

Environmental Social and Governance Concept Driven Green Transformation in Logistics: A Comparative Case Study of SF Holding and United Parcel Service

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ABSTRACT

With increasing environmental pressure and changing business expectations, sustainability has become an important consideration for modern enterprises. Now countries around the world pay attention to ESG highly. The three parts-environment, social and governance, it has turned into a business strategy, not just a profit factor. The logistics industry is an important source of environmental pollution, the companies must follow ESG concept, the necessity for logistics firms of accelerating their ESG transformation is a growing and global issue. In this work, a general overview of ESG concepts is given and its significance of the development of logistics companies. Through a comparative case study of SF Holding and United Parcel Service, this paper discusses the differences in ESG concept driven green transformation between China and abroad. It analyses the differences of typical Chinese and foreign logistics enterprises in their environmental, social and governance performance, sum up the reasons of these differences, offering practical reference for other logistics enterprises to implement ESG system. This research tries to support logistics firms in balancing environmental responsibility, social value and internal governance.

Keyword: logistics industry; Environmental and Social Governance Concept; Comparative Analysis; SF Holding; United Parcel Service.

1. INTRODUCTION

In recent years, sustainable development has become an important issue for enterprises around the world. With increasing concerns about climate change and environmental problems, companies are no longer evaluated only by their financial performance. Instead, more attention has been given to their environmental responsibility, social impact and governance ability. Under this background, ESG (Environmental, Social and Governance) has gradually become an important framework for measuring the sustainable development capability of enterprises.

Logistics industry plays an important role in world economic activities, but the faster it develops, it brings pressure to energy consumption and carbon emission. In China, the logistics industry has been growing in recent years. From 2020 to 2025, the total value of logistics of the whole society in China will increase from about 300.1 trillion yuan to 368.2 trillion yuan, with an annual growth rate of more than 5%. However, with the growth of logistics activities, the requirements for energy-saving technologies and low-carbon transformation have also increased. Therefore, improving work efficiency and reducing the impact on the environment has become an important topic for logistics enterprises.

In this case, many logistics enterprises began to include ESG rules in their long-term development plans. UPS is one of the top logistics enterprises in the world, with operations in more than 220 countries and regions. In 2024, the company's annual revenue was about 91.07 billion US dollars, paving the way for carbon neutrality. At the same time, SF Holding is one of the leading logistics enterprises in China, with a revenue of about 284.42 billion yuan in 2024, becoming the first China logistics enterprise to rank A in MSCI ESG evaluation. These differences have laid a valuable foundation for comparing the green transformation of logistics enterprises in foreign countries and China through ESG.

Choose this SF Holding and United Parcel Service (UPS) as a comparative example to analyze how ESG's ideas affect the green transformation of logistics enterprises. This study focuses on three parts of ESG: environmental protection, social responsibility and corporate governance. By comparing the operational strategies, practices and results of the transformation of the two companies, this paper aims to find out the differences in different market environments and put forward practical suggestions for Chinese logistics enterprises seeking sustainable development.

2. LITERATURE REVIEW

2.1 ESG Concept

ESG is a concept that evaluates companies from three aspects: environmental protection, social responsibility and corporate governance. Compared with traditional business evaluation methods, ESG focuses not only on whether a company can make profits, but also on whether it can reduce environmental impact, take responsibility for society and improve management.

In recent years, ESG has attracted increasing attention from enterprises and investors. Many studies have shown that companies with better ESG performance may have stronger long-term development ability. Zhang and Cao ^[1] found that ESG can help enterprises create value by improving resource use and management ability. Zhang ^[2] also pointed out that good ESG performance can help companies reduce risks and improve market opportunities.

2.2 ESG and Green Transformation of Logistics Enterprises

In previous studies, we discussed the relationship between ESG and logistics. Shu ^[3] argues that the practice of ESG will improve environmental management, social responsibility and corporate governance. Wang and Xie ^[4] pointed out that digital technology can achieve green change by improving the efficiency of logistics and reducing the waste of resources.

2.3 Research Difference

So far, researches have talked about ESG initiatives of logistics companies, but most of them only focus on one company or companies in the same country. There are few studies comparing China logistics companies with overseas companies.

Therefore, SF Holding and UPS are selected as the survey objects in this study. I want to compare two people's ESG strategies, and understand how logistics companies in different environments achieve green change through this paper.

3. CASE STUDY: SF HOLDING AND UNITED PARCEL SERVICE

3.1 Company Overview

3.1.1 United Parcel Service (UPS)

United Parcel Service (ups) was selected as one of the examples of this study. Because it represents the development of international logistics enterprises. UPS was founded in United States in 1907, and gradually expanded its business, from the initial regional distribution service to globalization including package delivery, transportation solutions and supply chain management.

