

UNITED STATES POSTAL SERVICE®
Annual Sustainability Report 2020





Cover: USPS
Los Angeles mail
processing center
shows solar panels
installed at facility
with downtown
Los Angeles in the
background.

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The reporting period is for the United States Postal Service's fiscal year 2019: October 1, 2018, to September 30, 2019.

Any information and quantitative data presented in this report is from FY2019 unless otherwise noted.

Introduction

Interview with the Chief Sustainability Officer

Our sustainability efforts at the United States Postal Service saw a change in leadership in 2019 when we welcomed our new Chief Sustainability Officer Jennifer Beiro-Réveillé to lead our energy and environmental management initiatives. By way of introduction, she shares her thoughts about sustainability at the Postal Service — and how our organization is making a positive impact on the environment we all share.

How is sustainability defined at USPS?

It's our capacity to endure with the acknowledgement that natural resources are not inexhaustible. We're mindful of our environmental footprint as we operate in a manner that is conscious of today's actions and tomorrow's unknowns.

As a global organization, we understand the direct impact we have on the communities we serve. We leverage the power of our organizational depth by making environmentally focused decisions that affect, and subsequently redefine, our supply chain. We're doing our part to proactively address environmental management, drive positive change and inspire others to do the same.

Why is sustainability valued at USPS?

We consider it our responsibility to be good stewards of the environment and consequentially the customers that we serve. We understand that the world is changing and that we must change with it. Actionable sustainability initiatives define our workplace culture and foster a sense of innovation. In pursuing change,

sustainability becomes increasingly more valuable as we improve our operations, benefit our customers and their environment, and set a precedent for responsible use and protection of the natural environment that we share.

We are profoundly aware of our environmental responsibilities and we take them very seriously. The environmental challenges presented, and the solutions that we provide, make us more efficient, robust and pragmatic. We're working hard to put our stamp on a greener tomorrow.

What is our organization's vision for sustainability?

Our vision is to be a sustainability leader by encouraging a culture of conservation. By defining ourselves as "future-ready" we're using strategic innovation to prepare ourselves for tomorrow. We're committed to creating a culture that adopts sustainable business practices for our organization, as well as our suppliers and customers.

As a foundation for this vision, we strive to ensure compliance with environmental and energy regulatory requirements in all aspects of our business. Furthermore, we've set aggressive targets for energy use, water use and greenhouse gas emissions. We've built roadmaps that outline how we'll achieve these goals, have as little negative impact as possible, and continue to serve our communities. We want to position the Postal Service in such a way that we're sustainable and successful, both today and tomorrow.

What challenges has USPS found in pursuit of sustainability?

Our challenge manifests in the broad scope of our universal service obligation and the continued evolution of our customers and marketplace. Reducing emissions poses many logistical and technological challenges. We're proud of our transportation optimization efforts which include fuel



Jennifer Beiro-Réveillé,
Chief Sustainability Officer

efficient initiatives. The evolving requirements of our delivery operations are a continued priority as we work towards cost-effective and environmentally responsible solutions.

How is sustainability incorporated at USPS and what is new this year?

We continue to pursue energy solutions that include solar power, hydrogen fuel cells, energy efficient lighting and energy management systems. These will have a direct effect on improving our energy and carbon efficiencies across our vast geographical footprint. Continual improvement in sustainability performance is important to the long-term health and competitiveness of the Postal Service, while protecting the environment of the communities that we are dedicated to serve.

GRI

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Purpose/Executive Summary

There is an ever-increasing demand from our customers and partnering organizations to shift to a more sustainable business model. They ask for more efficient operations, innovative solutions and improved service. To stay ahead of these market trends, we are shifting too. Once again, we're happy to share our 2020 Annual Sustainability Report with you. The purpose of this report is to increase awareness of our environmental responsibility initiatives, ensure accountability to our stakeholders, and further bolster our transparency efforts using the Global Reporting Initiative (GRI) reporting framework. It is our goal to provide status updates and demonstrate our challenges and opportunities as we move through our sustainability journey.

This report highlights our approach to integrating sustainability throughout our business. We aim to holistically measure, understand and communicate our sustainability performance and goals, and define the processes we have in place to achieve these goals. Our strategic initiatives and continuous improvement efforts are guided by our [Ready-Now Future-Ready Five-Year Strategic Plan FY2020-FY2024](#).

Background

Our report addresses a range of economic, environmental and social impacts through stakeholder review, performance assessment and sustainability initiatives.

Materiality Table

In 2018, we engaged stakeholders from various parts of the organization as well as externally to evaluate topics using a materiality assessment process that considered impact on long-term sustainability of our business. We examined issues, considered business strategies, and collected customer and stakeholder input on our most significant topics. Internal and external stakeholders shared their perspectives on the likelihood and/or severity of impact and possible risks or opportunities for each topic. Our methodology and evaluation process meet the intent of the GRI Standards to ensure transparency, consistency and accountability in our sustainability reporting. The materiality assessment remains valid for this report. We plan to revisit the assessment and stakeholder engagement process in our next report.

Our stakeholder engagement process empowers us to make better-informed decisions to address performance and operational challenges where they matter most. For more information on our approach to stakeholder engagement and materiality topic selection, see the Materiality section of our [2018 Annual Sustainability Report](#).

The 13 material topics are based on the results of our 2018 materiality assessment. These topics are apparent throughout the report and reported on fully in the GRI Content Index. Additionally, information on the measurement and management approach of many of these topics is addressed in other USPS public reports — see the [GRI Content Index](#) for specific references. For more information on the evaluation process, refer to GRI disclosure [102-43](#) in the GRI Content Index.

See the [Materiality Table](#) on the next page.

Each of these topics carries numerous sustainability implications, ranging from business practices to environmental responsibility to employee well-being. Part 2: [Building a Culture of Conservation](#) focuses on activities and initiatives to make our business more sustainable. Our priorities, achievements and opportunities contribute to the impact — positive or negative — each of these topics has on the economy, environment and society.

GRI

<u>102-40</u>	<u>102-46</u>
<u>102-42</u>	<u>102-47</u>
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<u>102-44</u>	

**Materiality Table**

Material Topic		Our Approach
Economy	Optimize Delivery and Network Operations	<ul style="list-style-type: none">■ Utilize new technology to enhance visibility and decrease operational costs■ Invest in key infrastructure upgrades■ Measure the speed and reliability of delivery of our market-dominant products through on-time delivery-based performance indicators
	Innovation	<ul style="list-style-type: none">■ Reenvision how the Postal Service, mailers and consumers interact with packages, mail and other assets within the USPS ecosystem■ Leverage information and technology to improve the customer experience at every touch point■ Build a culture of employee engagement■ Test, deploy and refine capabilities
	Financial Stability	<ul style="list-style-type: none">■ Product development and innovation■ Competitive pricing■ Operational efficiencies and cost reductions
	Digital and Physical Security	<ul style="list-style-type: none">■ Promote best practices and training on cybersecurity fundamentals■ Investigate crimes involving the U.S. Mail, including mail theft, identity theft, mail fraud and suspicious mail, through the Postal Inspection Service
	Government Relations/Legislative and Regulatory Reform	<ul style="list-style-type: none">■ Communicate with key stakeholders to develop effective and beneficial legislation
Environment	Brand Image	<ul style="list-style-type: none">■ Maintain presence and provide universal service throughout the country■ Leverage social media to showcase products and operations and offer customer service help options
	Energy, Fuel and Emissions	<ul style="list-style-type: none">■ Employ renewable energy technologies■ Evaluate, track and manage energy and fuel usage through energy management systems■ Calculate and understand emissions associated with operations
	Environmental Compliance	<ul style="list-style-type: none">■ Conduct environmental compliance reviews, assessments and site visits■ Target high-risk facilities■ Monitor and verify the implementation of corrective actions■ Leverage data and feedback to enhance compliance programs and improve overall environmental performance
Society	Operational Resiliency	<ul style="list-style-type: none">■ Incorporate lessons learned from previous weather emergencies into response efforts
	Customer Service and Satisfaction	<ul style="list-style-type: none">■ Understand changing customer needs and market trends■ Provide more visibility and control of mail and package delivery services■ Transform the commercial mailer and shipper experience■ Improve retail experiences and expand digital and alternative access■ Build a world-class customer care process■ Increase customer engagement through social media
	Employee Health, Safety and Wellness	<ul style="list-style-type: none">■ Follow compliance protocols to ensure effective implementation of standard safety and health protection requirements■ Design and employ targeted accident prevention strategies■ Maintain a culture of safety
	Employee Engagement	<ul style="list-style-type: none">■ Increase opportunities for employees to voice their thoughts■ Administer formal training and equip employees with the necessary tools to improve their local work environments■ Create an inclusive corporate culture that values the diversity of the workforce
Community Engagement		<ul style="list-style-type: none">■ Provide public resources to our customers and neighbors■ Administer and participate in activities to engage customers and neighbors■ Provide assistance to employees who have been struggling to recover from natural disasters■ Maintain a strong, competitive, diverse supplier base



