



2019 SASB Standards Table

The Sustainability Accounting Standards Board’s (SASB) use of the term “sustainability” refers to corporate activities that maintain or enhance the ability of a company to create value over the long term. Sustainability accounting reflects the governance and management of a company’s environmental and social impacts arising from production of goods and services, as well as its governance and management of the environmental and social capitals necessary to create long-term value.

Based upon our classification within SASB’s Sustainable Industry Classification System, we have evaluated the Air Freight and Logistics Sustainability Accounting Standard (TR-AF). The table below sets out the topics addressed by that standard, the related SASB Code and accounting metric, and our related disclosures. For more details on our overall strategy and report process please visit ups.com/sustainability.

Sustainability Disclosure Topics and Accounting Metrics

All Metric Disclosures are for the period 01/01/2019 to 12/31/2019

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure
Greenhouse Gas Emissions	TR-AF-110a.1	Gross global Scope 1 emissions	<p>14,223,000 metric tonnes CO₂e (All Global Operations)</p> <p>For more information on UPS’s Greenhouse Gas (GHG) global emissions, see our 2019 GRI Content Index, indicator 305-1</p>
	TR-AF-110a.2	Discussion of long term and short term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets.	<p>We help the world grow more prosperous by providing transportation and logistics solutions that facilitate global trade. This role requires the use of substantial amounts of energy, primarily in the form of fuel and electricity for our vehicles, aircraft, and facilities. In addition to the energy used in our own network operations, we also rely on other third-party transportation providers who use fuel and energy on our behalf to transport goods via all modes of transportation, including air, ocean, road, and rail.</p> <p>We take a comprehensive, global approach to reducing energy use and GHG emissions within our network and value chain.</p> <p>We believe everyone shares responsibility to improve energy efficiency and to reduce GHG emissions in the atmosphere. UPS supports global efforts to mitigate the impact of climate change. Our Corporate Climate Change Statement is also publicly available on the UPS Pressroom.</p> <p>Our optimized global logistics network, combined with our global GHG strategy, helps improve our efficiency and reduce our environmental impacts. This strategy includes:</p> <ul style="list-style-type: none"> • Setting an ambitious goal to reduce absolute GHG emissions 12 percent by 2025 throughout our global ground operations, with supporting goals for fuel, energy, and alternative vehicles;

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure		
Greenhouse Gas Emissions			<ul style="list-style-type: none"> Utilizing operational improvements through technology to create overall network and delivery efficiencies beyond reducing miles/fuel, (e.g., higher trailer utilization, decreased sortation time, increased safety, reduced errors/duplication of work, higher asset utilization/less waste, etc.) that reduce our GHG footprint; Expanding our fleet of alternative fuel and advanced technology vehicles, known as our Rolling Laboratory, in order to reduce the proportion of conventional fuels we use; Reducing conventional energy use and increasing the use of renewable energy in our facilities; Providing customers with services that help them reduce their environmental impact; and Helping increase supplier awareness about GHG emissions and how to reduce them. <p>We also contribute actively to public discussions about environmental sustainability. This includes collaborating with leading NGOs, regulators, and industry consortiums to propel the cause of environmental sustainability forward. We also participate in public policy forums, where we advocate for prudent innovation and investment in new technologies and infrastructure development.</p> <p>For more information on UPS's management approach for energy and emissions, see our 2019 GRI Content Index, indicator 302.</p>		
		Fuel Consumption Breakdown by Mode of Transportation and Fuel Type (Global Operations)			
	TR-AF-110a.3	Total Fuel Consumption for Road Transport	69,206,000 GJ	Total Fuel Consumption for Air Transport 122,545,000 GJ	
		% Ground Fuel by Type		% Aircraft Fuel by Type	
		Conventional Fuel (gas, diesel, propane)	83%	Conventional Jet Fuel	100%
		Natural gas	11 %	Alternative	0%
	Renewable	6%	Sustainable	0%	

