether driving millions of miles in our alternative fuel and advanced technology vehicles, planting 15 million trees, or creating more sustainable ways to deliver parcels, our commitments make a difference and set an example for others in our industry.

I was also impressed with the company's bold ambition. In 2016, UPS announced a goal to reduce absolute emissions 12 per cent across global ground operations by 2025. The company set this goal despite anticipating significant growth in parcel volume – as well as energy use and emissions – as a result of sky-rocketing e-commerce. We are addressing these headwinds and remain optimistic, as we're already seeing our investments in lower-emission vehicles and fuels beginning to pay off.

We're making progress, but there's even more that UPS can and must do. Our customers look to us to help reduce climate impacts across their supply chains. UPSers want to work for a company that balances profit with a responsibility to protect the planet and take care of its people. Additionally, investors and other stakeholders are raising the bar and expecting more from companies on all aspects of sustainability. We must keep challenging ourselves to go further – and faster.

As we continue our enterprise-wide transformation, we're reimagining the possibilities of more sustainable facilities and fleets, such as near-zero-emissions buildings powered with microgrids and solar energy, as well as smart-grid charging and battery storage solutions for electric vehicles.

We are helping to commercialise and scale alternative fuels and technologies, including making the largest-ever purchase of renewable natural gas, and investing in vehicle start-ups to scale electric delivery trucks. And we're collaborating with NGOs on environmental targets for airlines and exploring pathways for lower-emission jet fuel options.



I'm proud to work for a company that accepts responsibility and has the clarity of purpose to lead. We don't have all the answers yet, but we're asking the right questions and creating innovative, long-term solutions.

Suzanne Lindsay-Walker
Chief Sustainability Officer and Vice President,
Environmental Affairs

I'm proud to work for a company that accepts responsibility and has the clarity of purpose to lead. We don't have all the answers yet, but we're asking the right questions and creating innovative, long-term solutions. UPS has demonstrated time and time again that we can achieve big things when we put our minds and resources to the task. Today's realities are no exception, as evidenced by the efforts of UPSers on the front lines of the coronavirus response. This unprecedented time reinforces the need to continually future-proof our business so that we remain resilient.

During the past year, I've spent a lot of time listening and learning in an effort to understand UPS's business and sustainability journey – where we've been and where we're headed. As we shape what's next for sustainability at UPS, we will build upon the decades of progress and accelerate actions that serve our customers, support our people and communities, and address our environmental impacts.

Sustainability by the Numbers

21.7 MILLION
Volunteer Hours

40,000
UPS Access Point®
Locations

3,500+
Women-Owned
Businesses
Supported

1.6 MILLION+
Cleaner
Kilometers
Driven Daily

1st
Federal Aviation
Administration (FAA)-
Certified Drone Airline,
UPS Flight Forward™

250 MILLION
Metric Tons of Emissions
Avoided through RNG
Commitments

125,000
UPS Drivers

\$1 BILLION
Invested in
Alternative Fuels
and Vehicles Since
2009



Delivering When It Matters Most How UPS is Responding to Coronavirus

The novel coronavirus (COVID-19) has put unparalleled strains on our healthcare system, economy and society. People have been asked to stay home to prevent the spread of the pandemic. Supply chains shifted dramatically. Yet vast reserves of medical equipment must make their way to hospitals, testing sites and clinics as quickly as possible to treat those affected. This unique combination of demands and constraints has created a significant logistics challenge.

With our 113 years of global logistics experience, we are uniquely positioned to meet that challenge.

A Smart Global Logistics Network

UPS began responding to the coronavirus in early January, when it first affected our operations in China and other parts of Asia. We supplied personal protective equipment (PPE) to our employees; helped customers to realign supply chains and modes of transport due to work disruptions from government-mandated shut-downs; and used our network flexibility to realign capacity when volume shifted out of China. This agility prepared us for further changes as outbreaks have spread across the world.



Governments understand the important role that UPS plays in global commerce. Many have designated UPS as an essential business, enabling us to continue delivering daily essentials and life-saving medicines for our customers.

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Humanitarian Logistics and Community Support

UPS and The UPS Foundation bring extensive experience helping communities prepare, respond and recover from natural disasters and humanitarian crises – and we're applying these capabilities to help address this pandemic. In addition, local UPS teams engage directly with local community organisations. We are supporting the COVID-19 response with our global smart logistics network and funding local national and international community partners with more than \$21 million in funds, in-kind shipments and logistics support. This support assists current humanitarian efforts and continues to help local communities through the recovery phase. Our funding of local communities prioritises food security, education, healthcare, financial sustainability and continuity of ongoing programmes.

