

How do you build the world's largest, most efficient logistics network? Even if you duplicated our global fleet of trucks and aircraft, you would still lack two critical assets — our creative, resourceful people and our culture of efficiency that integrates new technology into our network to meet the demands of an evolving marketplace. Here are just a few examples of our ingenuity at work:

What is the most efficient route to deliver a truckload of packages? Do the math — the possibilities are nearly infinite. For decades, our delivery drivers determined their route by experience. Could a computer program optimize the route for each truck, each day, based on its unique packages? Experienced hands were skeptical. It took a team of our advanced analytics experts 10 years of development to find the right set of algorithms, a program we call ORION. When fully deployed in 2017, ORION is expected to reduce the annual distance driven by our drivers by 100 million miles, saving 10 million gallons of fuel, not to mention reducing our carbon footprint.

An empty truck is an inefficient truck, no matter what fuel economy it gets. UPS currently transports more than 7 million empty trailers each year to reposition our fleet to balance our network and meet customer demands. What if one could match trucks about to backhaul empty with another company's need to move its load in that same direction? A Massachusetts Institute of Technology engineer created a company called Coyote Logistics, a team of clever people with innovative software to match empty trucks with other companies' loads. We acquired that company, not just to fill UPS trucks on the backhaul, but as a truckload brokerage firm to reinvent the trucking business model in order to drive denser, and therefore more efficient, loads in both directions. Reducing empty miles makes the aggregate supply chain more efficient and reduces absolute emissions across sectors.

With the rising challenges of traffic congestion, dense pedestrian areas, limited parking and more complex transport regulations, UPS needs innovative approaches in urban centers. We began our business in 1907 as couriers on bicycles. In Hamburg, Germany, our sustainable delivery concept takes UPS back to its bicycle roots. At dawn, we deliver a large container that sits unobtrusively in one location to feed packages to a fleet of electric and conventional tricycles with which our people deliver and pick up packages, emissions free. It's an experiment, but we see big cities moving toward vehicle-free zones. UPS wants to partner with cities to think through their transition plans and help deliver on their commitments to a greener future.

At UPS, the secret to how we create, grow and sustain is our people and our culture of efficiency. We are committed to using ever-advancing technology to meet our customers' changing needs in an evolving global marketplace to bring greener delivery solutions everywhere.



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David Abney
Chairman and CEO