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure
Air Quality	TR-AF-120a.1	Emissions of the following pollutants	
		NOx (excluding N2O) for Road Transport	14,187 metric tons (U.S. Operations)
		Particulate Matter (PM10 or lower) for Road Transport	460 metric tons of PM2.5 (U.S. Operations)

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure
Labor Practices	TR-AF-310a.1	Percentage of drivers classified as independent contractors	In the United States, UPS has 0% of our drivers classified as independent contractors.
	TR-AF-310a.2	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Not reported

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure
Employee Health and Safety	TR-AF-320a.1	Total recordable incident rate for	
		Direct employees: (# of incidents × 200,000) / (hours worked)	7.61 (All Global Operations)
		Fatality Rate for	
		Direct employees: (# of fatalities × 200,000) / (hours worked)	0.0025 (All Global Operations)

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure		
Supply Chain Management	TR-AF-430a.1	Percentage of carriers with BASIC percentiles above the FMCSA intervention threshold	Not Reported		
	TR-AF-430a.2	Total greenhouse gases (GHG) footprint across transport modes (metric tonnes CO2e)		Scope 1 (UPS)	Scope 3 (Contracted)
			Air	9,016,000	4,413,000
			Ground	4,911,000	3,033,000
			Rail	0	418,000
			Ocean	0	334,000
Total		13,927,000	8,198,000		

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure	
Accident & Safety Management	TR-AF-540a.1	Description of implementation and outcomes of a Safety Management System	<p>UPS customers worldwide depend on us to meet important deadlines every day. As the world's economies develop and e-commerce expands, the expectations of customers are changing. This, in turn, creates new challenges for ensuring employee health and safety.</p> <p>Strong health and safety programs are the result of appropriate process and risk control, and depend on factors ranging from methods followed to proper employee training and engagement. We develop a culture of health and safety by:</p> <ul style="list-style-type: none"> • investing in safety training and audits; • promoting wellness practices which mitigate risk; and • offering benefits that keep employees safe in the workplace and beyond. <p>For more information on UPS's management approach for health and safety, see our 2019 GRI Content Index, indicator 403.</p>	
	TR-AF-540a.2	Number of aviation Accidents	0 (Global Operations)	
	TR-AF-540a.3	Number of road accidents	8.76 (#of vehicle accidents) per 100,000 driver hours	
		Number of road incidents		
	TR-AF-540a.4	Safety Measurement System BASIC Percentiles		
		BASIC (Behavior Analysis and Safety Improvement Categories) group carriers by the number of safety events; these carriers are then rated and a percentile is assigned where the lower the percentile the better the performance. For more information on the Federal Motor Carrier Safety Administration's Safety Measurement System, visit: https://ai.fmcsa.dot.gov/SMS/		
			UPS Actual (U.S. Operations)	U.S. Federal Motor Carrier Safety Administration
		(1) Unsafe Driving		
		U.S. Small Package	7 %	60%
		U.S. Supply Chain Solutions	17 %	65%
UPS Freight		12 %	60%	
(2) Hours of Service Compliance				
U.S. Small Package	32 %	60%		
U.S. Supply Chain Solutions	0 %	65%		
UPS Freight	60 %	60%		

SASB Topic	SASB Code	Accounting Metric	2019 Disclosure	
Accident & Safety Management			UPS Actual (U.S. Operations)	U.S. Federal Motor Carrier Safety Administration
		(3) Driver Fitness		
		U.S. Small Package	68 %	80%
		Supply Chain Solutions	0 %	80%
		UPS Freight	65 %	75%
		(4) Controlled Substances / Alcohol		
		Small Package	0 %	75%
		Supply Chain Solutions	0 %	80%
		UPS Freight	9 %	75%
		(5) Vehicle Maintenance		
		Small Package	20 %	75%
		Supply Chain Solutions	16 %	80%
		UPS Freight	38 %	75%
		(6) Hazardous Materials Compliance		
		Small Package	0 %	80%
		Supply Chain Solutions	0 %	80%
		UPS Freight	66 %	80%

