

Decision GreenSM

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Sustainability @ UPS

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Decision GreenSM

UPS / SmartWay / Carbon in Supply Chains

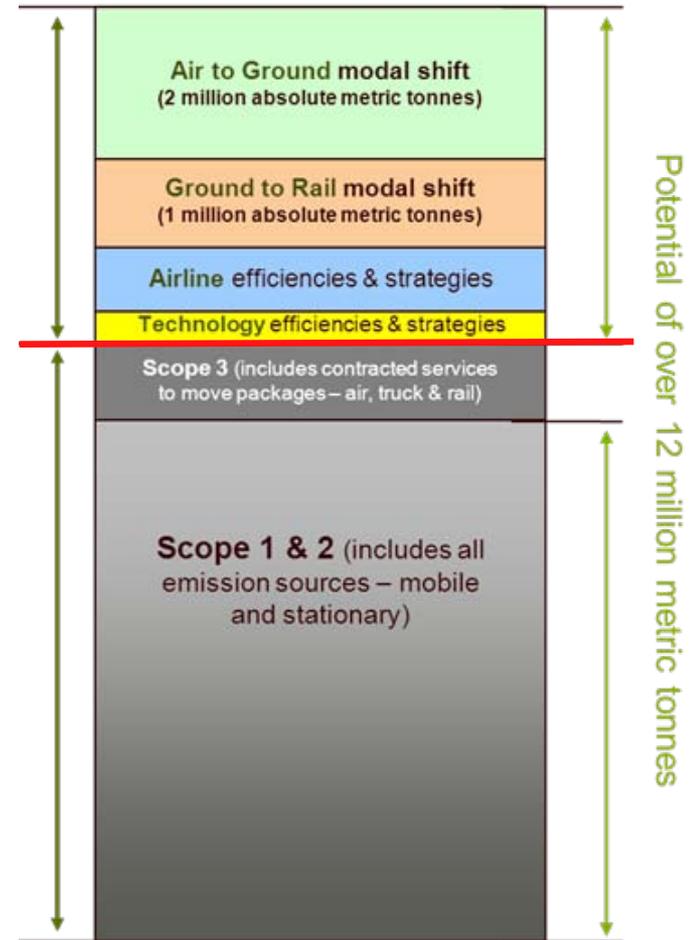
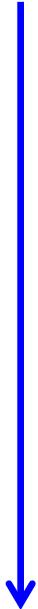


- UPS a Charter Partner with wholehearted support
- SW Excellence Recognition in 2008 & 2009
- Extensive GHG calculation competence [Inventory, Transport carbon for customers, Carbon Neutral Services]
- Global orgs strong focus on Carbon in supply chains (nascent & driven)
- Increasing recognition, by advanced companies, that Activity & Emissions Factors are poor approximations
- UPS involved in expert workgroup discussions concerning expert factors
- SmartWay can play key role in expert factors & proliferation of SmartWay-like programs around the world
- SmartWay works for the transport industry & shippers – substantive & attainable

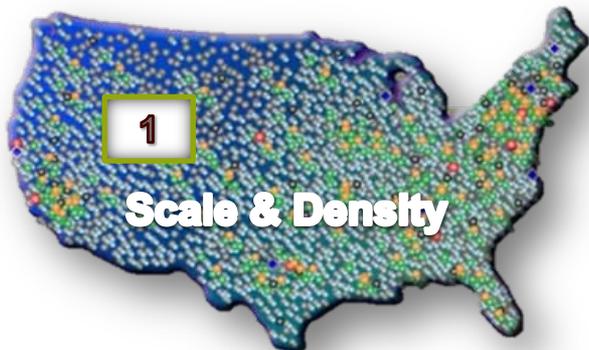
What Impacts the Carbon Intensity of the Transport Sector

- What mode of transport is used
- Scale and density of the network
- Efficiencies of the network
- Efficiencies most energy intensive mode (air fleet)
- Efficiencies of the ground fleet
- Carbon Avoidance – strategies and results
- Low carbon fuels (LCA perspective)
- Advanced Technology Vehicles (HEV, HHV)
- Capturing all carbon from origin to destination (scope 1, 2, 3)