For example, UPS is providing loaned executive logistics experts to assist with public-private partnerships, including our collaboration with FEMA to help distribute PPE and necessary materials to healthcare workers across the United States. We are also launching drone delivery alongside CVS to the largest US retirement community, home to more than 135,000 residents.

An Unmatched Team

UPSers are accustomed to rallying when needed, such as our festive peak delivery season or periods of extreme weather. Their support of our coronavirus efforts is no different. UPS drivers, pilots, parcel handlers and others behind the scenes have stepped up with a level of commitment and dedication like never before. We're taking actions to keep our people safe, such as adjusting our operating procedures; rapidly enhancing cleaning procedures for facilities, vehicles and aircraft; and quickly deploying and replenishing resources like gloves, hand sanitiser and face masks. At every step, we're prioritising the safety of our people and responding to their needs.

Staying the Course

Coronavirus has upended life as we know it. During this uncertain time, many customers have told us that life feels a little more normal again when they see that familiar brown delivery truck come down their road. Whatever the future holds, UPS will do all that we can to continue to support our employees, customers and communities worldwide.




Dear UPS driver,
You are delivering medication that is helping to keep me out of the hospital as I battle a pregnancy-related condition. I know in these times it is not easy to continue to do your job. I am so grateful for your sacrifice. It does not go unnoticed.

Thank you!!!



The dedication of UPSers around the world has not gone unnoticed. As people are sheltering in place, UPS drivers are receiving an outpouring of support and messages of appreciation for delivering during this time of need.

 **Watch the video [here](#).**

All Hands on Deck for Expo 2020 Dubai

As the official logistics partner of Expo 2020 Dubai, UPS plays a key role in the lead-up to the event. While we bring expertise managing logistics for mega-events like the 2008 and 2012 Olympic Games, the six-month-long Expo 2020 will be an effort unlike any other.

The Expo has set goals to use sustainable building materials and preserve 80 per cent of permanent construction after the Expo ends. UPS is applying our decades of expertise in sustainable logistics, including our zero-emissions and telematics solutions, to mitigate the environmental impacts of the Expo. Despite the postponement of Expo 2020 to October 2021 due to coronavirus concerns, our commitment to deliver a sustainable Expo remains top priority.

UPS and Expo 2020 Dubai announced our partnership in 2017 and, since then, we have increased our capacity, technology and staff capabilities in Dubai. This expanded presence will remain after the Expo concludes, allowing UPS to support commerce and trade in this fast-growing region.



 **25 million** visitors

 **1 million+** deliveries by UPS before the Opening Ceremony

In Dubai, United Arab Emirates, UPS is taking on one of its most complex logistics challenges ever.

Lessons from Our eBike Journey

UPS is exploring a range of solutions to make deliveries within cities more efficient and with zero emissions, including through electric bicycles, tricycles and even drones. We launched our first eBike delivery pilot in 2012 in Hamburg, Germany and, today, we are working on more than 30 urban logistics projects in cities worldwide. After nearly a decade of collaborating on innovative urban delivery solutions, we've learned a lot about which options work best in different areas.

Insights from Trinity College Dublin: Many customers make for more efficient delivery

Compared to large delivery vans, bikes are better suited to make multiple stops within highly dense areas. Campus environments – where thousands of potential customers live and work in a condensed area – are ideal for bike delivery.

At Trinity College Dublin, UPS eBikes now make deliveries from a parcel Eco Hub on campus, and students and staff can collect parcels from storage lockers at any time of day.



Driving Solutions for Sustainable Shipping

Customers often want to make their shipping more environmentally sustainable, but often are unsure which move to make. We offer a range of solutions that customers can choose to ensure a lower-carbon journey.

Start Here: Choose UPS

We deploy initiatives to lower the CO2e emissions of our global logistics network. By simply choosing UPS, parcels travel on a more sustainable journey.

Initiatives

- Alternative fuel and advanced technology fleet
- Global, integrated and optimised logistics network
- Use of carbon-efficient transportation modes, such as rail, sea and cargo bikes
- Route optimisation to ensure more efficient delivery
- Green building certifications and renewable energy for facilities

Next Step: Choose Sustainable Solutions

We provide solutions that offset carbon emissions entirely or lower them through more efficient trips that optimise routes and/or increase parcel density.