The reason for choosing UPS is not only because of its large business scale, but also because it has been trying to do a good job in sustainability activities. As a company doing business in many countries, UPS is facing problems in energy consumption and transportation emissions. Therefore, reducing the impact on the environment and improving the UPS method of operation management have become a good example for international logistics enterprises to study how to apply ESG principles.

3.1.2 SF Holding

SF Holding is taken up as a representative example of China's logistics industry in this study. Since the establishment of the company, the company has expanded its services by combining transportation networks, technology application and supply chain solutions. Compared with traditional logistics companies that mainly rely on physical transportation resource, SF Holding places more emphasis on digital systems and intelligent management.

With the selection of SF Holding, the study examines how Chinese logistics companies are responding to environmental and social challenges in the midst of rapid growth. According to SF Holding's ESG Report ^[6], SF Holding has researched and developed in areas such as green transportation, sustainable packaging and digital optimization. These methods have become valuable examples for understanding the relationship between ESG strategy and green transformation in China's logistics industry.

3.2 ESG Practices of United Parcel Service (UPS)

3.2.1 Environmental Responsibility

In the logistics industry, transportation is an important reason for using a lot of energy and launching carbon emissions. UPS, as the world logistics company, is promoting a large-scale distribution network including land and air transportation. Therefore, adjusting emissions has become a major issue in the future development of UPS. In order to cope with the pressure of these environments, UPS adopts various methods in its daily work. The company is investing in spare batteries, electronic batteries and renewable energy mechanisms to reduce dependence on traditional fuels. In addition, UPS also uses digital technology to improve transportation routes and transportation efficiency and avoid using additional energy. UPS has also made a long-term carbon reduction plan. The company aims to realize carbon neutrality in global work by 2050, and continuously increases the utilization of alternative fuel and renewable electricity ^[5]. These changes show that UPS is striving to achieve its environmental goals while protecting efficient logistics services. By combining technology with environmental management, UPS demonstrates how ESG's ideas can push logistics company towards green change. The main environmental commitments introduced by UPS are summarized in Table 1, including transportation improvement, technology utilization and the use of renewable energy.

Table 1. UPS Environmental Actions

Area	UPS Practices
Transportation	Electric vehicles and alternative fuel vehicles
Technology	Digital route optimization
Energy	Renewable energy application
Operation	Improving transportation efficiency

3.2.2 Social Responsibility

In addition to environmental issues, UPS also needs to pay attention to employees, customers and the wider society. As a logistics company, the quality of services depends greatly on employees' skills and working conditions. Therefore, employee protection and service improvement have become important areas of UPS's social responsibility.

UPS is committed to employee training and workplace safety in its daily work. The company gives staff training opportunities and formulates safety rules to help employees work better. Logistics often carries out transportation and delivery activities, so it is very important to protect the safety of employees and companies.

In addition, UPS also pays attention to the needs of customers and the development of community. Through stable delivery service and social support activities, the company tries to create better value outside normal work.

From these practices, we can see that ESG is more than just environmental protection. ESG also shows how companies manage relationships with employees, customers and society. By doing a good job in employee management and contribution to society, UPS can enhance trust and support long-term development. As summarized in Table 2.

Table 2. UPS Social Responsibility Practices

Area	UPS Practices
Employees	Training programs and workplace safety management
Customers	Improving service quality and delivery reliability
Community	Participating in social support activities

3.2.3 Governance Responsibility

For UPS of global logistics company, which works around the world, management ability is necessary to manage equipment in order to continue to work stably in various markets. Because UPS works in many countries and regions, it needs good governance methods to manage risks and work in accordance with standards. UPS manages work activities by improving internal procedures, controlling possible risk, and conveying information to stakeholders. Through these

methods, the company can speed up the decision and continue to work with peace of mind. Chatting transparently with investors and customers also makes everyone believe that the company's mood is getting bigger. Although governance is not ready-made like environmental action, it plays a supporting role in the company's long-term good performance. With a reliable governance structure, UPS can take care of expansion, work risk and social responsibility. Finally, the governance practice of UPS shows that good management is an important foundation for sustainable development. As shown in Table 3.

Table 3. UPS Governance Practices

Governance Area	UPS Practices
Risk Management	Monitoring business risks and improving internal control
Information Disclosure	Providing transparent information to stakeholders
Management System	Maintaining global operation standards

3.3 ESG Practices of SF Holding

3.3.1 Environmental Responsibility

As SF Holding continues to expand its logistics business, the company also needs to deal with the environmental pressure brought by transportation and delivery activities. With the growth of online shopping and delivery demand, reducing energy consumption has become an important issue for Chinese logistics companies.