Relative Carbon Impact

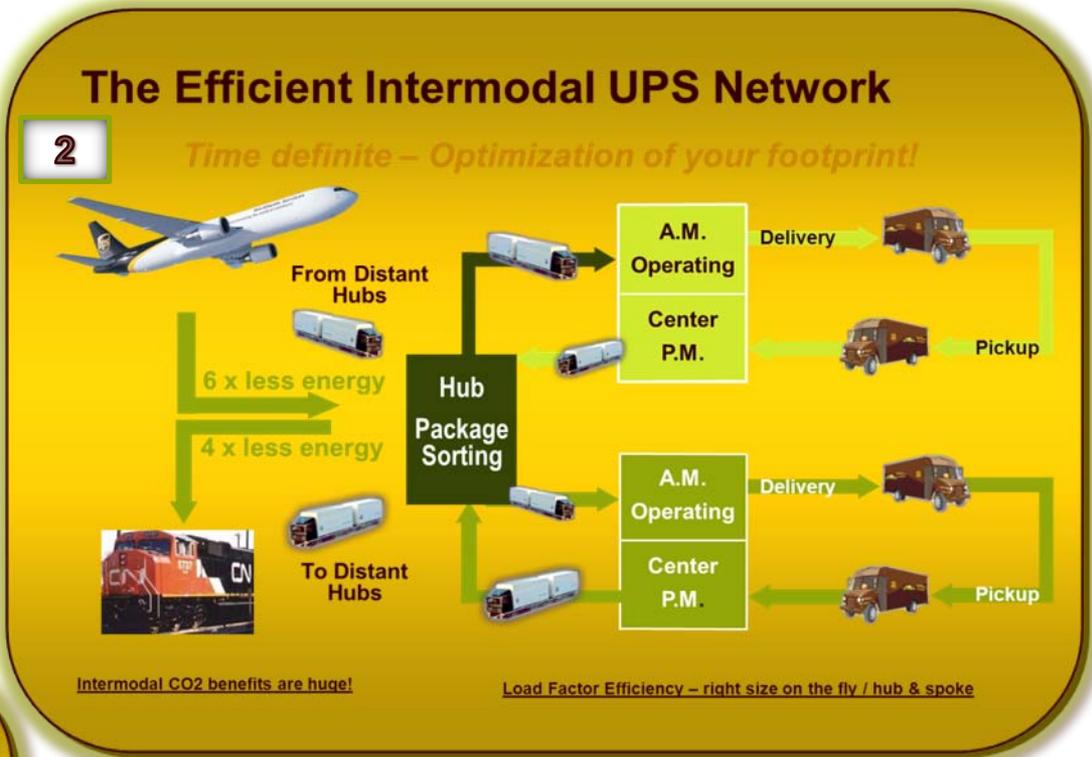


Network Efficiency



3

100 Million Miles Saved



Alternate Fuels and Technology

Total Alternative Fuel Vehicles (US & International) = 1,914

Hybrid Electric:

P70H (US) = 25

P100H (US) = 225

Electric:

P100E (US) = 2

P50E (International) = 26

Liquid Petroleum Gas:

LPG Vehicles (Korea) = 6

Compressed Natural Gas:

1,076 CNG Vehicles (US)

71 CNG Vehicles (International)

Liquid Natural Gas:

11 LNG Tractors (US)

Propane:

464 Propane Vehicles (International
Package Cars & Shifters)

8 Propane Shifters (US)

UPS Clearing the Air with 48 New LNG Tractors
Atlanta, February 22, 2011
Purchase Is Step Toward U.S. Energy Security

