



9.0 Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI-G3) serves as the foundation for compiling the UPS Corporate Sustainability Report. The GRI helps us to develop key performance indicators relevant to our business.

The 2008 report is based on the third generation of Global Reporting Initiative (GRI) guidelines known as GRI-G3. The GRI is an independent institution that provides a credible framework for sustainability reporting.

We believe that our 2008 reporting qualifies for the GRI scope “B” application level requirements. Last year, we made a mistake when completing the GRI-G3 Index. We met the requirements but inadvertently did not record disclosure in two required categories—human rights and product responsibility. This has been corrected in 2008.

9.1 GRI-G3 Index

| LEGEND: | | REPORT APPLICATION LEVELS: | | | | | |
|------------------|---------------------------|--------------------------------|------------|---|----|---|----|
| ● Fully Reported | ◐ Partially Reported | C | C+ | B | B+ | A | A+ |
| ○ Not Reported | N/A Not Applicable to UPS | Self Declared (Mandatory) | |  | | | |
| | | Third Party Checked (Optional) | | | | | |
| | | GRI Checked (Optional) | (Optional) | | | | |

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|--------------------------------|--|---|---|
| STRATEGY & ANALYSIS | | | |
| 1.1 | Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy. | Letter from the Chairman; Section 2.0 | ● |
| 1.2 | Description of key impacts, risks and opportunities. | Letter from the Chairman; Sections 2.0 and 6.1, p. 37 | ● |
| ORGANIZATIONAL PROFILE | | | |
| 2.1 | Name of the organization. | Cover | ● |
| 2.2 | Primary brands, products and/or services. | Section 6.1; 2008 Annual Report, Form 10-K, p. 5, investor.shareholder.com/ups | ● |
| 2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries and joint ventures. | Section 6.1; 2008 Annual Report, p.1-4, investor.shareholder.com/ups | ● |
| 2.4 | Location of organization's headquarters. | Section 6.1 p. 38; 2008 Annual Report, Form 10-K, p. 12; investor.shareholder.com/ups | ● |
| 2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | Section 6.1, p. 38; 2008 Annual Report, Form 10-K, p. 12-13, investor.shareholder.com/ups | ● |
| 2.6 | Nature of ownership and legal form. | 2008 Annual Report, Form 10-K; investor.shareholder.com/ups | ● |
| 2.7 | Markets served. | 2008 Annual Report, Form 10-K, p. 1-5; investor.shareholder.com/ups | ● |
| 2.8 | Scale of the reporting organization. | Section 5.0; 2008 Annual Report, Form 10-K; investor.shareholder.com/ups | ● |
| 2.9 | Significant changes during the reporting period regarding size, structure or ownership. | 2008 Annual Report; inside front cover and Letter from Chairman; investor.shareholder.com/ups | ● |
| 2.10 | Awards received in the reporting period. | Section 4.3; UPS Pressroom, pressroom.ups.com | ● |
| REPORT PARAMETERS | | | |
| 3.1 | Reporting period for information provided. | Section 4.1 | ● |
| 3.2 | Data of most recent previous reports (if any). | Section 4.1; 2007 Sustainability Report, sustainability.ups.com | ● |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|--|---|--|---|
| 3.3 | Reporting cycle. | Section 3.5 | ● |
| 3.4 | Contact point for questions regarding the report or its contents. | Sections 3.4 and 3.5 | ● |
| 3.5 | Process for defining report content. | Section 3.4/3.5 | ● |
| 3.6 | Boundary of Report. | Sections 4.1 and 7.1 | ● |
| 3.7 | State any specific limitations on the scope or boundary. | Sections 3.3, 4.1 and 7.1 | ● |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | Section 4.1, p. 22 | ● |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. | Section 4.1 | ● |
| 3.10 | Explanation of the effect of any restatements of information provided in earlier reports, and the reasons for such restatement. | Section 9.0 | ● |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | Sections 3.0, 3.1, 3.2, and 3.3 | ● |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | Section 9.1 | ● |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | No external assurance, see Section 3.3, p. 16 for future plans | ● |
| GOVERNANCE, COMMITMENTS, AND ENGAGEMENT | | | |
| 4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. | Sections 5.0, 5.1 and 5.2 | ● |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | Section 5.1 | ● |
| 4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. | Section 5.1; Director Independence page, investor.shareholder.com/ups | ● |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | Contact Board page, Investor Relations website, investor.shareholder.com/ups | ● |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance). | Compensation Committee Charter and Director Compensation pages, investor.shareholder.com/ups ; 2009 Proxy Statement, p. 16, investor.shareholder.com/ups | ● |
| 4.6 | Process in place for the highest governance body to ensure conflicts of interest are avoided. | Section 5.1 | ● |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|-----------------|--|---|---|
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics. | Board of Directors includes people with broad knowledge and experience in the area of sustainability, investor.shareholder.com/ups ; 2009 Proxy Statement, p. 9, investor.shareholder.com/ups | ● |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation. | Sections 5.3, p. 31 and 7.1, p. 51 | ● |
| 4.9 | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | Sections 5.1 and 5.2; Corporate Governance, investor.shareholder.com/ups | ● |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | The Board and its committees perform annual self-evaluations, investor.shareholder.com/ups | ● |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization. | Climate Change Statement Section 7.1, p. 51 | ● |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses. | Sections 4.4 and 7.1, p. 51; Code of Business Conduct, investor.shareholder.com/ups | ● |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations. | Sections 3.2, 4.3, 5.4, 5.5, 7.1 p. 52 and 8.3 | ● |
| 4.14 | List of stakeholder groups engaged by the organization. | Section 5.5 | ● |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | Section 5.5 | ● |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | Section 5.5 | ● |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. | Section 5.5 | ● |
