



UPS Statement on Climate Change

As a global transportation and logistics company, UPS recognizes that greenhouse gas (GHG) emissions affect our climate and pose a serious challenge to the environment—and ultimately to the global economy. We believe that everyone shares responsibility to improve energy efficiency and to reduce GHG emissions in the atmosphere. UPS supports global and national efforts to mitigate the impact of climate change. Beyond complying with all applicable laws and regulations that help reduce greenhouse gas emissions, and encouraging market adoption of low greenhouse gas emission technologies, our position on climate change policy is guided by five principles:

- We believe that any global or national strategy to address climate change must be environmentally sustainable and economically viable.
- We believe that any climate change policy should be technology-neutral and designed to encourage private sector innovation and investment so that emissions reductions can be achieved in the most efficient manner possible.
- We believe that any global or national strategy to address climate change must be developed with input from stakeholder communities, including the public and private sectors, nongovernmental organizations, academia and investors.
- We believe that any policy to regulate greenhouse gas emissions should provide a clear, stable framework that enables the private sector to invest accordingly, and that minimizes the market imbalances that can result from policies applied unequally within or among nations.
- We believe that any policy to regulate greenhouse gas emissions should fairly account for companies that have already taken voluntary steps to reduce their greenhouse gas emissions.

UPS is a responsible corporate citizen across more than 220 countries and territories around the world. Our business success and our environmental stewardship both depend on the efficiency of our global logistics network. Our long-term greenhouse gas reduction strategy is to optimize the processes that consume non-renewable resources within this

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network. We also recognize that, as a critical component of our customers' supply chains, UPS plays an important role in helping them operate in a more environmentally sustainable way.

We continuously review all aspects of our business with sustainability in mind, including: systems, procedures, equipment and operating processes. These efforts are developed in tandem with our plans for growth and profitability. Our plan includes:

- Network and mode optimization to minimize the miles traveled and energy consumed
- Investments in fuel-saving technologies
- Investments in alternative fuel vehicles
- Energy conservation through facility design, operational practices, renewable energy and retrofitting
- Accurate, verified disclosure of global greenhouse gas emissions data per recognized standards

All these measures include both ongoing and new initiatives throughout our entire enterprise. We utilize technology-enabled, behavior-based and engineering-based approaches to minimize our environmental footprint. We will continue to improve our operating efficiency, which is one of the significant ways we reduce our energy and fuel use. We also consider stakeholder engagement an essential aspect of corporate governance and consult regularly with a diverse and global set of stakeholders focused on climate change and emissions issues. We report on these engagements and on our energy consumption and emissions goals in our annual corporate sustainability report, which can be found at about.ups.com/social-impact/reporting.

Ultimately, we believe it will take collaboration among governments, industry, academia, consumers and communities to develop solutions to climate change. UPS is committed to helping develop these solutions in an environmentally sound and economically sustainable way.

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