Expanding UPS Green Fleet Travels 200 Million Miles

Atlanta, February 28, 2011

New Investments Being Made in LNG and Electric

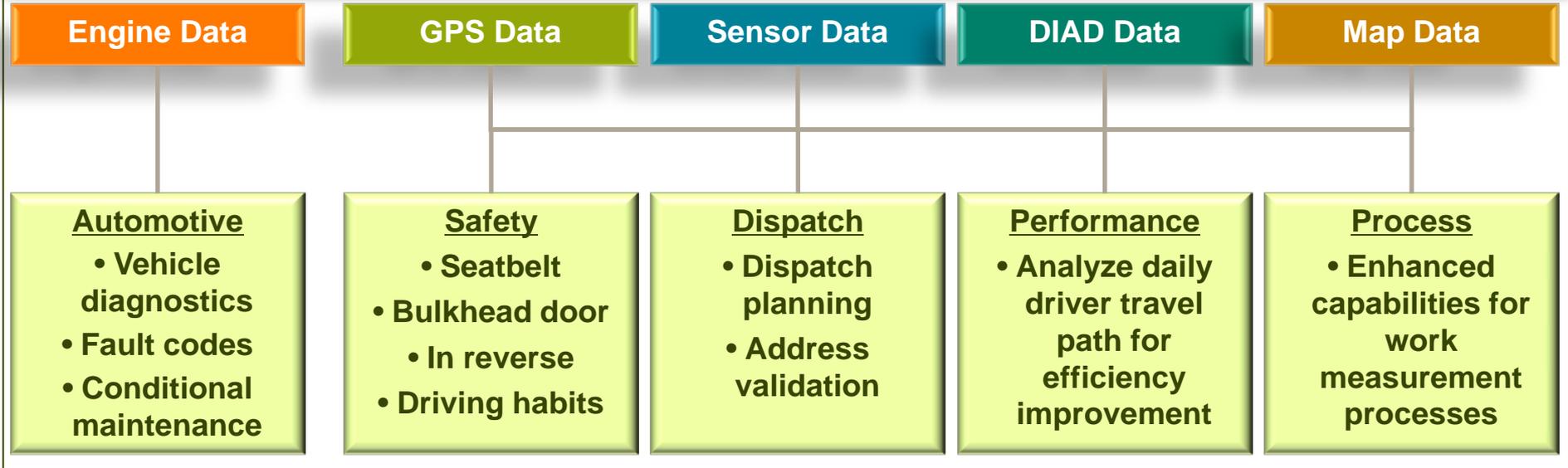


Updated:
01/03/2011

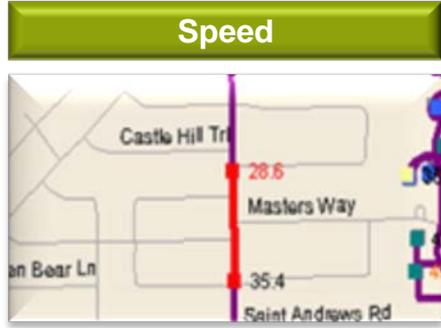
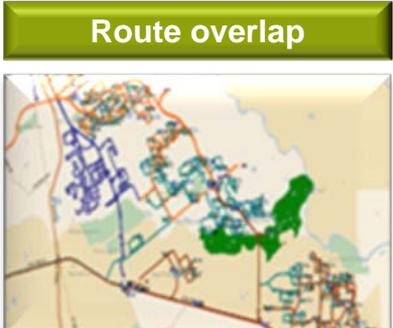
Over 39% of US Fleet Equipped with Telematics Onboard Wireless Technology

70% by end of 2011 = 46,600+

Telematics Technology utilizes



Visibility on primary and behavioral characteristics that affect fuel consumption



Real “Big Picture” Performance

- Expert groups will be the clearinghouse of emissions factors
- EFs only provide information about the vehicle, train, aircraft ... performance
- Great step forward – but may miss real performance
- Poor performing territories / assets can be subcontracted (scope 3)
- Modal shifts can be missed or undervalued (Air to Grnd / Grnd to Rail)
- Largest competitive advantage can be the performance of the network. Modal shifts driven by competitive advantage are not listed services.
- Like it or Not – as accuracy increases so will “Comparisons”
- SmartWay is on the leading edge of being able to capture the performance of the asset and the intermodal network
- Transportation industry needs the SmartWay A-Game