| ECONOMIC | | | |
| EC1 | Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | 2008 Annual Report, Form 10-K. Revenue US\$51,485,478,247; Comp & Benefits US\$26,063,438,893; Other US\$20,040,522,785; Operating Expense US\$46,103,961,678; Retained Earnings US\$12,411,787,751; Charitable Contribution Expense US\$28,026,340; Payments to Capital Providers (Interest Expense & Dividends) US\$2,660,593,221 | ① |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | UPS 2009 Carbon Disclosure Project Report, cdproject.net | ● |
| EC3 | Coverage of the organization's defined benefit plan obligations. | 2008 Annual Report, Form 10-K, Note 5, p. 63, investor.shareholder.com/ups | ● |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|----------------------|--|---|-----|
| EC4 | Significant financial assistance received from government. | Not Reported | ○ |
| EC5 | Range ratios of standard entry level wage compared to local minimum wage at significant locations of operations. | Not Reported | ○ |
| EC6 | Policy, practices and proportion of spending on locally based suppliers at significant locations of operation. | Our emphasis is on diversity spend rather than local. We do, however, track local, which is approximately 7-12 percent of total spend. | ● |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operations. | We recruit, train and develop local management people to lead our operations. In 2008, out of 72,400 employees working in operations outside the U.S., fewer than 265 were foreign expatriates working in host countries, including only 65 U.S. expats. A majority of country leadership positions are held by managers hired locally. | ● |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind or pro bono engagement. | Not reported | ○ |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | Section 6.0-6.8 | ● |
| ENVIRONMENTAL | | | |
| EN1 | Materials used by weight or volume. | 41,797 U.S. tons of packaging material globally | ● |
| EN2 | Percentage of materials used that are recycled input materials. | 93% of the 41,797 U.S. tons contains recycled materials | ● |
| EN3 | Direct energy consumption by primary energy source. | Section 7.2, p. 53-58 | ● |
| EN4 | Indirect energy consumption by primary energy source. | Section 7.2, p. 53-58 | ● |
| EN5 | Energy saved due to conservation and efficiency improvements. | Section 7.2, p. 53-58 | ● |
| EN6 | Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these initiatives. | Sections 7.2, p. 53-58 and 7.4, p. 62-67 | ● |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | Section 7.5, p. 68-70 | ● |
| EN8 | Total water withdrawal by source. | Section 7.6, p. 72-74 | ● |
| EN9 | Water sources significantly affected by withdrawal of water. | Not Applicable | N/A |
| EN10 | Percentage and total volume of water recycled and reused. | Not Applicable | N/A |
| EN11 | Location and size of land owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | Not reported | ○ |
| EN12 | Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | Not reported | ○ |
| EN13 | Habitats protected or restored. | Not reported | ○ |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|--|---|--|-----|
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | Not reported | ○ |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | Not reported | ○ |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | Section 7.2, p. 53-58 | ● |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | Section 7.2, p. 53-58 | ● |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | Section 7.2, p. 53-58 | ● |
| EN19 | Emissions of ozone-depleting substances by weight. | Not Applicable | N/A |
| EN20 | NOx, SOx and other significant air emissions by type and weight. | Section 7.4, p. 66 | ◐ |
| EN21 | Total water discharge by quality and destination. | Not Applicable | N/A |
| EN22 | Total weight of waste by type and disposal method. | Section 7.7, p. 76 | ● |
| EN23 | Total number and volume of significant spills. | Section 7.7, p. 76-77 | ● |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | Not reported | ○ |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff. | Not applicable | N/A |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | Sections 7.2, p. 53-58 and 7.4, p. 62-67 | ● |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | Not reported | ○ |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | Section 7.7, p. 76-77 | ● |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce. | Not reported | ○ |
| EN30 | Total environmental protection expenditures and investments by type. | Not reported | ○ |
| LABOR PRACTICES & DECENT WORK | | | |
| LA1 | Total workforce by employment type, employment contract, and region. | Of our 426,000 employees, we have: 260,000 International Brotherhood of Teamsters, 2,900 Independent Pilots Association, 3,000 with International Association of Machinists and Aerospace Workers. | ● |
| LA2 | Total number and rate of employee turnover by age group, gender, and region. | Section 4.1 KPI-Employee Turnover | ◐ |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|--------------|---|--|---|
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | Section 8.1 | ① |
| LA4 | Percentage of employees covered by collective bargaining agreements. | UPS employs approximately 425,000 employees, of which 56% or 250,000 are members of the International Brotherhood of Teamsters. In addition, 2,200 employees are members of the Independent Pilots Association and 2,900 employees are members of the International Association of Machinists and Aerospace Workers. | ● |
| LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements. | The collective bargaining agreement between UPS and the International Brotherhood of Teamsters requires a minimum of 45 days notice prior to any significant operational change. In addition, certain provisions in our Independent Pilots Association and International Association of Machinists and Aerospace Workers agreements have notice requirements if certain changes are made. | ● |
| LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | 10 percent of UPS's total workforce participates in formal joint management-worker health and safety committees at the facility level. See also our safety information, section 8.2. | ● |
