



## Case Study: Urban Logistics

U.S.-ASEAN Smart Cities Partnership: Smart Mobility Webinar IV  
*Working with the Private Sector*

18 November 2020

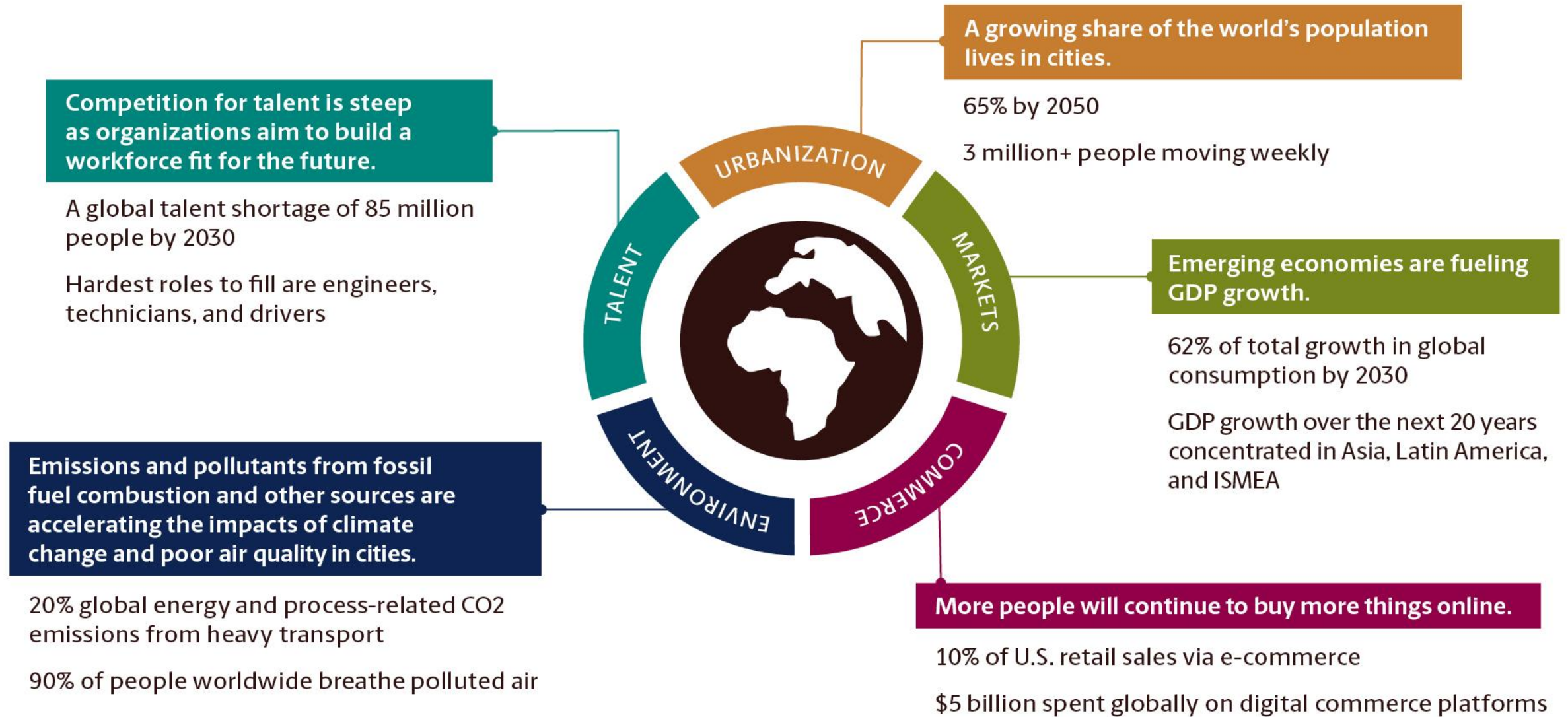


# About UPS

- World's largest package delivery company and a global leader in supply chain services
- 21.9 million packages and documents per day
- Over 3% of global GDP moves around world in UPS trucks and planes
- Serves more than 220 economies and territories around the world.
- High value-add manufacturers, urgently needed replacement or repair parts, samples & late orders, small volume shipments, commercial documents.
- Hi-Tech, Healthcare, Aerospace, Industrial Manufacturing, Retail, e-Commerce
- Enabler of global value chains and e-Commerce.

