

Letter from the Chairman

Scott Davis

As sustainability continues to rise in importance as a critical global business issue, UPS is committed to stepping up its disclosure, actions and goals to match these growing expectations. Our theme of “Sustainability is...” highlights the reality that sustainability is a dynamic term defined by our stakeholders and that ultimately it is our employees who deliver on the promise of responsible behavior. This report demonstrates our ambitions and achievements.

Our objective with this 2010 report is to present our long-term approach to operating a sustainable, responsible business. We include not only our own operations but also how we interact with our industry peers, governments, NGOs, our customers and our neighbors spread across the world. We are diligently seeking to collect more extensive accurate data and to measure our impact. We are following established international reporting standards.

More than just numbers, we also have sought to provide more context, expanding our explanation of the scope and boundaries of our data, the materiality of our reporting, and the merit of our actions. We believe that this is the most credible way for us to help customers, investors, and other stakeholders to judge our sustainability performance against our competitors.

Some of the areas where we have expanded our reporting include water usage, Scope 3 emissions, the financial value of our in-kind transportation donations to charity, our engagements for disaster relief and humanitarian logistics, our decarbonization strategy, and our carbon neutral shipping service.

We also have added some statements authored by stakeholders who work closely with UPS. Rigoberto Giron from the humanitarian agency CARE talks about how UPS’s logistics expertise is improving the delivery

of aid around the world; Tracy Nilles of United Way writes about how UPS became the first company in the social agency’s history to contribute US\$1 billion; David Foster of the BlueGreen Alliance shares how UPS is joining with leading unions such as the International Brotherhood of Teamsters and environmental groups to show the link between environmentally-responsible business practices and job creation.

Certainly economic health is a topic that UPS finds integral to its future. Our belief is that to be a truly sustainable business, companies need to understand their impact on the planet and then proactively work with others to generate positive output. As a global logistics partner for millions of shippers, we know that our efforts to conserve resources and act responsibly directly affects our customers’ impact.

This sustainability report outlines how UPS’s business model supports social, environmental and economic value not only today but for the long run.

D. Scott Davis