| LA7 | Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region. | Section 8.2. In 2008, we experienced six fatalities company-wide. There were 1.03 fatal vehicle accidents per 100 million miles driven in our U.S. package operation. See also our safety Key Performance Indicator (Days Away, Restricted or Transferred Duty), section 4.1. | ① |
| LA8 | Education, training, counseling, presentation and risk-control programs in place to assist work-force members, their families or community members regarding serious diseases. | UPS employees and their families have access to extensive health benefits, including education programs, health counseling, and workplace safety programs. Some examples of our topics include smoking cessation, health assessments, drug counseling, diabetes management, high-blood pressure management, among many others. Details of those programs are on p. 38-39 in our 2007 Sustainability Report, sustainability.ups.com | ● |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | All of our collective bargaining agreements contain provisions that address the Health and Safety of our employees. These agreements include but are not limited to the following topics: Health and Safety Committees, hazardous materials handling, vehicle and personal safety equipment, accidents and reports, and others. | ● |
| LA10 | Average hours of training per year per employee by employee category. | UPS offers extensive training across all employee groups around the world. We are reporting U.S. data for hours per year for the following major employee categories: Middle management—109.36; front-line management—70.63; drivers—20.58; part-time non-management—10.43. These categories represent 86% of U.S. Operations employees. Total hours for all U.S. employees is 6,078,484; Section 6.8. | ● |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | UPS provides skills and leadership training for the continued development of its management employees using both internal and external resources. Examples of internal programs include: New Management Orientation, Supervisor Leadership School, Manager Leadership School, Leadership Academy, Executive Leadership Seminar, and the Community Internship Program. External programs for continued development include access to online management and job specific courses, UPS Education Assistance Program, professional certifications, seminars, and conferences. Regarding transition assistance programs for those who have retired or were terminated, support is provided on an individual, situational and case by case basis, and has included job placement, severance, financial planning, training, and counseling. Sections 8.1 and 8.3. | ● |
| LA12 | Percentage of employees receiving regular performance and career development reviews. | 89% of eligible non-union employees received a performance review and 66% of those documented a career development discussion. This group totals more than 73,000 employees. | ● |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|---------------------|--|--|---|
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity. | Composition of Management Committee, UPS's primary governance group: 10 men, two women; by race: 10 white, two African American. Board of Directors—9 men, 2 women; by race: 10 white, 1 African American. Women as a percent of officers and managers: 29%. Minorities as a percentage of officers and managers: 31%. U.S. Workforce: Asian 4%, Black 17%, Hispanic 9%, Native American/other 1%. | ● |
| LA14 | Ratio of basic salary of men to women by employee category. | Not Reported | ○ |
| HUMAN RIGHTS | | | |
| HR1 | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening. | Not Reported | ○ |
| HR2 | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken. | Less than 3% of Corporate Procurement contracts include human rights language. | ● |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including percentage of employees trained. | In 2009, we intend to add human rights language as part of the UPS Code of Business Conduct, which is covered in compliance training required by new employees at time of hiring and existing employees every other year. The Code of Business Conduct is available to employees in 12 languages on our intranet. | ● |
| HR4 | Total number of incidents of discrimination and actions taken. | Not Reported | ○ |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | Many of our employees are represented by labor unions and we support their rights to become members of a union. In addition, we encourage positive relationships with our employees and unions by adhering to the principles outlined in our company policy book and our collective bargaining agreements. | ● |
| HR6 | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor. | UPS manages its business in compliance with all applicable laws and regulations of the countries in which it operates, and in accordance with the Company's high standards of business conduct. UPS is unaware of any incidents, violations, complaints, or concerns in its operations involving the use of child labor. | ● |
| HR7 | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor. | UPS adheres to all applicable laws and we are not aware of any incidents of violations regarding forced or compulsory labor. | ● |
| HR8 | Percentage of security personnel trained in the organizations policies or procedures concerning aspects of human rights that are relevant to operations. | 100% of UPS's security personnel receives training on the proper use of force. | ● |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | We are not aware of any incidents of violations involving the rights of indigenous people. | ● |
| SOCIETY | | | |
| S01 | Nature, scope and effectiveness of any programs and practices that access and manage the impacts of operations on communities, including entering, operating and exiting. | Not Reported | ○ |
| S02 | Percentage and total of business units analyzed for risks related to corruption. | During 2008, onsite corruption risk assessments were completed for our top nine high-risk countries. | ● |
| S03 | Percentage of employees trained in organization's anti-corruption policies and procedures. | Over the past two years, 96% of 44,000 full-time management employees were trained. | ● |