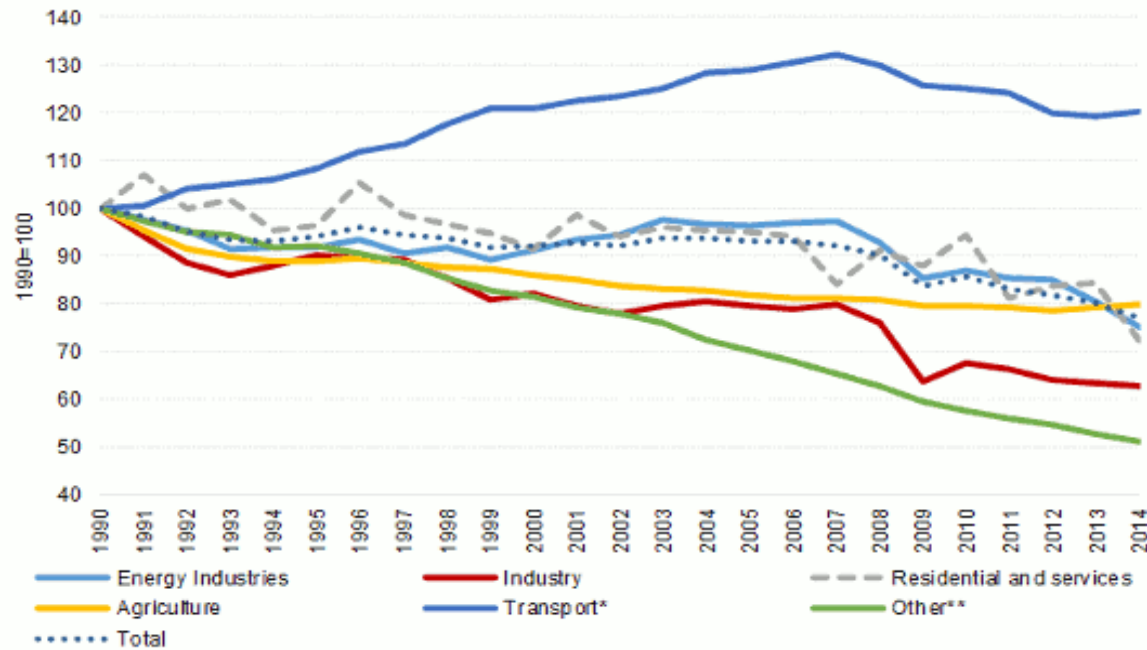


# Global Megatrends



# What happens when we burn fuel?

*Transport Sector has an Outsized Role*





# UPS Global Sustainability Goals

## Environmental



### Environmental Goals



**12% by 2025**  
Reduction in Absolute  
GHG Emissions in Global  
Ground Operation



**25% by 2025**  
Electricity from  
Renewable Sources



**40% by 2025**  
Alternative Fuel as a  
Percentage of Total  
Ground Fuel



**25% in 2020**  
Total Vehicles Purchased Annually  
that are Alternative Fuel or  
Advanced Technology Vehicles

# Our Strategy

## Urban Distribution Vehicle Electrification

### Fleet Electrification (EVs)



### Cycle and Walker Solutions





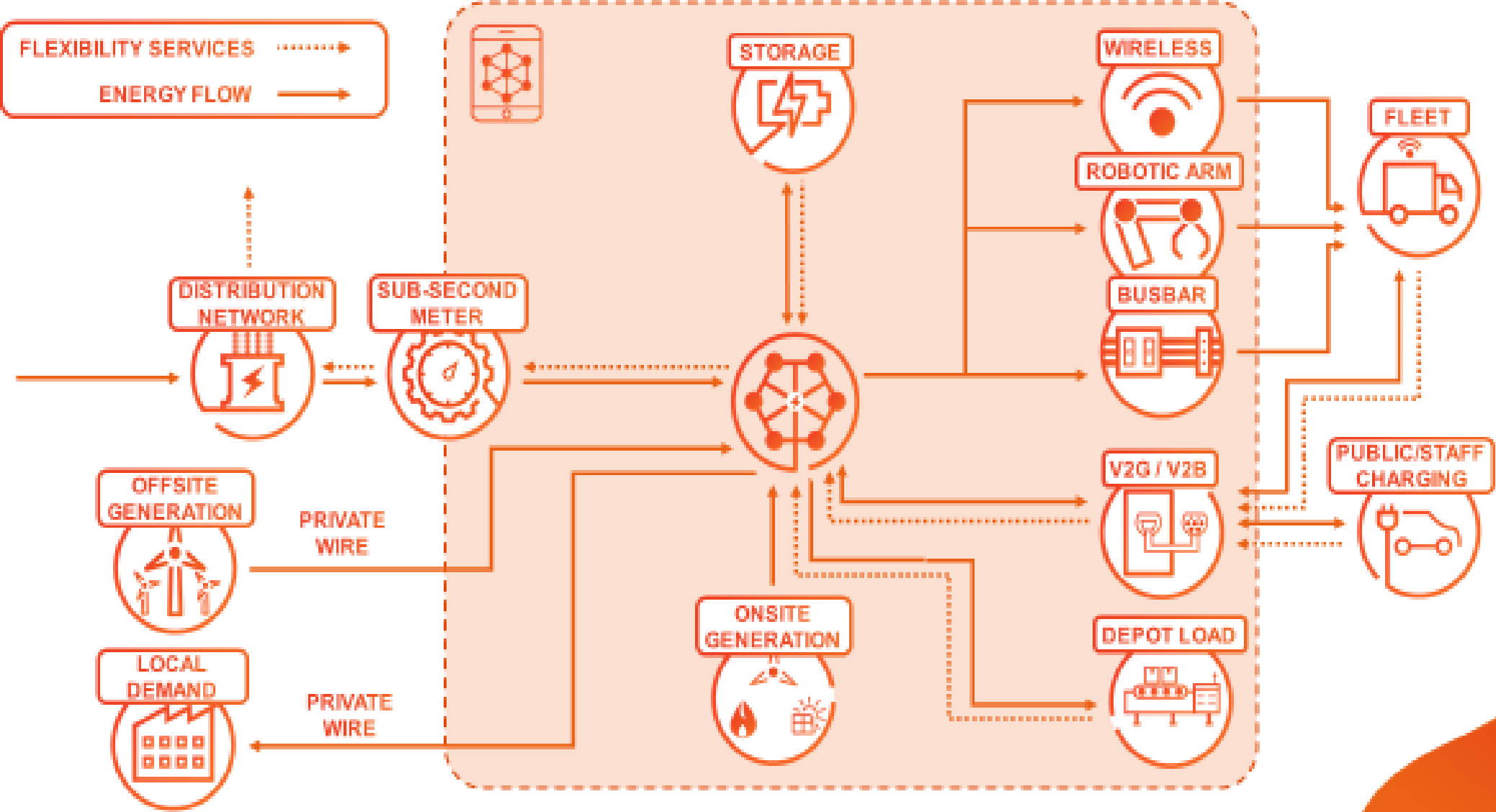
# Fleet Electrification (EVs)

## Case Study: Smart Electric Urban Logistics (SEUL) - UK

- Smart Electric Urban Logistics (SEUL) project, a UPS-led consortium, deployed game-changing technology enabling simultaneous recharging of electric fleets.
- Launched in April 2017 in collaboration with UK Power Networks, Cross River Partnership and the UK's Office for Low Emission Vehicles
- Developed smart charging system enabling UPS to charge entire central London fleet of 170 vehicles at the same time.
- Estimated 70% average savings on grid upgrade costs otherwise needed



# The power infrastructure challenge





# Cycle and Walker Solutions

## *Lessons from our eBike Journey*

1

Bikes work best in dense environments



UPS is collaborating on a six-month pilot with other logistics companies to reduce delivery related congestion in New York City. The bikes will be concentrated in the most congested parts of Manhattan and will have access to commercial loading areas, sidewalks, and more than 1,250 miles of bike lanes.

2

Many customers means more efficient delivery



Campus environments—where thousands of potential customers live and work in a condensed area—are ideal for bike delivery. At Trinity College Dublin, UPS eBikes now make deliveries from a package hub on campus, and students and staff can collect parcels from storage lockers any time of day.

