



# 2021 Sustainability Report

## Our ESG Highlights

Environmental | Social | Governance





# Delivering What Matters

At UPS, we're committed to pursuing planet-friendly solutions to improve the well-being of our people, customers, stakeholders and every community we serve around the world. That's why driving our Environmental, Social and Governance (ESG) initiatives across our company is more important than ever.

In 2021, our 534,000 UPSers worldwide focused on building more sustainable, resilient and inclusive communities. Together, they helped advance progress on our ESG goals, moving our world forward by delivering what matters.

“**ESG makes good business sense.** We've seen how climate change and other socioeconomic challenges intersect, which is why we're **leading global conversations and delivering innovative solutions** that will create a more **sustainable, equitable and inclusive world.**”

**Carol B. Tomé**  
Chief Executive Officer, UPS

## Environmental Goals

UPS has a roadmap to reach carbon neutrality by 2050.

- **40%** alternative fuel in our ground operations by 2025
- **25%** renewable electricity powering our facilities by 2025
- **30%** sustainable aviation fuel (SAF) in our aircraft by 2035
- **50%** reduction in CO2 per global small package (2020 baseline) by 2035
- **100%** renewable electricity powering our facilities by 2035

## Social Goals

UPS will help improve the well-being of 1 billion lives by 2040 through:

- **25%** charitable donations from The UPS Foundation targeted toward underserved women, youth and marginalized communities
- **30%** women in full-time management globally and **40%** ethnically diverse company management in the U.S. by 2025
- **30M** volunteer hours, with **1M** of these hours dedicated to underserved Black communities, by 2030 (2011 baseline)
- **50M** trees planted with a focus on greening urban communities by 2030 (2012 baseline)

## Governance

UPS remains committed to a transparent and inclusive governance structure.

- UPS was one of the first companies to issue a Corporate Sustainability Report in 2003, and we have continued to report annually ever since, making this year our 20th report.
- UPS's annual Sustainability Report is developed in accordance with the standards set by the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and The Task Force on Climate-related Financial Disclosures (TCFD).
- UPS has a diverse Board of Directors and C-suite to better represent our workforce reflecting our continued commitment to inclusion with industry-leading representation by women and an ethnically diverse management.

\* Company goals are aspirational and not guarantees or promises that all goals will be met, due to dependence on technological innovations and other available resources needed to drive environmental change. Statistics and metrics relating to ESG matters are estimates and may be based on assumptions or evolving standards.

# Our Approach

UPS approaches our sustainability goals holistically.

- Driven by integrity, we ensure cross-functional ESG initiatives align with the company's business strategy – Customer First, People Led, Innovation Driven.
- We listen to our customers and offer solutions such as carbon neutral shipping, supply chain optimization, and carbon calculators to help them minimize their carbon footprint. »
- We deliver social impact through our commitment to DEI and The UPS Foundation giving that's focused on health and humanitarian relief, equity and economic empowerment, local community engagement (volunteerism) and planet protection. »
- We continue to foster a culture where equity, transparency, authenticity and a sense of belonging are the norm in our workplace so that our people can promote the same in the communities we serve. »



“Integrity is a core value at UPS. Maintaining a transparent and inclusive governance structure is important for driving our social and environmental goals.”

**Norm Brothers**

EVP & Chief Legal and Compliance Officer

## Customer First

We are committed to providing solutions to help our customers achieve their sustainability goals throughout the supply chain.

- Supported **31,000** women small business owners via UPS's Women Exporters Program since 2018 »
- Funded **\$580K** in grants to Black, LGBTQ+, Hispanic/Latinx and AAPI communities small-business owners through the UPS Proudly Unstoppable program »
- Increased our small and diverse supplier spend to **\$3.3 billion** in 2021 »

## People Led

UPSers are key to our business, and 'You belong at UPS' is our rallying cry. We value the contributions of all of our people and encourage everyone to bring their unique perspectives, backgrounds, identities, talents and skills to work every day.