To reduce these impacts, SF Holding has explored different methods, such as cleaner transportation methods, recyclable packaging and technology-based management. The company has increased the use of new energy vehicles in delivery services, which can reduce the use of traditional fuels. At the same time, recyclable packaging helps decrease waste created by large-scale delivery activities.

Technology application has become one of the ways for SF Holding to improve its environmental performance. Through intelligent logistics systems, the company can adjust transportation routes and improve delivery efficiency.

This development reflects how Chinese logistics companies try to solve environmental problems through new technologies and operational improvements. SF Holding's practices show that green transformation requires both environmental actions and changes in business operations, as summarized in Table 4.

Table 4. SF Holding Environmental Practices

Environmental Area	SF Holding Actions
Transportation	Increasing the use of new energy vehicles
Packing	Promoting recyclable and low-carbon packaging
Technology	Using digital systems to optimize logistics routes

3.3.2 Social Responsibility

In the logistics industry, companies need to consider the impact of their operations on employees, customers and society. As SF Holding operates a large logistics network in China, maintaining service quality while meeting social needs has become an important issue for the company.

Employee management is one of the areas that SF Holding needs to focus on when developing its social responsibility. The courier plays an important role in the work of logistics. Therefore, by improving training opportunities and working environment, the quality of service can be maintained. SF Holding provides training and management support to help employees improve their job skills.

SF Holding also pays great attention to the customer experience and social development. By using technology and logistics network, the company has improved the efficiency of distribution and provided more reliable services. In some areas, SF Holding uses the advantages of logistics to support local people and improve transportation links.

These actions show that the responsibility of science fiction hotels is not limited to delivery services, but also includes contributions to employees, customers and society. Through these efforts, the company can establish a stronger relationship with stakeholders and support future development. Table 5 shows this.

Table 5. SF Holding Social Responsibility Practices

Area	SF Holding Practices
Employees	Training and employee development
Customers	Improving delivery quality and service experience
Society	Supporting communities through logistics services

3.3.3 SF Holding Governance Responsibility

Because SF Holding operates a large logistics network, it needs effective management methods in order to summarize different jobs. With the development of logistics industry, controlling risks and improving efficiency has become an important issue for this company.

SF Holding uses technology and management systems to improve daily work and make business processes more organized. Through digital tools, companies can monitor logical activities, make better judgments and manage resources more effectively.

The company also shares important information with investors and keeps in touch with various business-related groups. These behaviors help to improve trust and enable SF Holding to establish a stronger relationship with stakeholders.

Generally speaking, the management experience of sci-fi hotels shows that effective management will support the long-term development of the company. The matching business structure will help the company strike a balance between business expansion, risk control and social responsibility.

4. COMPARATIVE ANALYSIS OF ESG PRACTICES BETWEEN UPS AND SF HOLDING

The comparison of ESG practices between UPS and SF Holding across environmental, social and governance dimensions is summarized in Table 6.

Table 6. ESG Comparison Between UPS and SF Holding

ESG Dimension	UPS	SF Holding
Environmental	Focuses on carbon reduction, alternative fuel vehicles and transportation efficiency	Focuses on new energy vehicles, green packaging and digital logistics
Social	Emphasizes employee safety, training and community responsibility	Focuses on employee development, customer service and social support
Governance	Uses global management systems, risk control and information disclosure	Uses digital management, internal processes and business coordination

4.1 Environmental Comparison

When comparing the environmental performance of UPS and SF Holding, both companies have tried to reduce the impact caused by logistics operations. However, the methods they choose are different because they operate in different markets, which may be related to differences in business structure, geographical coverage and operating conditions.

UPS mainly focuses on reducing emissions from international transportation. Since the company manages a global logistics network, it pays more attention to alternative fuels, electric vehicles and improving transportation efficiency.

SF Holding's environmental actions may reflect the characteristics of China's domestic logistics market, as well as the company's business scale, service structure and operational needs. The company emphasizes new energy vehicles, green packaging and digital technology to improve delivery efficiency.

Despite these differences, both companies use technology as a way to improve efficiency and support greener logistics development. Their practices suggest that technology has become an important factor in the transformation of modern logistics companies, as summarize in Table 7.