USPS Highlights

Our obligation is to provide universal postal services to the nation. We are a trusted part of every community, connecting people and businesses through economical and reliable services. We serve retail and commercial customers in the communications, distribution and delivery, advertising and other markets throughout the nation and internationally. We operate and manage an extensive and integrated retail, distribution, transportation and delivery network. As a result of our scale, the Postal Service is a major part of the nation's financial infrastructure, facilitating millions of transactions daily for businesses coast to coast.

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[103-1](#) (brand image)

[103-1](#) (employee engagement)

[103-1](#) (community engagement)

[103-2](#) (optimize delivery and network operations)

[103-3](#) (financial stability)

[103-3](#) (customer service and satisfaction)

[103-3](#) (brand image)

[103-3](#) (employee engagement)

[103-3](#) (employee health, safety and wellness)

[103-3](#) (innovation)

Employees
633,108

Delivery points
159.9 million

Vehicles
228,940

Pieces of mail processed
142.6 billion

Post offices, stations and branches
34,613

Through our strategic planning, we have established four strategic areas of focus: Deliver a World-Class Customer Experience; Equip, Empower, and Engage Employees; Innovate Faster to Deliver Value; and Invest in our Future Platforms. Along with these focus areas, we also set corporate-wide performance measures to assess our progress. See our [FY2019 Annual Report to Congress](#) for specific information about the data measured and tracked to evaluate performance, our FY2019 performance report and FY2020 performance plan.

Building a Culture of Conservation

The Postal Service is committed to taking the necessary strides to become a model sustainable business and be a sustainability leader by creating a culture of conservation throughout our organization. We encourage adoption of sustainable business practices by engaging our employees, customers, suppliers, mailing industry and federal peers. As a foundation for this vision, we strive to ensure compliance with environmental regulatory requirements in all aspects of our operations. Our goal is to deliver mail with a high level of service while minimizing operational costs and impact on the environment. We continuously develop and implement initiatives to improve our sustainability performance.

To grow our business and keep up with the rapidly changing marketplace, the Postal Service must create new solutions to meet the needs of our customers. Our strategic initiatives and continuous improvement efforts are driven by our [Ready-Now Future-Ready Five-Year Strategic Plan](#). We're working to maximize customer value for both businesses and consumers by accelerating the speed at which we

innovate, building a platform to increase package business profitability, and embracing advances in technology. As an organization, we will build on our successes and keep learning. We'll invest in processes and improvements to meet our future needs — as well as those of our suppliers and customers — and keep our focus on improving the economic, environmental and social sustainability of our business.

The Postal Service spearheads many initiatives to further our goal of a sustainable future. The initiatives and achievements presented in this report reflect the range of topics identified as material to our sustainability success. In the following section, we explore the progress we made in 2019 while also looking ahead.



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[103-1](#) (innovation)

[103-2](#) (innovation)

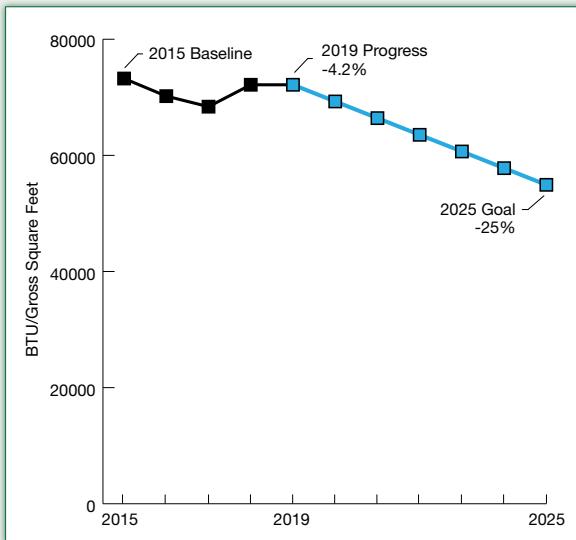
[103-2](#) (customer service and satisfaction)

Sustainability Goals Snapshot

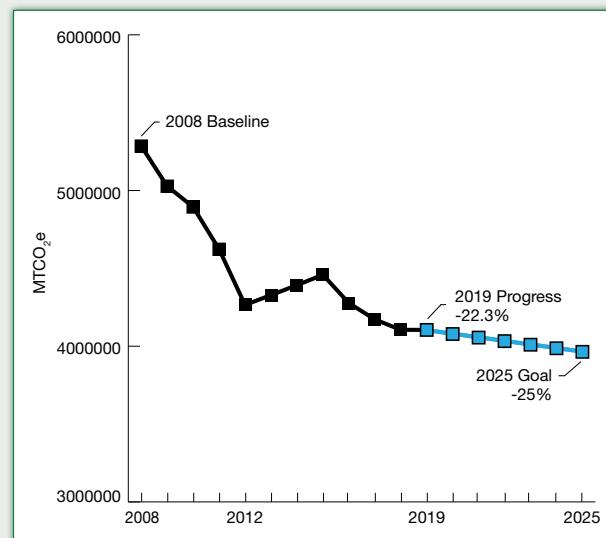
The Postal Service is focused on 2020 and beyond. We have established multiple sustainability metrics, presented here, to track and measure progress in our key focus areas. More details on these metrics can be found in their related report sections.

Additional goals, such as financial, employee safety and customer service, can be found in our [FY2019 Annual Report to Congress](#) and [Ready-Now Future-Ready Five-Year Strategic Plan](#).