- Managed by a Board of Directors that is **31% ethnically diverse and 46% women** »
- Led by one of the few woman CEOs in the Fortune 500 ranks, **Carol B. Tomé** »
- Guided by a diverse C-suite of **30% Black executives and 40% women** as of March 2022

## Innovation Driven

Through best-in-class engineering, UPS is reimagining our network with innovative investments that include electric ground and air vehicles, cleaner-burning fuel, smart electric re-charging capabilities and climate-conscious facilities.

- Maintained one of the world's largest private fleets of **green and advanced technology vehicles** that have driven **3 billion miles on alternative fuel** since 2000 »
- Improved last-mile deliveries via 30+ urban logistics projects including **eQuads and electric bikes**, and have committed to purchase up to **10,000 customized all-electric delivery vans** »
- Distributed and delivered more than **1 billion** Covid vaccines in over **110** countries with 24/7 real-time monitoring of each shipment bringing innovation to healthcare deliveries »

“As a purpose-driven company, we're advocating for public-private partnerships and policy solutions that will help us reach our 2050 goal of carbon neutrality and that will advance equity and justice in our world.”

**Laura Lane**

EVP & Chief Corporate Affairs Officer

# Progress and Milestones

“Good social and environmental stewardship are core values for UPS. We recognize that our customers and investors expect ESG to be a priority for the way we do business.”

**Brian Newman**  
EVP & Chief Financial Officer

 Participated in COP26, discussing fuel-agnostic carbon reduction solutions and encouraging more public partnerships. >>

 Purchased 156 million gallons of alternative fuels, representing 26% of our total ground fuel usage, up from 22% in 2020.

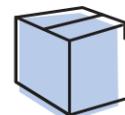
 Generated 5% total electricity from rooftop solar power and renewable electricity globally in 2021.

 Showcased and deployed electric vehicle fleet and off-grid solar power charging infrastructure at Expo 2020 Dubai. >>

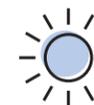
 Launched our Forest of the Future initiative, part of The UPS Foundation's global commitment to climate action, which contributed to the 3.2 million trees planted in 2021 and now totaling 22 million since 2012. >>

 Named a Top Socially Responsible Dividend Stock; one of the Civic-Minded Top 50 Companies; and one of the World's Most Admired Global Brands. >>

 Launched our Proudly Unstoppable program to support diverse-owned SMBs disproportionately hard hit by the pandemic. >>

 Transported more than 2,700 shipments of humanitarian supplies to people and places in need all over the world. >>

 Contributed more than \$20 million in funding, in-kind logistics and technical support for community safety initiatives.

 UPSers logged 1.1 million volunteer hours in 2021, totaling 24 million volunteer hours since 2011.

 Delivered over 1 billion vaccines to over 110 countries, including 30 underserved countries through our in-kind logistics support.

 Reached 26% women globally and 36% ethnically diverse management in the U.S. in 2021.

 Publicly released our EEO-1 data in 2021.

 Released our 20th annual Corporate Sustainability Report.

Learn more about our progress toward our goals on About UPS. >>

## We're Just Getting Started

- Deploying hundreds of custom-built electric vehicles in Europe and the U.S. in 2022.
- Purchasing 250 million gallon-equivalents of renewable natural gas (RNG) over the next several years, becoming one of the largest consumers of methane-reducing RNG in the transportation industry.
- Collaborating with fuel producers, customers and industry peers to bring scale to the Sustainable Aviation Fuel market.
- Purchasing an estimated more than 18 million neat gallons of renewable diesel and biodiesel in 2022 in the U.S., nearly doubling our order from 2021.
- Developing a platform for our outside service providers (OSPs) to help them implement best practices to reduce emissions in their operations.
- Addressing our pandemic-driven rise in emissions with a strategic and innovation-driven approach in a post-Covid world.
- Investing in new technologies like electric vertical take-off and landing (eVTOL) aircraft, healthcare delivery drones and hydrogen fuel cell vehicles. >>
- Growing UPS Sustainability Trailblazers, an ESG employee ambassador program, to create an ESG mindset across the company. >>
- Improving the well-being of 1 billion people by 2040 through our Foundation and community engagement efforts.
- Working to expand our 185+ employee-led Business Resource Groups (BRG) to support their initiatives worldwide.
- Piloting women's leadership pipeline and development programs at supervisor and manager levels to increase their representation in the most critical roles in our company.