Solutions

- Carbon impact analysis
- UPS carbon-neutral shipping
- UPS My Choice® for home
- UPS My Choice® for business
- UPS Access Point® network
- UPS Smart Collection® service¹
- UPS Synchronised Delivery™ service²

The Extra Mile: Choose to Collaborate

We work with customers to measure and manage the carbon emissions of their shipping and to design more sustainable packaging.

Initiatives

- UPS Co-Innovation workshops
- Supply chain optimisation analysis
- Eco-responsible packaging programme
- Packsize on-demand packaging³

Circular Initiatives in Action

Nespresso is the pioneer in premium, single-serve coffee. While Nespresso capsules are made from aluminium, which is infinitely recyclable, they do not always reach recycling facilities. In partnership with UPS, Nespresso has established a dedicated capsule recycling programme in the US.

Nespresso offers consumers pre-paid recycling bags to send back used capsules, which can be dropped off at any UPS location or returned to any Nespresso Boutique or other participating retailers. Capsules are then sent to recycling partners who separate the coffee grounds from the aluminium. Aluminium is processed and reused, while coffee grounds are composted into high-quality soil used for landscaping.



¹Currently available in the US, the UK and Germany

²Currently available in the US.

³Currently available in the US and Europe

UPS's History of Drone Delivery

2016

- With philanthropic support from The UPS Foundation and Gavi, the Vaccine Alliance, Zipline launches the world's first national-scale drone delivery service to bring life-saving blood to hospitals in Rwanda.
- UPS collaborates with CyPhy Works to test drones for parcel delivery to remote or difficult-to-access locations.

2018

- The UPS Foundation partially underwrites the construction of Zipline's second drone delivery facility in Rwanda, which helps to further expand medical access for the country's 11 million citizens.

2017

- UPS tests delivery of a parcel by a drone launched from the roof of a delivery van.
- The UPS Foundation and The American Red Cross use a CyPhy tethered drone to assess damage in areas affected by Hurricane Harvey.

2019

- The UPS Foundation and Gavi help fund the construction of four Zipline distribution centres in Ghana. Since 2016, Zipline has made over 35,000 critical and lifesaving deliveries in Ghana and Rwanda thanks, in part, to the philanthropic support of The UPS Foundation.
- UPS launches its own delivery service on WakeMed Health & Hospitals campus.
- UPS Flight Forward™ receives one of the Federal Aviation Administration (FAA)'s first full Part 135 Standard certifications to operate a drone airline, led by an all-female flight crew.

LOOKING AHEAD

- Completes the first revenue-generating drone delivery of a medical prescription to a consumer's home.
- Planning to build a centralised Operations Control Centre.
- Partnering with drone manufacturers, such as Wingcopter and Matternet, to build new drones with greater carrying capacity and advanced technology.



Alternative Vehicles on the Move

With more than 1.6 million kilometers driven globally by our 'rolling laboratory' each business day, there's no better way for UPS to pilot new fleet innovations than out on the roads.

Scaling Our Alternative Fleet

Our more than 10,300 lower-emission vehicles make up a rolling laboratory that amasses data on which alternative fuels and advanced technologies work best in various routes and areas. Several initiatives announced in 2019 and 2020 are moving us closer towards our fuel and fleet goals.

Globally, we are investing in more energy-efficient vehicles and cleaner fuel to power them. Between 2020 and 2022, we will purchase more than 6,000 heavy-duty gas trucks, terminal tractors and medium-duty walk-in vans equipped with compressed natural gas (CNG) fuel systems provided by Agility Fuel Solutions. By 2026, UPS

will also have purchased 946 million liter equivalents of renewable natural gas (RNG). Our purchase of 644 million liter equivalents of RNG from Clean Energy Fuels Corp. marked the largest-ever purchase of RNG by any company in the U.S. UPS's RNG purchase will yield at least a 70 per cent reduction in lifecycle greenhouse gas emissions compared to using diesel or petrol.

Accelerating Fleet Electrification

Since 2016, UPS and Arrival have worked together to pilot electric vehicle (EV) concepts of different sizes. We announced our intention to co-develop a test fleet of 35 electric delivery vehicles in London and Paris, and Arrival is the first manufacturer to provide purpose-built EVs for UPS's specifications. In 2019, UPS Ventures, our venture capital arm, completed a minority investment in Arrival and announced a commitment to purchase 10,000 of their custom-built EVs.