3

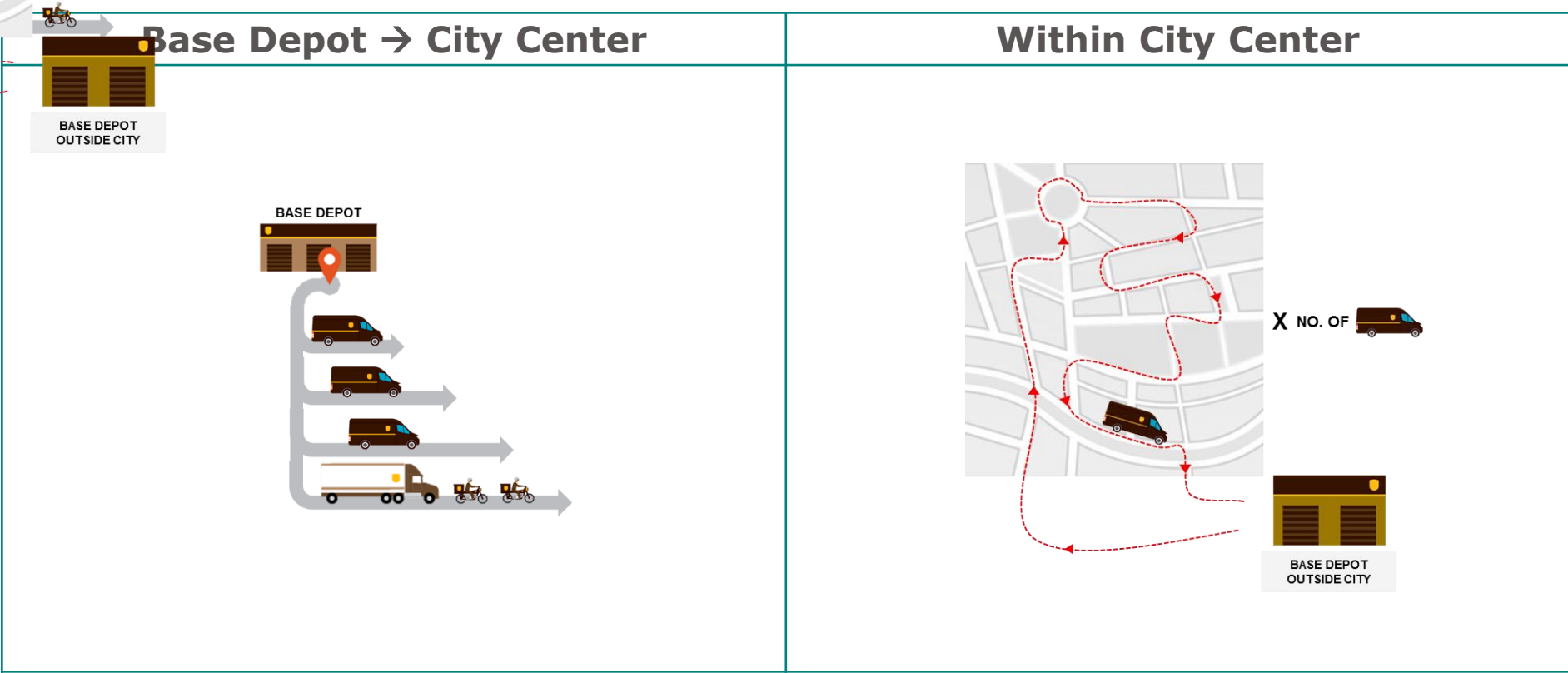
Partnership with cities is key



UPS eBikes play a role in helping Copenhagen and Stockholm be carbon-neutral by 2025 and 2040, respectively. UPS will replace 350 daily stops previously made with conventional fuel vehicles through emissions-free bike deliveries. We coordinated with each city to establish Eco Hubs at UPS Access Point® locations.

# and Walker Solutions

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/ Delivery - Traditional Model