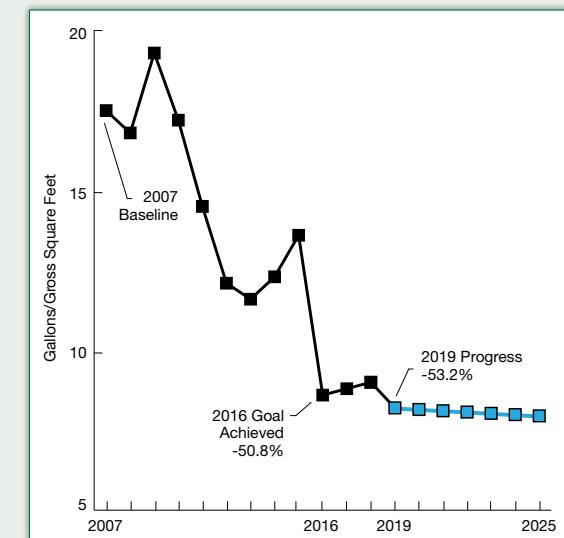
Energy Intensity



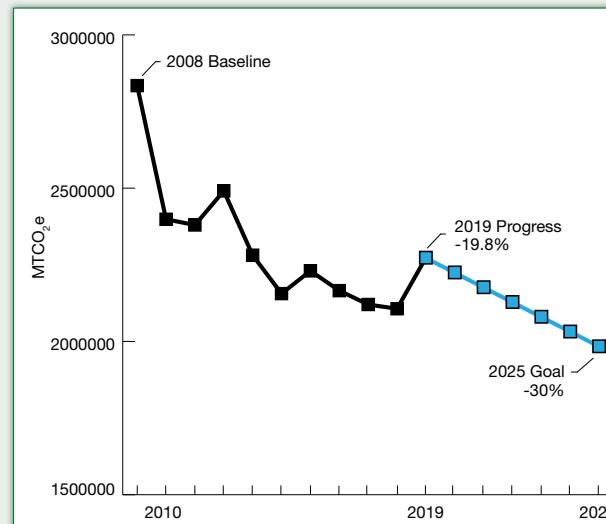
Scope 1 and 2 Emissions



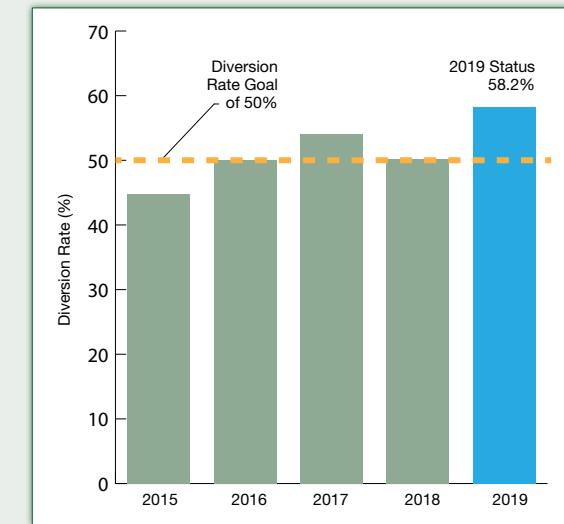
Water Intensity



Scope 3 Emissions



Waste Diversion



GRI

[103-3](#) (energy, fuel and emissions)

[305-2](#)

[302-1](#)

[305-3](#)

[305-1](#)

Energy, Fuel, Emissions and Water

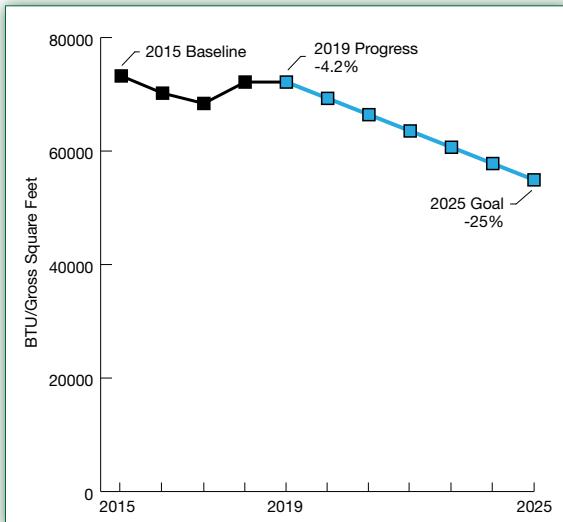
Facility Energy

We operate an extensive network of over 34,000 facilities in all 50 states and U.S. territories making facility efficiency and management a key focus of our sustainability initiatives.

Energy Consumption/Intensity and Trends

In 2019, we reduced both our facility electric usage and heating fuel usage, achieving a 2.7 percent reduction in energy use intensity from 2018 and a 4.2 percent reduction from our baseline in 2015. This is due both to our ongoing conservation efforts and monitoring through our Enterprise Energy Management System and Utility Management System. We also evaluate

Energy Intensity



BUSINESS CASE: Utility Management System

Our Utility Management System (UMS) identifies variances in utility usage based on prior month and prior year data. The system flags invoices for further review by a dedicated group of employees — UMS coordinators. They circle back with the postal location to determine the issue. In one case, a facility had an unusual increase in monthly usage and fees — 10 times more than the same period the year before. With further research, it was determined that a new meter reader had made an error recording the figures for that month. The utility corrected the error, saving the Postal Service more than \$2,000.

Over the course of 2019, UMS helped save more than \$32,000 by identifying wasteful practices. It also reflects our commitment to environmental responsibility. Innovative sustainable business practices like the UMS help our organization conserve resources and reduce the total cost of utility services. Accurate utility consumption data also helps the Postal Service meet and report on federal energy reduction requirements, and accurately quantify greenhouse gas emissions.

BUSINESS CASE: Enterprise Energy Management System

Our Enterprise Energy Management System (EEMS) gives us the ability to locally and remotely monitor energy consumption and equipment data to better manage and realize cost and consumption savings. EEMS receives data daily from UMS and combines it with data from our internal purchasing system. EEMS enables skilled technicians to remotely monitor and control certain HVAC units, reducing maintenance costs. From 2015 through 2019, 341 of 929 maintenance requests were evaluated by remote technicians and determined to be within standards, eliminating the need for a technician to visit the site. The system also was used 1,341 times to confirm the need for an onsite technician. This ensures we send technicians out to sites only when needed.

EEMS also evaluates data for normalizing usage based on weather conditions. This allows us to compare our non-weather impacted energy usage from year to year and accurately determine the success of our energy-saving efforts.

our facility energy use through periodic energy audits and continue to expand our audit program. In 2019, we performed 104 energy audits. These audits have a typical return on investment (ROI) of approximately 30 percent, and in some cases the audits have an ROI closer to 50 percent.

and standards for energy efficient heating, cooling and ventilation systems. USPS obtained the rights to include ASHRAE standards in our building design standards ensuring our energy efficiency requirements are carried out at new postal facilities nationwide.

Building Design Standards

When it comes to new postal facilities, our building design standards make sure we consider energy conservation in our plans. We follow ASHRAE guidance

GRI

- [103-1](#) (energy, fuel and emissions)
- [103-2](#) (energy, fuel and emissions)
- [103-3](#) (energy, fuel and emissions)

[302-1](#)



Sustainability Facility Update Newsletter

The Sustainable Facility Update newsletter targets field executives and managers who can implement sustainable business practices at the facility level. Each volume includes a feature article on how to comply with environmental rules and regulations while adopting eco-friendly measures such as recycling, procurement of environmentally preferred products, and conservation of energy, fuel, and water resources. In addition to technical information, the newsletter also provides financial data on costs/revenue associated with key sustainability performance metrics in each area compared to same period last year as reported in the Green Initiative Tracking Tool (GITT). At the end of 2019 this system tracked \$1.3 billion in expenses and \$4.5 million in recycling revenue.

Vehicles and Vehicle Fuel

Postal Service Vehicle Fleet

The Postal Service delivers to nearly 160 million delivery points — and growing. This requires more than 200,000 vehicles. We work every day to reduce our impact on the environment. Approximately 40,000 of our vehicles can be powered with alternative fuel including electric, compressed natural gas, liquid propane and hybrids. Additionally, about 7,000 of our mail delivery routes are walking routes. This reduces traffic congestion in cities and also reduces greenhouse gas emissions. We also deliver mail by bicycle on select routes.