Investments in Lower-Emission Deliveries

UPS will deploy **10,000** all-electric delivery vans, custom-built by EV-manufacturer Arrival, in North America and Europe.

Fuelling the fleet will be **946M** liter equivalents of renewable natural gas, the largest purchase commitment in US history.


We will purchase **6,000+** compressed natural gas (CNG) vehicles between 2020 and 2022, almost doubling our CNG fleet.

US \$1 B+ invested in alternative fuel and advanced technology vehicles, fuels and infrastructure over the last decade.




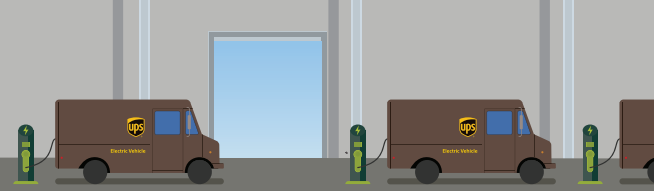
Sustainable Facilities

UPS is investing in cutting-edge technology at our facilities that will allow us to handle heightened parcel volumes more efficiently than ever. This upgraded capacity will increase our energy usage, which is why we are working towards goals to reduce GHG emissions associated with our ground operations and source more electricity from renewables.




Visalia, CA, US

Once online, a battery microgrid and on-roof solar power will make this a near-zero-carbon facility. Electric and RNG vehicles will operate from this hub.

Camden, UK.

Smart-grid technology enables simultaneous charging of an entire fleet of electric delivery trucks. We are also testing the potential for second-hand batteries to be repurposed for on-site energy storage.




Spreading Positivity, One Delivery at a Time

Empowering Women in Technology at UPS

Being a woman in a technology-driven career can often mean being the only woman in the room. So, in 2019, UPS launched its Leadership Summit focused on increasing the representation of women in technology at UPS.

The agenda included listening sessions featuring the next generation of female leaders and workshops that equipped allies with tools to better support women at UPS. With more than 100 leaders in attendance at UPS's Innovation Centre in New Jersey, the event provided an opportunity to connect, collaborate and enhance greater diversity and inclusion. Insights gathered during the Summit were used to develop a women-in-tech roadmap for 2020 and beyond.

UPS Chairman and CEO David Abney delivered the closing keynote and question-and-answer session. He shared his insights on technology and innovation, along with the importance of diversity and inclusion. 'I believe we must leverage diverse perspectives by ensuring everyone's voice is not just heard, but listened to,' Abney said.



Female leaders bring the diversity of thought, experience and talent essential to doing business in an increasingly diverse and global world.

David Abney
UPS Chairman and CEO

 [Watch the video here.](#)

When Jenny Rosado started her career with UPS, deliveries were tracked on clipboards and modern power steering was still years in the future. More than 30 years later, this Circle of Honour delivery driver reflects on what's changed – and what keeps her at UPS.

I started at UPS back in 1989. I had taken a semester off from college and my intention was to go back and finish. Then, I happened to meet a friend who said, 'Why don't you come to UPS?' I planned to do it for a few months, but soon I realised that university wasn't the path for me. I never looked back.

Thirty-one years later, it's amazing how much things have changed here. Technology is one of the most obvious ways – for example, dispatchers used to contact us using pagers or leave messages at certain collection spots. Now, we have tools like the DIAD [Delivery Information Acquisition Device] that keep us connected at all times.

I'm also proud of how much UPS's focus on safety has evolved. Every morning, supervisors hold prework communication meetings (PCMs) with drivers before they head out on their daily routes. In the past, these meetings were the same day after day, and drivers would often tune them out. I help write PCMs now and always remind drivers that their last stop is home. I also make sure that the topics we cover are different each day. One day could be about safely turning corners. Another could be about slips and falls. Since doing this, I've noticed that more people are attending and paying attention because there's always something more to learn.

Besides writing PCMs, I help mentor and encourage other drivers, especially newer ones. That means not only training them to work safely, but also boosting their confidence. When my co-workers are frustrated, I do what I can to bring them along. A few days a week,

I've been doing the routes I have now for about eight years, and some of my customers are really like friends and family.

