

UPS announces strategic priorities, three-year financial targets and new ESG targets

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The company will highlight priorities for its Customer First, People Led, Innovation Driven strategy; discuss targeted areas of growth including small and medium-sized businesses, healthcare and international; provide 2023 financial targets; and discuss newly established ESG targets.

UPS will host its investor and analyst conference today beginning at 9:00 a.m. EDT. The virtual event will be available in its entirety through a live webcast and replay at investors.ups.com.

The company will highlight priorities for its Customer First, People Led, Innovation Driven strategy; discuss targeted areas of growth including small and medium-sized businesses, healthcare and international; provide 2023 financial targets; and discuss newly established ESG targets.

- **Customer First:** The company's Customer First strategy strives to provide the best digital experience powered by its global smart logistics network. The company will showcase the actions it is taking to make it simpler and more helpful to do business with UPS. Customer First focuses on removing friction when doing business with UPS, as measured by gains in Net Promoter Score, or NPS. The company has targeted a 2023 NPS score of 50 or higher.

- **People Led:** The company will discuss the measures it is taking to improve the employee experience and increase the likelihood that an employee recommends UPS as a great place to work. The company has established a 2023 "likelihood to recommend" target of 80 percent or higher.
- **Innovation Driven:** By highlighting technology and productivity initiatives, the company will address its approach to creating shareowner value by delivering consistently higher returns on invested capital, as well as returns to shareowners through dividends and share repurchases.

"We are creating a new UPS, rooted in the values of the company. Our strategic priorities are evolving to reflect the changing needs of our customers and our business, and what matters most to our stakeholders," said Carol Tomé, UPS chief executive officer.

Outlook

2023 Financial Targets

Today the company will discuss its 2023 financial targets as follows:

Consolidated revenue ranging from approximately \$98 billion to approximately \$102 billion.

Consolidated adjusted* operating margin ranging from approximately 12.7 percent to approximately 13.7 percent.

Cumulative capital spending from 2021–2023 of approximately \$13.5 billion to approximately \$14.5 billion.

Adjusted return on invested capital ranging from approximately 26 percent to approximately 29 percent.

* “Adjusted” amounts are non-GAAP financial measures. See the appendix to this release for a discussion of non-GAAP financial measures, including required reconciliations.

The company is only able to provide operating margin and return on invested capital guidance on an adjusted (non-GAAP) basis because it is not possible to predict or

provide a reconciliation reflecting the impact of future pension mark-to-market or other unknown or unanticipated potential adjustments which would be included in reported (GAAP) results and which could be material.

ESG Targets

The company is also announcing a new set of company-wide ESG targets, including its pledge to be carbon neutral across scope 1, 2 and 3 emissions in its global operations by 2050. Interim 2035 environmental sustainability targets include:

50% reduction in CO2 per package delivered for its global small package operations (2020 base year).

100% of company facilities powered by renewable electricity.

30% of the fuel used in its global air fleet be sustainable aviation fuel.

UPS has published its ESG strategy at investors.ups.com/esg.

Source: [UPS](https://www.ups.com)