Our fleet management team works to make sure our vehicles are operating at maximum efficiency. Emphasizing preventive maintenance, rather than corrective, at our more than 300 vehicle maintenance

GRI

[103-1](#) (optimize delivery and network operations)

[103-3](#) (optimize delivery and network operations)

[103-3](#) (innovation)

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Carrier Michael Wilson delivering mail on foot.

facilities (VMFs) nationwide forestalls major repairs. USPS vehicle maintenance programs maximize performance and ensure the highest level of vehicle safety and appearance. Each VMF provides a full range of vehicle repair services to keep the mail moving.

The Postal Service is actively looking at new and more efficient vehicles and vehicle technologies to improve performance efficiency and reduce emissions and operating costs. We're purchasing off-the-shelf vans to replace some of our aging delivery vehicles. The new vehicles have improved fuel mileage, reduced maintenance costs and lower emissions. We also continue to test electric delivery vans. We will move forward with the next generation delivery vehicle production and deployment process in the future.

Dynamic Route Optimization

The Postal Service uses contract routes to transport mail to and from processing facilities and delivery locations. Our Dynamic Route Optimization program reduces highway contract route miles by scheduling transportation based on predicted volume rather than

on a fixed schedule as in the past. Additionally, it right-sizes transportation equipment, reducing the need for empty trucks to travel down the road. This reduces the number of miles driven and the amount of fuel used for transportation. Since the program's inception in 2017 the number of miles driven by our contract transportation has been reduced by 5 million miles. Fewer miles driven translates to less fuel used and less CO₂ emissions. This mileage saving program will keep rolling in 2020.

The avoided CO₂ from the 5 million mile reduction is 4,529.86 metric tons. This is equivalent to the CO₂ emissions from 60 tanker trucks worth of gasoline.

BUSINESS CASE: Electric Spotters

The San Francisco Network Distribution Center constantly moves tractor trailers within its plant yard around the clock. Both incoming and outgoing trailers need to be moved by spotters to different areas based on operational needs. Such a process may not seem costly, but the expense to keep the diesel-fueled spotting vehicles operating is significant. In 2019, the San Francisco NDC spent more than \$60,000 on diesel fuel and almost \$900 on oil and filters.

In October 2019, all-electric spotters were introduced at the facility. Projected savings from this move are over \$30,000 in diesel fuel and almost \$900 in maintenance. "I am confident that we will produce a favorable outcome from our pilot vehicles because I've seen electric spotters used in commercial trucking companies before with favorable results," said Pacific Area Manager of Vehicle Operations Gary Pablo.



BUSINESS CASE: Hydrogen Fuel Cells

In 2017 the Postal Service commissioned its first hydrogen fuel cell system for powered industrial vehicles (PIVs) at the Washington, DC, Network Distribution Center. It was the first step in replacing a lead-acid battery system. By doing so, USPS could make facilities safer, greener and more productive while providing a solution for fueling an extensive fleet of PIVs. As the Postal Service operates over 23,000 PIVs in processing and distribution centers nationwide, hydrogen fuel cells provide our organization with an opportunity to positively transform these operations on a large scale.

Three years later, we continue to see the benefits of using this technology. In FY2019 we continued a trend of increased workload and reduced work hours in our PIV dock operations. We moved over 73,000 more containers than the year before and used 3,000 fewer work hours to do it. This is a 4 percent increase in volume and a 1 percent decrease in total work hours.

We're using the data from this pilot to plan further reductions in our PIV fleet and optimize the mix of equipment used for dock operations. The Postal Service is evaluating the scalability of this technology to carry across to additional processing and distribution centers. What we've learned is a delivered hydrogen solution may be the best option in light of evolving technology. Our evaluation process includes review of facilities' existing PIV fleet, model and quantity, battery room, electrical capacity and space required. If a good candidate is identified, we'll proceed with a pre-design hydrogen infrastructure assessment and battery room electricity consumption baseline and they'll be used to develop a site-specific business case.

Greenhouse Gas Emissions

We calculate, track and report our greenhouse gas emissions resulting directly and indirectly from our operations. We assemble and report three separate GHG inventories (Executive Order 13834 Efficient Federal Operations, International Post Corporation and The Climate Registry). In addition, we also report progress to the White House's Council on Environmental Quality via its Sustainability Report and Implementation Plan and the Office of Management and Budget via their Scorecard. Each of these efforts furthers our transparency.

Executive Order 13834

This order, regarding efficient federal operations, "sets forth energy and environmental performance goals, based on statutory requirements, for [federal] agencies with respect to management of facilities, vehicles and operations." USPS voluntarily complies with the requirements of EO 13834 for GHG reporting to benchmark performance against other federal agencies.

International Post Corporation

Each year, we also report our GHG emissions to the International Post Corporation. It collects GHG data from postal organizations throughout the world, benchmarking our performance against the others.

The Climate Registry — Climate Registry Status

Climate Registered status is a recognition program administered by The Climate Registry, of which USPS is a founding member. In 2019, we achieved Climate Registered Platinum Status — the fourth tier in a five-tier recognition program. To achieve this, we reported

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305-1	305-3

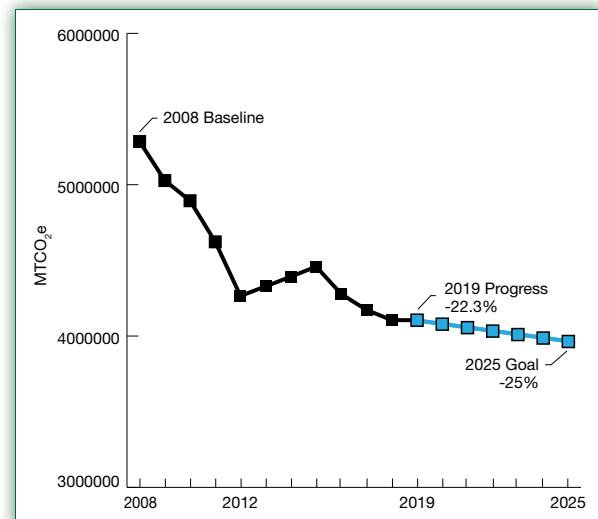
and verified our GHG emissions and established a public baseline year for GHG reporting and a public GHG reduction goal. Additionally, our Sustainability staff received Climate Registry training, and the Postal Service purchased renewable energy.

This achievement exemplifies our leadership in monitoring and tracking GHG emissions from our operations. Climate Registered status is reevaluated every year so it encourages USPS to maintain our leadership role as well as strive to achieve the highest tier — Climate Registered All Star — in the coming years.

Emission Trends

Scope 1 emissions — direct emissions from sources including owned vehicles and building heating — and Scope 2 emissions — purchased electricity and steam — have remained stable from 2018 to 2019, with a slight reduction. From our 2008 baseline, we've achieved a 22.4 percent reduction, the equivalent of removing over 250,000 cars from the road for one year.

