

TRANSFORMING THE GLOBAL SUPPLY CHAIN

At **UPS**, sustainability practices and smart logistics deliver the goods.

WHEN A COMPANY delivers nearly 16 million packages each day, to locations in every part of the globe, it's a good bet it knows how to keep track of things.

UPS, one of the world's largest package delivery and logistics organizations, applies the same rigor and precision to its sustainability initiatives—both internally and for its more than 1 million customers around the world. "We use a lot of trucks, railcars, and planes to move goods for our customers, and we've figured out how to do it using a lot less fuel," says Arnold Barlow, manager of sustainability solutions for the company. "Now our customers are asking us to help them address their own carbon footprint."

UPS evaluates customers' supply chains for their environmental impact and then suggests changes in transpor-

tation mode, inventory management, and shipping decisions. UPS also offers a carbon-neutral shipping program. To balance out the emissions produced by transporting packages, UPS purchases certified carbon (CO₂) offsets on behalf of its customers. These offsets help fund a wide variety of projects, from reforestation efforts in the U.S. to landfill gas capture in China and Colombia. Customers pay a small fee—5 cents for a ground package and up to 75 cents for an international delivery—for the carbon-neutral option. UPS says it will match the number of offsets purchased through 2011, up to \$1 million.

A recent carbon-offset customer, Live Nation Entertainment, is the world's leading live entertainment and e-commerce company. Through UPS, the company will purchase offsets to mitigate the emissions that are produced when it ships tickets to events at Live Nation venues and merchandise purchased from

its online store.

UPS is also launching an innovative sustainability program for music festivals such as Dave Matthews Band Caravan and rock groups such as O.A.R. that will reduce the CO₂ output generated by revamping the movement of their tour equipment from city to city. Both Dave Matthews Band and O.A.R. are leaders in the music industry when it comes to practicing and promoting environmentally responsible initiatives through their tours. "We'll be able to give them an accurate measure of their carbon footprint and ways to reduce it," says Barlow.

As sustainability initiatives become more widespread among its customers, UPS is also providing guidance on another area it knows well: packaging. For more than 30 years, UPS has operated its own packaging lab staffed with design engineers. These experts figure out just how much—or how little—packaging material is needed for any given product to guarantee that it will be delivered safely and undamaged.

The results are anything but insignificant, Barlow says. When products are packaged correctly, more can be loaded onto a truck, plane, or railcar, making delivery more efficient by cutting down on the amount of fuel used.

Although UPS is proud of its role in advancing sustainability efforts both inside the company and with customers, Barlow says that there's still a ways to go: "We're at the beginning of this life-cycle way of thinking when it comes to sustainability. In 20 years or so, we might be able to say that it's simply part of the way companies do business." ●

**AS SUSTAINABILITY INITIATIVES
BECOME MORE WIDESPREAD,
UPS IS PROVIDING GUIDANCE
ON BOTH DELIVERY AND
PACKAGING OF PRODUCTS.**

Delivering the goods:
A UPS truck on its way
to a customer.





4 WAYS LOGISTICS CAN MAKE YOUR SUPPLY CHAIN MORE SUSTAINABLE.

Every supply chain has a carbon footprint. UPS is the best choice to help companies large and small measure, manage and mitigate their impact on the climate. And our methodology has been certified and verified by trusted third parties.

1) MEASURE YOUR FOOTPRINT

We can work with your company to conduct the UPS Carbon Impact Analysis, which reveals carbon impact by mode and scope. We can then partner with you to find ways to reduce that impact.

2) MANAGE MORE EFFICIENTLY

From our Eco-Responsible Packaging

Program to a host of automated and paperless solutions, we can help your company reduce waste and streamline its supply chain.

3) MITIGATE YOUR IMPACT

UPS carbon neutral shipping helps you and your customers offset the carbon impact of your shipments for just pennies per package.

4) IMPRESS YOUR CUSTOMERS

Increasingly, businesses are finding that sustainability is a factor in people's buying decisions. When you choose UPS carbon neutral, your decision is backed by the credibility of UPS's reporting. And we offer a UPS carbon neutral logo you can use to let customers see your commitment.

For complete details, go to thenewlogistics.com/sustainability or snap the QR code.



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