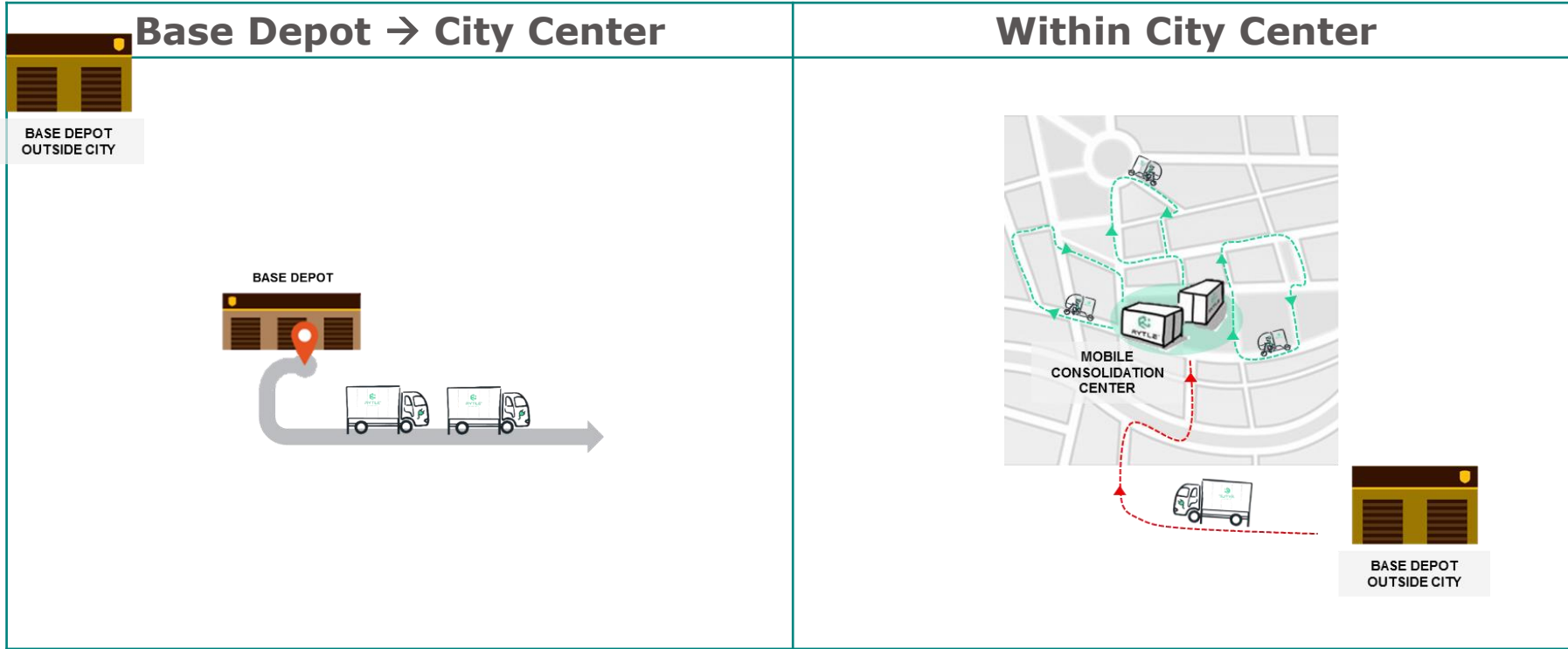
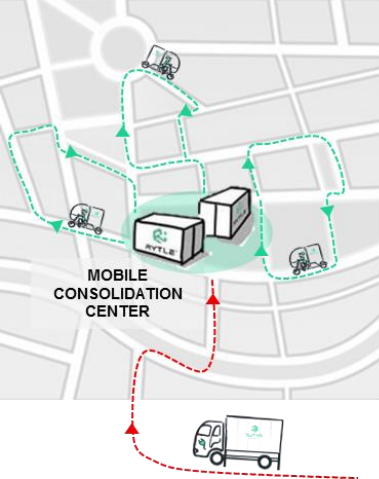


Delivery vans are effectively on the roads for the entire day, contributing to traffic congestion and carbon emissions.



# Walker Solutions

*Delivery – Proposed Model (Alternative Technology Cycles and Walkers)*



The cycle/walker model seeks to overcome these challenges through the use of mobile consolidation centers within the city center, from which smaller carbon neutral e-cargo bikes will collect and do final delivery of packages.

# Policy Recommendations

- Providing funding and operational privileges to support the deployment of alternative technologies and their associated infrastructures until they are able to support themselves commercially
- ASEAN-wide harmonisation (in line with global harmonisation efforts) of city access measures on a “freedom within a framework basis” to provide clarity, continuity, reasonable lead times
- Review of provision of facilities or space in city centres to enable electrically cycle/walker operations, including micro consolidation sites, cycle parking locations and charging facilities.
- Encourage governments to invest in the development of infrastructure (parking, charging stations) to support electric vehicles deployment







**THANK YOU**

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