Scope 1 and 2 Emissions



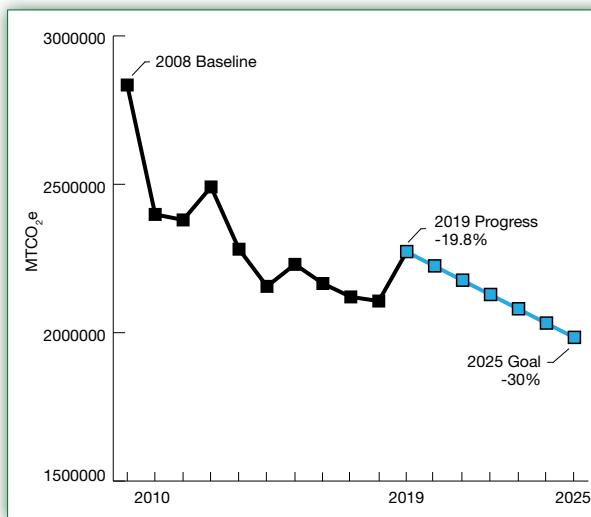
Our success in 2019 is mainly attributed to facility efficiency. In Scope 1 emissions, we saw reductions in facility fuel use (natural gas, propane and fuel oil), and in Scope 2 emissions there were reductions in purchased electricity and steam use. While facility emissions decreased, fleet emissions (Scope 1) increased, resulting in a 0.09% decrease from 2018 to 2019, the equivalent of removing 842 cars from the road for one year.

Our Scope 3 — indirect — emissions are tracked separately based on emission source. The USPS Scope 3 emissions reduction goal includes emissions associated with:

- Transmission and distribution losses.
- Employee air and ground business travel.
- Employee commuting.
- Contracted wastewater treatment.
- Contracted solid waste disposal.

These emissions have increased by 7.9 percent from 2018 to 2019, however that's a 19.8 percent reduction from the 2008 baseline. Based on a 2019 employee survey, we saw an increase in the average commute.

Scope 3 Emissions

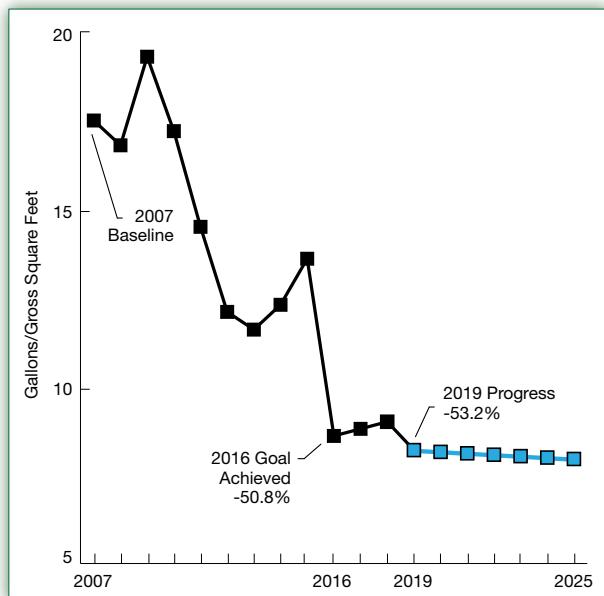


Separate from our Scope 3 reduction goal, the Postal Service also tracks Scope 3 emissions associated with air, ship, rail and road contract transportation as well as leased facilities. Scope 3 emissions associated with contract transportation increased 9.9 percent from 2018 to 2019 while leased facilities emissions increased 11.6 percent. The mileage associated with extra highway contract route trips has been increasing. Additionally, we expanded the number of air carriers in 2019. These changes contributed most of the impact to this category of emissions.

Water Efficiency

The Postal Service has a goal to reduce water use. While water is not a primary input for our operations we find it important to conserve as good environmental stewards. Our goal is to reduce water intensity — or gallons of water used per square foot at our facilities — by 2 percent per year or 36 percent by 2025 with a 2007 year baseline. We achieved this goal in 2016 when we made a 50.8 percent reduction in water use. In 2019, we saw a 53.2 percent reduction compared to our 2007 baseline. We'll continue to report and monitor on water usage.

Water Intensity



Operational Resiliency

The Postal Service plays an indispensable role as a driver of commerce and provider of delivery services that connect Americans and every residential and business address — reliably, affordably and securely. In order to be successful in this mission, the Postal Service pursues delivery and network operations that improve the customer experience and reduce costs.

USPS is subject to various risks that are reported publicly in our [2019 Form 10-K report](#). These risks include impacts related to the world's changing climate such as severe storms, wildfires and other issues. In 2019, these natural disasters continued to cause network disruptions. As a result, we're continuing to further refine contingency planning, including launching a new initiative called "Disruptive Events," to identify mail affected by unforeseen events outside of management's control. The Postal Service maintains suppliers who are capable of providing emergency services around the clock to ensure continuity of operations. These suppliers work in coordination with the Postal Service to make sure all applicable environmental regulations are followed.

Alternative Energy

Use of alternative energy sources helps improve our operational resiliency while also reducing the environmental impact of fossil fuel sources. At USPS, we have on-site renewable energy production, including electric solar photovoltaic projects and non-electric geothermal heat pumps.

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[102-11](#)

[103-1](#) (optimize delivery and network operations)

[103-3](#) (optimize delivery and network operations)

[103-1](#) (digital and physical security)

[103-2](#) (digital and physical security)

[103-1](#) (operational resiliency)

[103-2](#) (operational resiliency)

[103-3](#) (operational resiliency)

In 2019, our goal was to maintain renewable energy performance as we continue to explore further opportunities for on-site renewable generation and renewable energy purchases. We were able to achieve this goal and, looking forward to 2020, we're continuing to pursue additional solar projects at USPS sites.

Solar Projects

In 2019 we embarked on additional projects based on our success with a solar installation at the Los Angeles Processing and Distribution Center, launched in 2016, which consists of rooftop and carport units totaling more than 38,000 panels. The new projects at our Anaheim, CA, Springfield MA, Washington DC and South Jersey mail processing facilities will add additional clean energy to our portfolio.

Green Energy Purchases

The Postal Service has begun exploring purchasing renewable energy in the form of credits. In 2019 we prepared a solicitation for electricity in 13 deregulated states and the District of Columbia. Deregulated states allow for vendors to compete to supply power to their customers. Since the Postal Service has multiple locations in these states we can negotiate among multiple power suppliers and obtain better pricing for electricity. As part of our negotiation, we requested suppliers provide 25 percent of power from renewable energy sources including wind, hydro

and solar installations. The negotiation resulted in renewable energy credits issued. Each credit is equivalent to 1,000 kilowatt hours of renewable electricity generated. This will result in a purchase of 883,248 megawatts of green power over a four-year period.

Facility Resiliency Tool

USPS uses a resiliency mapping tool to increase our understanding of facility exposures to coastal flooding and other hazards. This enables postal managers to improve business decisions made for our facilities. The resiliency mapping tool uses information from the National Oceanic and Atmospheric Administration and Federal Emergency Management Agency as well as postal data regarding facility size, mail processing equipment and employee count. It also includes publicly available information on flood risks. We plan to expand on this tool's use in the future by creating additional reports and enhancing facility and vehicle data.



Environmental Management

Environmental compliance is the foundation of the Postal Service's commitment to sustainability. We strive to minimize our impact on the environment. Accordingly, we've established programs and practices to meet applicable federal, state and local regulations put in place to protect our planet and its inhabitants.

Site Reviews

The Postal Service conducts environmental reviews at its facilities to evaluate site-level compliance with a variety of environmental regulations and USPS programs. These on-site reviews range from targeted evaluations of a specific operation or system to comprehensive multi-media Environmental Compliance Reviews (ECRs). These reviews, particularly ECRs, are the foundation of our compliance programs and are used to implement national strategies. We also use the information gathered from site reviews to enhance our compliance programs and improve overall environmental performance.