I send out either a positive quote or a question of the day – my way of helping drivers be more aware of their feelings and start their days off on the right foot. Many people think that being a delivery van driver is a lonely job. But I'm a real people person, and going on the road and meeting people is one of the reasons I love this work. I've been doing the routes I have now for about eight years, and some of my customers are really like friends and family. One of my favourite things is when I see a customer who I can tell is in a bad mood, and I can just flip their whole mindset and change it into something positive. It's nice to interact with different people and get to see how other people live and think.

The Logistics of Disaster Response

As natural disasters around the world become more frequent and destructive, it's clear that responding effectively is both a humanitarian and a logistical challenge. Up to 60 per cent of goods donated after a disaster end up going to waste.

After Hurricane Dorian hit the Bahamas in 2019, a familiar pattern repeated itself. Donations arrived without a recipient and there was no strategy or resources to sort, inventory and circulate goods. Because roads, ports and communication grids were heavily damaged, distributing supplies across the islands was next to impossible. The UPS Foundation, alongside

Good360, wants to help break this cycle. Good360 works to channel donors' well-intentioned generosity by matching donations with non-profits in need, developing best practices for in-kind support, and driving more proactive and impactful giving. Through our work with Good360 and its on-the-ground partners, we're providing cash grants and in-kind transportation towards recovery efforts in the Bahamas. We're also helping Good360 develop strategies to overcome the constraints disasters often present, such as the destruction of warehouses, airport closures and mobility issues that limit survivors' ability to receive donations and supplies.

We hope for a more thoughtful approach to giving across the entire life cycle of a disaster, not just the immediate aftermath. As The UPS Foundation and Good360 continue our work together, we hope to speed recovery in the Bahamas – and any future disaster zones.

Our partnership with The UPS Foundation helps Good360 get the right goods to the right people at the right time.

Matt Connelly
Good360 CEO

Shared Values, Shared Successes

Working with suppliers who reflect UPS's diverse markets helps us better serve customers and contributes to the economic development of our communities. Belle-Pak, a minority-owned business founded in 1991, is a long-time supplier to UPS providing packaging materials such as polyethylene bags, waybill pouches and clinical bags. Vice President and cofounder Yves Nahmias shares how his company is advancing sustainable packaging innovation for customers like UPS.

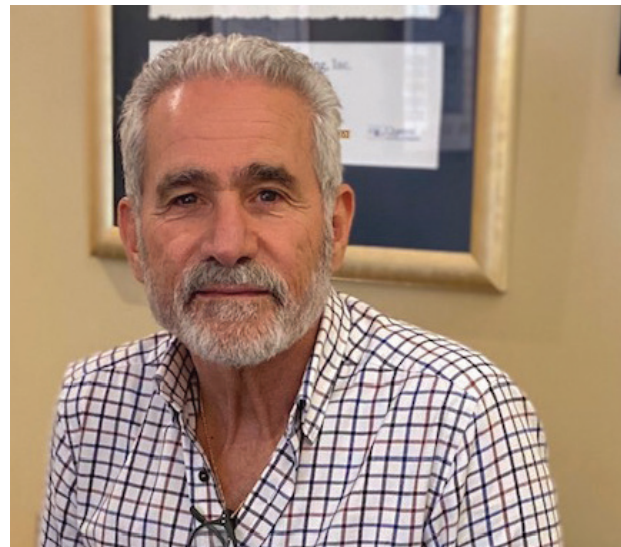
Q: UPS's supplier diversity efforts include making sure that our suppliers have diversity initiatives within their own supply chains. What work is Belle-Pak doing on this front?

We started the company in 1991 in Ontario, Canada. We've been working with UPS for more than 20 years, and have come a long way in that time. Today, we have facilities in Ontario, Massachusetts and Georgia that employ over 240 people. We supply post offices and courier companies throughout North and South America, as well as Europe.

Q: What's the role of innovation in Belle-Pak's business?

Every year, we invest between \$3 million and \$4 million in new equipment. We strive to minimise our carbon footprint and help our customers reduce theirs. That's why we continuously collaborate with customers like UPS to develop more sustainable packaging options, such as reducing the thickness of poly bag materials.

