UPS at a glance… 2011

- Earned nearly $50 billion 2010 revenues
- Operates in more than 200 countries
- Employs more than 400,000, including 2,800 IE pros
- Delivers 15 million packages a day, 2 percent of world GDP
- Flies world’s ninth largest airline with hubs around the world
- Drives nearly 100,000 delivery vehicles
- Operates largest private database
- Pursues triple bottom line: economic, social, environmental
- Has evolved to world’s largest logistics provider
A Global workforce - strategy

- **Envision: Background**
  
- In 2007, we began a multi-year initiative branded “envision – Your Life | Your UPS” focused on the entire employee experience – work environment, pay and incentives, career programs and benefits

- Six Guiding Principles established from top 200 leaders worldwide:
  
  - Performance Orientation, Market Competitiveness, Partnership, Flexibility, Shared Responsibility, Career Management

- The Why?? – This came from Internal trends from surveys, comments, and other feedback as well as external trends from the market and our changing business environment.
## The Changing Business Dynamic

<table>
<thead>
<tr>
<th>Past</th>
<th>Present</th>
<th>Future</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal focus</strong></td>
<td><strong>Performance and Market focus</strong></td>
<td></td>
</tr>
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<td>• Work hard as part of a team</td>
<td>• Deliver results as part of a team</td>
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</tr>
<tr>
<td>• Hold on to your stock</td>
<td>• Manage your wealth for the long term</td>
<td></td>
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</tbody>
</table>

### If you…

If you work for UPS, you can expect:

**Paternalistic**
- A great place to work in a stable environment
- Promotion (we promote from within), and job security
- Wealth creation over the long term

**Empowering Individual**
- A great place to work in a global, dynamic environment
- Unparalleled career opportunities through to your retirement in a global environment
- Competitive benefits and superior pay, plus the opportunity for a significant ownership stake in the business

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**UPS will give you…**

- Work hard as part of a team
- Treat others with respect
- Trust and remain loyal to UPS
- Stay and follow UPS’s lead
- Hold on to your stock
- A great place to work in a stable environment
- Promotion (we promote from within), and job security
- Wealth creation over the long term
- Deliver results as part of a team
- Treat others with respect
- Trust and remain loyal to UPS
- Stay and keep growing your relevant skills and adapting to our business and customer needs
- Manage your wealth for the long term
- A great place to work in a global, dynamic environment
- Unparalleled career opportunities through to your retirement in a global environment
- Competitive benefits and superior pay, plus the opportunity for a significant ownership stake in the business
International Workforce

- 75,000 International UPS employees
- Structured Development Process
  - UPS has a strong culture of “Promotion from Within” and Succession Planning
  - All mgmt employees globally have a career development discussion and a central Talent Mgmt System (TMS)
  - Low mgmt turnover globally
- Goal is to use local employees or regionally based employees as much as possible
- Currently over 400 “Mobile Managers” in UPS
- Expats are normally utilized to
  - Fill a role or skill within a country that is not locally available
  - Provide a developmental role for a candidate with potential
Integrated Framework

- Workforce Planning
- Workforce Acquisition
- Performance Management
- Career Planning
- Succession Planning
- Leadership Development & Training
- Compensation Management

Leadership and Job Specific Competencies/Career Ladders

Job Models

Fully Integrated Talent Management Applications

Data Sources
<table>
<thead>
<tr>
<th>Competency</th>
<th>Variance in skill between Expat and general mgmt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business &amp; Financial Skills</td>
<td>12.9%</td>
</tr>
<tr>
<td>Communication &amp; Influence skills</td>
<td>8.3%</td>
</tr>
<tr>
<td>Results Management</td>
<td>8.3%</td>
</tr>
<tr>
<td>Customer Focus</td>
<td>7.3%</td>
</tr>
<tr>
<td>Decision Making &amp; Problem Solving Abilities</td>
<td>6.4%</td>
</tr>
<tr>
<td>Scope and Breadth of Perspective</td>
<td>5.3%</td>
</tr>
<tr>
<td>Development Orientation</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
## Engineering Competencies

### Difference between Domestic versus International groups

<table>
<thead>
<tr>
<th>Competency - (International strengths)</th>
<th>Competency - (Domestic strengths)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applies Knowledge of Customer Structure to Sales Solutions</td>
<td>Applies Knowledge of Air Operations Tools and Equipment</td>
</tr>
<tr>
<td>Applies Service, Product, and Customer Technology Knowledge</td>
<td>Develops Promotion and Demand Generation Programs</td>
</tr>
<tr>
<td>Applies Problem Definition &amp; Structuring Knowledge</td>
<td>Conducts Competitive Analysis</td>
</tr>
<tr>
<td>Conducts Statistical Analysis</td>
<td>Conducts Research</td>
</tr>
<tr>
<td>Applies System Tools and Utilities Knowledge</td>
<td>Conducts Customer Business Process Analysis</td>
</tr>
<tr>
<td>Solves Customer Problems</td>
<td>Creates Account Strategies</td>
</tr>
<tr>
<td>Develops Data Standards</td>
<td>Develops Situational Assessments</td>
</tr>
<tr>
<td>Applies Information Systems Knowledge</td>
<td>Conducts Customer Analysis</td>
</tr>
<tr>
<td>Solicits and Gathers Information</td>
<td>Applies UPS Freight Structural and Operational Knowledge</td>
</tr>
<tr>
<td>Designs Facilities</td>
<td>Facilitates Meetings</td>
</tr>
</tbody>
</table>
Thank you