In 2019, the Postal Service conducted ECRs at 172 sites with complex operations. ECRs follow a standardized protocol that assesses site compliance with all applicable federal, state and local environmental regulations, as well as USPS policy. When necessary, we mandate corrective actions and track them to completion in our information management system. ECRs

GRI

[102-11](#)

[103-1](#) (environmental compliance)

[103-2](#) (environmental compliance)

[103-2](#) (employee health, safety and wellness)

[103-2](#) (employee engagement)

[103-2](#) (community engagement)

[103-3](#) (environmental compliance)

also provide a platform to directly engage our employees about important policies, procedures and tools available to assist with compliance implementation.

BUSINESS CASE: Environmental Compliance Review Highlights

In addition to assessing compliance and reducing potential liabilities, ECRs include:

- Collection of site data.
- Equipment and systems at a facility that could have potential environmental impact (e.g., tanks, boilers and chillers).
- Environmental and regulated activities at a facility (e.g., air and water permits and hazardous waste generator status).
- Hands-on training of 300 employees regarding:
 - Environmental information management system.
 - Environmental compliance bulletins.
 - Environmental filing system.
 - Environmental management website.
 - National waste management contracts and procedures.

People

The Postal Service equips our employees with resources that promote environmental stewardship. We also support our communities by communicating critical information necessary for emergency response and planning.

BUSINESS CASE: Chemical Reporting

The Postal Service voluntarily reports hazardous chemicals stored on site — typically gasoline and diesel fuel, sulfuric acid in lead-acid batteries, and salt/de-icing materials — to local authorities. Our voluntary reporting policy supports the Emergency Planning and Community Right-to-Know Act, state and local planning committees, and emergency responders. This transparency about chemical hazards also supports our local communities by facilitating better planning and more effective responses to chemical incidents.

Employee Training

The Postal Service provides training on applicable regulations and procedures for environmental management. In 2019, we provided compliance training for approximately 5,000 employees via our online training system on topics including hazardous and universal waste management, stormwater permitting, spill planning and underground storage tank operations.

Resource Materials/Quick References

To ensure employees are informed, the Postal Service provides easy-to-access and readily available environmental compliance bulletins (ECBs) on a dedicated environmental management website. These ECBs serve as quick references for environmental compliance requirements and other best practices for environmental stewardship. Our reference library contains over 150 ECBs on a variety of topics, such as battery recycling and stormwater management.

Site-Specific Documentation and Reporting

The Postal Service maintains a comprehensive environmental information management system that houses site-specific data, action items and important environmental records. This system is an important tool for over 4,700 users to monitor and manage environmental compliance requirements for regulated equipment and activities. In support of these efforts, our mobile application enables compliance review teams to record observations in real time while on site, streamlining reporting and improving accuracy.

Earth

Storage tanks that contain fuels and other hazardous substances are typically subject to strict regulations. The Postal Service has a comprehensive program focused on improving and maintaining tank systems to avoid contaminating the environment. We remove and replace tanks that pose a liability for USPS because they are approaching industry acceptable lifespans or warranty limits.

Postal Service operations sometimes result in the generation of hazardous and regulated waste, including, for example, used oil, batteries, mercury-containing lamps and ink. We have programs and national contracts in place to ensure these wastes are properly recycled, or, if necessary, disposed in accordance with regulatory requirements. Additionally, employees with hazardous waste management responsibilities are required to take waste management training annually in order to ensure proper procedures are followed.

Water

Postal Service operations have the potential to impact water quality. Some of our locations have on-site fueling operations, storage tanks, emergency generators, wastewater pretreatment systems, septic systems, or vehicle maintenance and washing, all of which can contaminate water if proper procedures are not followed. The Postal Service monitors and provides assistance to these sites to ensure compliance with spill prevention requirements, release reporting and stormwater permitting regulations.

We conduct reviews of these facilities to assess compliance and develop plans to prevent spills, manage pollution sources and respond to releases. During these targeted reviews, we evaluate compliance with permit conditions, regulatory required plans and USPS “zero discharge” policies. These water quality reviews mitigate the potential for spills and prevent contamination of stormwater and groundwater.

BUSINESS CASE: Storage Tank Management

Since the inception of the project, the Postal Service has removed approximately 180 aging underground storage tank systems, reducing the number of federally regulated underground storage tanks by nearly 45 percent and the associated risks of releases. Replacement tanks are installed only where necessary. These new tank systems are centrally monitored and designed to prevent and quickly detect leaks in order to avoid soil and groundwater contamination.

BUSINESS CASE: Battery Management

The Postal Service network has about 400,000 wireless scanners powered by lithium-ion batteries along with numerous other batteries in our facilities and fleet. These batteries require special management at end-of-life to reclaim renewable materials and keep them out of landfills. We've established procedures for recycling all types of batteries. This includes national contracts for on-site pickup and mail-back recycling available to all sites, so even the most remote locations are able to recycle batteries. In 2019, the Postal Service recycled approximately 51,000 pounds of small lead-acid and dry cell batteries, including lithium-ion batteries.

BUSINESS CASE: Used Oil Management

The Postal Service vehicle fleet includes more than 228,000 vehicles. Each vehicle requires regular maintenance, including oil changes. The Postal Service collects, stores and recycles this used oil to ensure it does not pollute soil and water.

In 2019, the Postal Service recycled over 360,000 gallons of used oil — equivalent to saving over 15 million gallons of crude oil.

BUSINESS CASE: Stormwater Management

The Postal Service has a zero discharge policy when it comes to stormwater runoff and snowmelt that can cause oil and other hazardous chemicals to enter the environment. This policy requires our facilities and employees to:

- Never allow vehicle wash water or other equipment wastewater to enter stormwater drains. Our national contracts require suppliers who wash vehicles to use either a dry wipe process or a wet wash that collects and contains wash water for proper management off site.
- Provide cover for potential contaminants such as oil, chemicals, batteries, tires, salt storage piles and trash that are stored outside. Postal Service facilities must keep containers and dumpsters closed and in good condition.
- Keep exterior areas clean. Postal Service facilities must address spills, keep parking lots free of debris, and keep catch basins and drains clear.
- Apply pesticides and fertilizers with precision and restraint.



Air

While our operations are not a major source of air pollution, we take care to minimize our impact to air quality.

Like most personal vehicles, our vehicles must pass annual emissions testing and meet air quality standards. We're required to perform emissions testing according to state and local regulatory requirements.

Refrigerants are used in appliances, such as air conditioners, refrigerators and drinking fountains. The Postal Service has a strict refrigerant management policy and requires proper training for handling, inspection and disposal of refrigerant units.

The Postal Service offers a commuter benefits program to career employees, which enables them to allocate pretax money for eligible commuter expenses. This is an important program to incentivize alternative modes of transportation (i.e., walking, cycling, public transportation) to reduce single employee vehicle commute trips. In many instances, our commuter benefits program satisfies applicable state and local trip reduction ordinance program requirements.

Future Focused

Continuous improvement drives our approach to environmental management. We strive to get better every year to improve efficiency and effectiveness of our longstanding environmental management programs and reduce our impact on the environment.

We also plan to publish an updated, more comprehensive environmental policy that will apply to all Postal Service facilities, managers, employees, programs, projects, operations, products and services. This refreshed policy will provide more robust and clearly defined requirements and guidelines. It will ensure that the Postal Service provides our customers, employees, suppliers and communities with a safe and healthy environment through the implementation of an environmental compliance management system.

We'll continue to seek innovative ways to monitor Postal Service environmental aspects and impacts and improve site-level compliance. We'll build on established programs to manage both ongoing and emerging environmental issues. These efforts should ultimately help us reduce our environmental footprint.