Table 7. Environmental Practices Comparison Between UPS and SF Holding

Area	UPS	SF Holding
Green Vehicles	Alternative fuel vehicles and electric vehicles	New energy delivery vehicles
Technology	Route optimization and efficiency improvement	Digital logistics systems
Packaging	Sustainable packaging solutions	Green packaging initiatives
Main Focus	Reducing global transportation emissions	Improving green logistics in China

4.2 Social Comparison

In the logistics industry, social responsibility is closely connected with daily operations because service quality depends on employees, customers and public trust. UPS and SF Holding both pay attention to social factors, but their priorities may be related to differences in business structure, workforce characteristics, geographical coverage and operating conditions.

UPS mainly focuses on employee safety, training and workplace management. As a company operating in many countries, UPS needs to manage a large and diverse workforce. Therefore, maintaining safe working conditions and improving employee skills are important for ensuring stable operations. Besides employee management, UPS also improves customer service quality and participates in community activities to create positive social influence.

Compared with UPS, SF Holding's social responsibility is more closely related to the development of China's logistics market. With the rapid growth of online shopping and delivery demand, SF Holding focuses on improving delivery efficiency, customer experience and employee development. The company also uses its logistics network to provide support for different communities and regions, showing its connection with local social needs.

The difference between UPS and SF Holding may be related to their different operating environments. UPS places more emphasis on global employee management and standardized service systems, while SF Holding focuses more on domestic market needs and local social connections. Although their approaches are different, both companies demonstrate that social responsibility can influence long-term competitiveness and sustainable development.

4.3 Governance Comparison

For logistics companies, management quality directly influences how effectively they control risks and maintain daily operations. A suitable management structure helps companies organize complex operations and deal with changes in the industry. UPS and SF Holding have developed different governance approaches that may reflect differences in business structure, geographical coverage, company size and regulatory environments.

UPS focuses on global management standards and operational control. Since the company operates across many countries, it needs consistent management methods to coordinate different regions. UPS also pays attention to business regulations, operational risks and communication with stakeholders, which helps maintain stable international operations.

SF Holding's governance approach is closely related to digital management and domestic logistics development. The company uses technology systems to connect different parts of its logistics network, improve information flow and increase decision-making efficiency. This approach allows SF Holding to respond quickly to changes in the fast-growing Chinese logistics market.

The difference between the two companies may be related to their operating models. UPS depends more on global management systems, while SF Holding relies more on technology-based management and operational flexibility. However, both companies show that proper management is necessary for maintaining stable growth and adapting to future challenges.

4.4 Overall Discussion

After comparing the three ESG dimensions, it can be seen that UPS and SF Holding have adopted different methods to improve their sustainability performance. Their strategies may reflect differences in their market positions, business structures and operating environments.

From the environmental aspect, UPS has more experience in managing international transportation networks and focuses on emission reduction through alternative energy, cleaner vehicles and operational improvements. SF Holding pays more attention to green development in China's logistics market, including new energy vehicles, digital technology and sustainable packaging. Their experiences suggest that technology has become an important tool for making logistics operations more efficient and environmentally friendly.

In terms of social responsibility, UPS has advantages in global employee management and international service standards. SF Holding has stronger connections with local customers and communities because of its wide domestic delivery network. This difference indicates that companies usually adjust their social responsibility practices according to their own operating conditions.

Regarding governance, UPS depends more on international management systems and risk control methods, while SF Holding uses digital management to improve flexibility and decision-making efficiency. Both approaches help companies maintain stable operations in a changing market.

Overall, the cases of UPS and SF Holding suggest that ESG development should match the specific needs and characteristics of each company. A successful green transformation requires companies to balance environmental protection, social responsibility and effective management.

5. CONCLUSION

This research examines the ESG approaches of UPS and SF Holding and explores how different logistics companies respond to sustainability challenges. The findings indicate that both companies have included sustainability into their business planning, but their methods are influenced by different markets and operating conditions.

In environmental practices, UPS mainly focuses on improving international transportation efficiency through cleaner energy, alternative fuel vehicles and emission reduction programs. SF Holding places more attention on green development in China's logistics market through new energy vehicles, digital technology and sustainable packaging solutions. These differences reflect the different requirements of global and domestic logistics operations.

Regarding social responsibility, UPS emphasizes employee safety, training and global service standards, while SF Holding focuses more on customer experience, employee development and local social connections. For governance, UPS depends more on international management systems, whereas SF Holding uses digital tools to improve operational flexibility and decision-making efficiency.

The comparison between UPS and SF Holding indicates that ESG development needs to be adjusted according to each company's situation. A successful transformation requires companies to balance environmental goals, social responsibilities and management capabilities. In the future, logistics enterprises will need to continue using technology and improved management methods to achieve more sustainable growth.

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