

Drone Usage Takes Flight at UPS



+\$127 BILLION

Total addressable value of drone powered solutions in all applicable industries.¹

In the next decade, the commercial drone industry is projected to generate more than **\$82 billion for the U.S. economy.**²

The combined number of commercial and hobbyist drones are expected to rise from **2.5 million in 2016** to **7 million in 2020.**³

How UPS is using drones



URGENT DELIVERIES:

2016: Working with CyPhy Works, a drone manufacturer that UPS previously invested in through the UPS Strategic Enterprise Fund, UPS conducted a test using drones to deliver urgently-needed medical devices to a youth camp on Children's Island in Marblehead, MA.



HUMANITARIAN RELIEF AND CRITICAL HEALTHCARE SUPPLIES:

2016: UPS created a global partnership with Zipline, a robotics company, and Gavi, the Vaccine Alliance, to explore using drones to transform the delivery of life-saving healthcare products like blood and vaccines around the world. The first flights of medical supplies to Rwanda are being conducted in October 2016.

2015: UPS participated in a multi-state study coordinated by Measure, a 32 Advisors company specializing in drone applications, on behalf of the American Red Cross to help inform decision-making on key issues related to drone use and policy. The study focused on using drones in disaster relief and humanitarian aid.



RESIDENTIAL PACKAGE DELIVERIES TESTS:

2017: Working with Workhorse, an Ohio-based battery-electric truck and drone developer, to test residential package deliveries via drone launched from the top of a UPS package car. This model can significantly reduce costly miles driven and create efficiencies on rural delivery routes.



WAREHOUSE OPERATIONS AND INVENTORY MANAGEMENT:

UPS has been testing drones inside warehouses in Louisville, Kentucky and Venlo, Netherlands to check high storage racks to confirm stock or available space as an alternative to using forklifts and ladders. In the future, we will extend test cases to increase operational efficiency to include inventory management, facility monitoring and external airplane equipment inspection.



SHAPE THE FUTURE OF DRONE REGULATIONS:

UPS is one of 35 business, association, municipal and academic leaders appointed to a new FAA Drone Advisory Committee (DAC) to advise on introducing unmanned aircraft into the national airspace system.

¹<http://www.pwc.pl/pdf/clarity-from-above-pwc.pdf>

²<https://www.whitehouse.gov/the-press-office/2016/08/02/fact-sheet-new-commitments-accelerate-safe-integration-unmanned-aircraft>

³<http://www.uasmagazine.com/articles/1449/faa-releases-uas-data-on-sightings-2020-forecast>

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