Sustainable Management

As we strive to build a culture of conservation, we've introduced innovative programs that not only benefit the Postal Service but are also available to other federal agencies. Our sustainable management programs and initiatives aim to reduce the impact of materials used for shipping and throughout our operations. We also encourage our employees to engage in sustainable management to address challenges they encounter and implement innovative solutions through our Green Teams and Postmaster General Sustainability Excellence Awards.

Recycling

National Recycling Operation

The Postal Service encourages recycling initiatives across the organization to increase recycling performance and at the same time improve the organization's bottom line. Through our National Recycling Operation, the Postal Service transports materials — primarily paper, cardboard and plastic — from Post Offices to central hubs for recycling, using available space in postal vehicles. In 2019 the program enabled recycling of 297,000 tons of materials.

BUSINESS CASE: **Recycling Toolkit**

Our National Recycling Operation has a web-based tool to help Post Offices and delivery units start or improve recycling efforts. The Recycling Toolkit details how and where to recycle paper, discarded lobby mail, cardboard, clear shrink and stretch wrap, and other materials. A Post Office simply enters its ZIP Code and gets information on what can be backhaul recycled to the office's hub site and what type of mail transport equipment to use. The toolkit stays current on what new items can be recycled.

GRI

[103-3](#) (innovation)

[203-2](#)



Reuse and Recycling at the Postal Service

We consolidate many of our recycling and reuse operations at our Materials Distribution Center in Topeka, KS. We responsibly recycle plastics and metals from our mail processing and transportation equipment. This includes everything from letter mail tubs to larger mail sortation equipment. If possible, our first priority is to reuse equipment. If that's not possible, we make sure it's properly recycled. We recycled more than 1.8 million pounds of electronics and other supplies in 2019.

US EPA WasteWise and Federal Green Challenge Programs

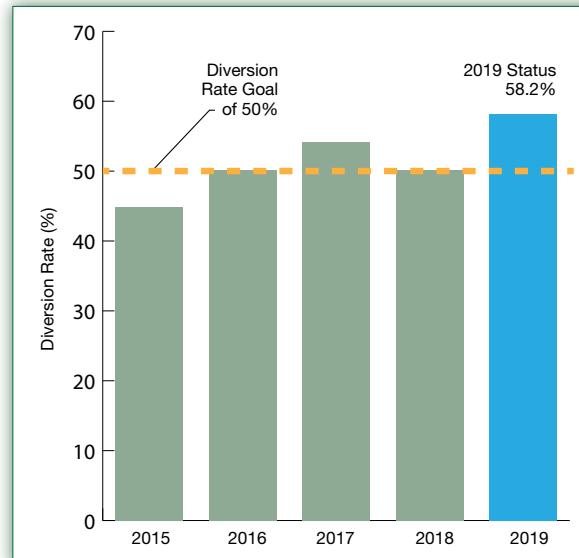
For more than two decades, we've been working in partnership with the U.S. Environmental Protection Agency to reduce waste and promote recycling. WasteWise is a voluntary program that helps us apply sustainable materials management practices to achieve cost savings, improve efficiency and reduce our climate footprint through waste reduction.

We're also committed to the Federal Green Challenge program which encourages federal agencies to lead by example in reducing their environmental impact, committing to a 5 percent improvement in two focus areas each year and reporting progress annually. In 2019 our Pacific Area, which includes California, Hawaii and U.S. Pacific islands, was named a Federal Green Challenge Award Winner. In 2018 the area purchased more than 27.7 million pounds of paper with 49 percent average recycled paper content. This was a significant increase over the prior year's 35 percent average recycled content paper purchased.

Producing recycled paper uses significantly less energy than producing paper from wood. Using EPA's waste reduction model, the recycled paper purchased by the Postal Service in 2019 used 65,700 million BTU less energy — equivalent to conserving 545,438 gallons of gasoline or the annual energy use of 700 households.

In 2019, through these EPA partnerships and with the strong support of postal employees nationwide, we recycled over 297,000 tons of material — a 47,000 ton improvement compared to the previous year — and achieved a 58.2 percent landfill diversion rate — a 6.9 percent improvement from last year, exceeding our goal to divert 50 percent of solid waste from landfills.

Waste Diversion



Zero Waste

Zero waste is a principle that focuses on waste prevention and implementing practices that result in no waste to landfills. In 2019 we engaged our Los Angeles District to pursue zero waste efforts to comply with state and local regulations and meet a California state goal. The Postal Service has a unique leadership responsibility to embrace the values of the communities we serve including striving toward zero waste practices within our own business. Zero waste focuses include:

- Infrastructure — Installing easy-to-use containers and receptacles as well as engaging our service providers to enable collection of more recyclables and compostable materials while reducing trash service.

- Training — Engaging employees by providing zero waste training, resources and tools.
- Continuous improvement — Performance tracking for recycling, diversion rates and waste reduction.

Environmentally Preferable Products

USPS is committed to using environmentally preferable products (EPP) where possible. We define EPP as products that:

- Contain high levels of post-consumer content recycled materials.
- Have ecolabel certifications from reputable organizations.
- Are made of bio-based materials (e.g., USDA Bio-Based certified and BioPreferred products).
- Are energy efficient (e.g., EnergyStar certified or EPEAT registered).
- Are water efficient (e.g., WaterSense certified).

We continue to promote the integration of sustainability into our supply chain using these priority strategies: increasing use of sustainability contract clauses when working with our suppliers, increasing availability of EPP through our internal online catalog, and taking steps toward our own accountability by improving our supplier tracking and reporting system. Supplier contracts above a specific dollar threshold are required to submit to our online reporting system.

We're committed to being a leader when it comes to product and service responsibility. We encourage suppliers to provide EPPs for purchase through our online supply ordering system. Each year we have a goal to continuously improve on the number of EPP items offered and purchased. In 2019, more than half our applicable supply contract spending was on EPPs — more than \$449 million — which is a 2.3 percent increase over 2018.



Our Priority Mail and Priority Mail Express cardboard boxes are 100 percent recyclable and are made with high levels of post-consumer recycled content. They're also made with either Forest Stewardship Council or Sustainable Forestry Initiative certified materials.

USPS BlueEarth

We know that protecting the environment is a commitment shared by many businesses and consumers. We help our customers reduce waste, increase recycling and improve their carbon footprint through our BlueEarth programs.

Secure Destruction

USPS BlueEarth Secure Destruction was created in response to customer requests to offer a service that reduces handling costs associated with return-to-sender mail that includes personally identifiable information. This is information that when used alone or in combination with other data can identify an individual. This service reduces the amount of undeliverable mail being returned to sender and protects any confidential or sensitive information. In this program, mail is securely shredded and recycled. Program benefits include:

- Avoiding carbon emissions and increasing recycling.
- Reducing handling and management costs for both mailers and USPS.
- Mailers receive an electronic record to update their mailing list. This reduces paper waste at the source.



- Stronger security profile for participating mailers by ensuring confidential and sensitive information contained in the mail is securely removed from the mailstream and destroyed with fewer touch points throughout the process.

In 2019, more than 76 million pieces of undeliverable Secure Destruction mail was captured, destroyed and recycled — an increase of over 19.3 million pieces compared to the year before. The number of business mailers enrolled in the program has increased by 39 percent since September 2018 and by more than 334 percent since September 2016. The target for 2020 is to capture and process 86.1 million pieces of undeliverable Secure Destruction First-Class Mail.

For more information on USPS BlueEarth Secure Destruction visit: <https://postalpro.usps.com/mailing/secure-destruction>.

Federal Recycling

USPS BlueEarth Federal Recycling enables federal agencies to recycle small electronics and used toner cartridges. Participating agencies can get online reports on their recycling activity and the disposition of each item recycled. For more information on USPS BlueEarth Federal Recycling contact: sustainability@usps.gov.