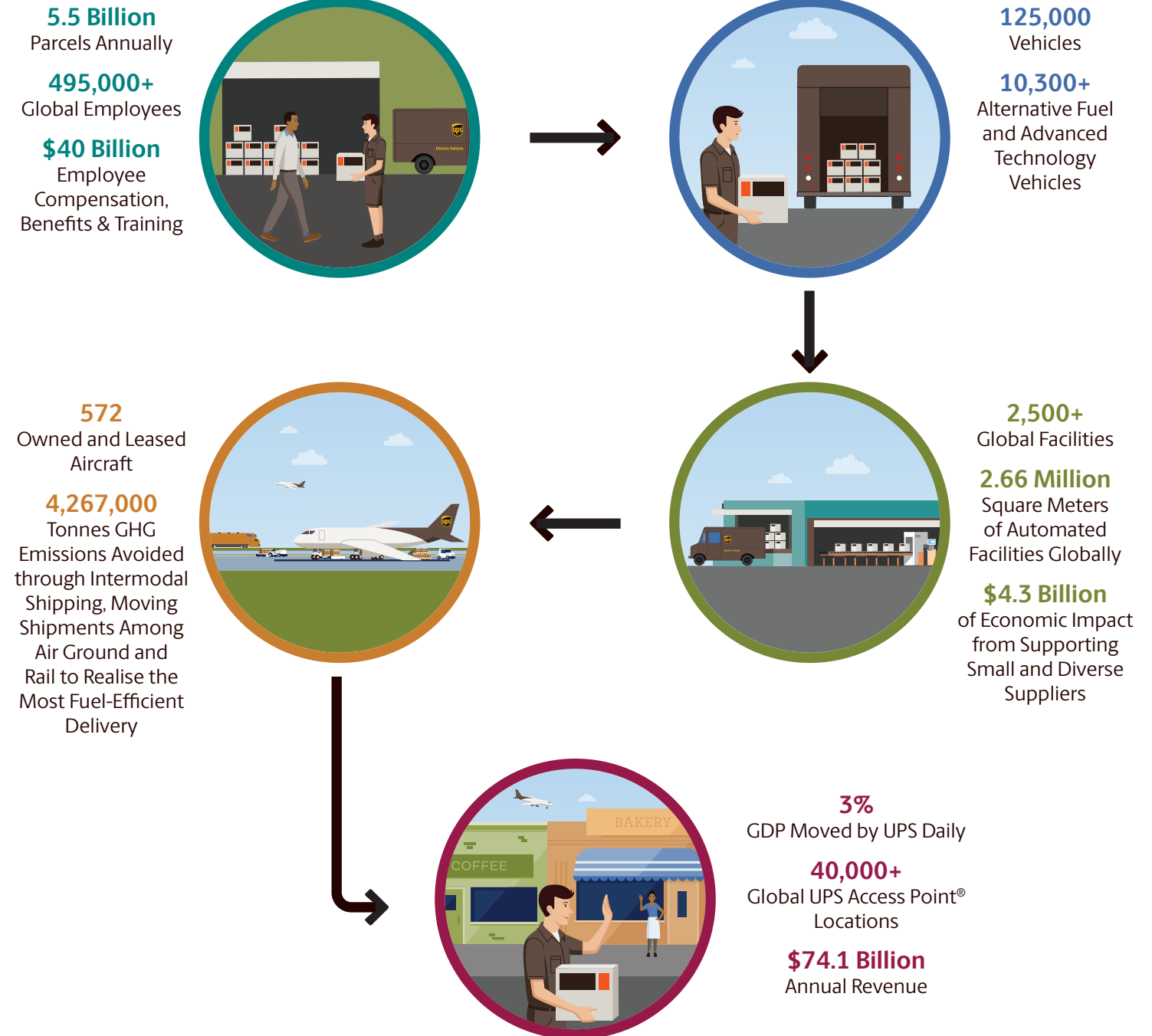
We also look out for opportunities for logistical innovation. Now that we have a warehouse in Atlanta, we can more easily fulfil small orders directly to operations centres. This not only saves us money, it helps us better serve customers like UPS.



Yves Nahmias
Vice President, Belle-Pak Packaging Inc.

UPS Global Value Chain

As a global leader in logistics, we provide a broad range of solutions that transport parcels and freight, facilitate international trade and deploy advanced technology to more efficiently manage the world of business. We input the assets and capital that comprise our global logistics network in order to output the deliveries and services enabled by that network. Our service offerings include Global Small Parcel, Insurance & Financing, Logistics & Distribution and Freight Forwarding. We measure impact through the economic, social and environmental difference made by our global logistics networks.





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