



# How UPS Supports a Circular Economy

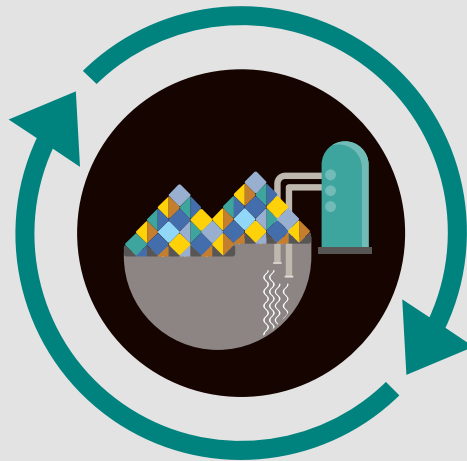
In a traditional linear economy, goods are made, used, and then disposed. In a circular economy, by contrast, the end of one product's life is an opportunity for recovery, reuse, and new value creation. But for the circular economy to work, materials must be in the right place at the right time. That's why logistics help make circularity possible. UPS is helping advance a circular economy through our services and in our own operations.



## Circular Solutions for Customers

When goods are as easy to return as they are to order, merchants reduce waste and resources used in manufacturing and packaging of new products. We're making returns easy for businesses and individuals through:

- 150,000 convenient drop-off and pickup locations
- UPS Returns® Manager, which allows customers to print return labels and provides merchants with online management and visibility of returns
- Our strategic alliance with Optoro, a technology platform that helps retailers maximize the recovery value of returns



## Circular Principles in Our Operations

As the largest consumer of renewable natural gas (RNG) in the transportation sector, UPS is helping transform a waste product into a low-carbon alternative fuel. The circular process starts when waste is buried in landfills and begins to decompose. The decomposing waste releases methane, which is 25 times more harmful when emitted than CO<sub>2</sub>. But methane can also be put to use by being purified and processed into RNG that can be used in place of other types of natural gas to power vehicles, displacing their associated emissions. Today, UPS is putting its purchasing scale to work to help commercialize this renewable transportation fuel.



## Circular Initiatives in Action

Nespresso is the pioneer in premium, single-serve coffee. While Nespresso capsules are made from aluminum, which is infinitely recyclable, they do not always reach recycling facilities. In partnership with UPS, Nespresso has established a dedicated capsule recycling program in the U.S.

Nespresso offers consumers pre-paid recycling bags to mail back used capsules, which can be dropped off at any UPS location or returned to any Nespresso Boutique or other participating retailers. Capsules are then sent to recycling partners who separate the coffee grounds from the aluminum. Aluminum is processed and reused, while coffee grounds are composted into high-quality soil used for landscaping.