9.1 GRI-G3 Index continued

| G3 INDICATOR | DESCRIPTION | DISCLOSURE | |
|-------------------------------|--|---|---|
| S04 | Actions taken in response to incidents of corruption. | We comply with all applicable laws, rules and regulations, in all countries where we operate. The UPS Policy Book and The Code of Business Conduct have policies and procedures which prohibit UPS employees, and the people acting on our behalf, from engaging in unlawful activities, including violations of the U.S. Foreign Corrupt Practices Act and other applicable anti-bribery laws, rules and regulations in various countries. | ○ |
| S05 | Public policy positions and participation in public policy development and lobbying. | Section 5.4 | ● |
| S06 | Total value of financial and in-kind contributions to political parties, politicians and related institutions by country. | In the United States, UPS's Political Action Committee donations to U.S. federal, state and local candidates totaled US\$2.4 million. | ● |
| S07 | Total number of legal actions for anti-competitive behavior, anti trust, and monopoly practices and their outcomes. | Not Reported | ○ |
| S08 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | Not Reported | ○ |
| PRODUCT RESPONSIBILITY | | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | Not Reported | ○ |
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their lifecycle by type of outcomes. | Not Reported | ○ |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements. | Not Reported | ○ |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling by type of outcomes. | Not Reported | ○ |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | UPS extensively monitors customer comments via internal and external channels. An important tool is an independent survey that collects comments from more than 3,000 shipper interviews each year. And focus groups are held throughout the year. | ● |
| PR6 | Programs for adherence to laws, standards and voluntary codes related to marketing communications, including advertising, promotion and sponsorship. | All communications materials, including advertising enterprise-wide, goes through a legal review to determine compliance with all pertinent laws and regulations. | ● |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications including advertising, promotion and sponsorship by type of outcome. | Not Reported | ○ |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and loses of customer data. | Not Reported | ○ |
| PR9 | Monetary value of significance fines for non-compliance with laws and regulations concerning the provision and use of products and services. | 2008 Annual Report, Form 10-K, pages 14 and 37, investors.shareholders.com/ups | ● |