Carbon Accounting

Carbon Accounting is an online report designed for major mailers that provides the emissions for their mailing and shipping activity. This information can be used for their corporate inventory or to purchase carbon credits to offset and provide carbon neutral shipping for their customers.

Green Teams

Lean Green Teams are cross-functional groups of employees at the facility level who share a common concern for conserving natural resources, reducing waste in our operations, and protecting the health and welfare of our people. The teams are provided tools and information resources that help them identify and implement local priority green projects.

The key to a successful Green Team is a local leader who is passionate about resource conservation and has the skills to engage fellow employees across different functions at a facility.

The list of projects identified by local Green Teams continues to grow and evolve. Examples of popular projects in 2019 were energy-saving thermostat settings, installation of occupancy sensors, identification and repair of air hose leaks, water conservation awareness training, fixing leaking faucets, fuel-saving driving habits, proper inflation of tires, EPP procurement and expanded recycling.





PMG Sustainability Excellence Awards

The Postmaster General Sustainability Excellence Award recognizes postal functions, areas, districts, facilities and teams that contribute to a sustainable workplace. The program is sponsored by the Postmaster General and implemented by the Chief Sustainability Officer. Each year awards are presented for leadership in the following categories:

- Compliance with environmental regulations
- Energy conservation
- Recycling and pollution prevention
- Green purchasing and reduced spending on consumables
- Transportation and vehicle petroleum use
- Water conservation
- Mail processing and delivery operations
- IT and electronics stewardship
- Leading employee efforts in sustainability

This year's awards focused on projects big and small and showcased the Postal Service's commitment to putting our stamp on a greener tomorrow.

GRI[103-3](#) (employee engagement)

USPS workers
at a solar panel
installation.

Four-Site Solar Project: Let the Sunshine In

Imagine 2.7 billion smartphones dangling from charging cords, getting a juice boost under the shining sun. That's equivalent to how much power will be provided by solar energy systems being installed at four Postal Service processing facilities, thanks to the efforts of the Facilities energy team at headquarters. The plants are Curseen-Morris, DC; Anaheim, CA; Springfield, MA, and South Jersey processing and distribution centers. Following on the success of our first major solar energy generation project in Los Angeles, contracts were finalized in April 2019 to install 64,500 solar photovoltaic panels on roofs and parking canopies at these additional

locations. While the Curseen-Morris project will follow the Los Angeles model, which provides lease revenue, the other three facilities will pay a reduced rate for power generated. This latest solar project is worth more than \$55 million in revenue and savings. In addition to financial benefits, USPS will prevent nearly 22,000 metric tons of carbon dioxide equivalents emissions annually and increase the amount of our total energy consumption provided by renewable sources by 0.54 percent. Our commitment to environmental stewardship and promoting sustainable business practices is showing — up on the rooftop.





Hydrogen Fuel Cell Technology: Getting the Lead Out

When there has to be a better way, USPS employees will find it. Consider the steps it took to charge and change lead-acid batteries used in the fleet of 92 powered industrial vehicles at the Washington, DC, Network Distribution Center. Operators had to go to the battery room, wait in line, change or charge a battery, and return to their assignments — adding up to lost productivity. Then there are issues with the batteries themselves. They're expensive, costly to maintain, short lived, require a large amount of electricity to charge, and pose significant environmental risk and compliance costs. It was time to explore alternatives. The NDC launched a Lean Six Sigma project to examine different battery technologies. Hydrogen fuel cell technology emerged as a promising potential solution. A pilot test was conducted and the data showed labor hours were reduced, productivity improved and electricity use went down. Overall, operational savings in making the switch are estimated at \$18.8 million over a five-year period. This hydrogen fuel cell project is being evaluated for replication at other mail processing facilities nationwide. It's good to share — success!



USPS worker refills a hydrogen fuel cell battery on a forklift.

Environmental Compliance and Conservation: Habitat For Local Humanity

They fish in the rivers and lakes. Their children and grandchildren swim in them. At the Knoxville, TN, Vehicle Maintenance Facility, employees feel a personal responsibility to do their part in keeping those waters healthy. Their engagement showed results when the facility received a perfect score on its 2018 Environmental Compliance Review. Impressive, considering that in the realm of vehicle maintenance there are multiple waste streams and stormwater runoff to manage. At this facility, the management team and craft technicians are on the same team in doing their environmental due diligence. In addition to helping protect the local habitat, during 2018 the facility updated its lighting to LED bulbs and fixtures, replacing old mercury vapor systems. Energy use on the work floor was cut in half and in administrative areas by two thirds. This also has eliminated the waste stream associated with disposal of the old bulbs containing mercury. Even with these noteworthy sustainability efforts, most impressive is a shared commitment to making a positive impact. Bottom line: protecting the environment is the right way to work together.

Air Leak Detection and Repair: Preventing Unauthorized Leaks

Not all air is free. There's a cost to creating compressed air — it takes electricity to power the equipment that produces it. With a goal of achieving energy savings, the Maintenance group at headquarters launched an air leak reduction initiative in 2018 to detect and repair leaks in compressed air storage and distribution systems at USPS facilities. By fixing the leaks, less compressed air needs to be produced and it reduces the need for larger, more expensive air compressor systems to handle the extra air volume and pressures required by leaking air systems. As part of the initiative, a new air leak calculator and tracking module were launched, enabling facilities to determine the amount of energy saved with each leak repaired. An ultrasonic sound signature of each leak combined with a measurement of air pressure at the point of the leak are used to determine how much air is flowing out. By the end of 2018, more than 1,500 air leaks were detected and repaired at 109 sites with cost savings of more than \$1.8 million. Each repaired leak represents a permanent reduction in energy demand, which benefits the wider community and helps reduce our carbon footprint — and that's a breath of fresh air.



E-Dispose Enterprise Solution: Recycle, Redistribute and Dispose

Can I recycle this? It's a question USPS employees regularly ask themselves when dealing with items that are no longer wanted or needed. In the big picture, this reflects the success of USPS efforts to build a culture of conservation. To make it easier to determine "what to do" with items, the eDispose tool was launched nationwide in 2018. This one-stop portal explains how to handle assets ranging from e-waste to fluorescent lamps to mail transport equipment, based on current asset management and sustainability policies. Users follow four pathways: "I need to dispose/recycle," "I need to redistribute my excess/surplus," "I need policy/guidance info for" and "I have more questions." eDispose is the result of a collaborative effort that includes Information Technology, Asset Performance and Accountability's Investment Recovery, Asset Accountability Service Centers, National Materials Customer Service and Asset Management Planning. Since inception, more than 4,000 transactions have been completed in the system. Asset recovery benefits the Postal Service by incorporating supply chain management practices while supporting environmental protection policies. Protecting human health and the environment is part of the job at USPS.

Environmental Compliance and Recycling: Nothing Too Big Or Too Small

There's a domino effect to recycling. At the Evansville, IN, Vehicle Maintenance Facility, it started with obvious materials, like oil, cardboard and soda cans. As employees got more engaged with this effort, it kept spreading to a wider range of materials, such as metals, bulbs and even batteries for key fobs. Now, everything that can be recycled at the facility gets that treatment, regardless of size. The facility has recycling bins, tables and hampers to sort the recycling, which is bringing in increasing revenue for the Postal Service. Working together for a cleaner planet doesn't stop with recycling. The facility is reducing water use and switching to LED lighting. Reflecting that commitment to sustainability, the VMF received a perfect score during its environmental compliance audit. Many employees also recycle at home. There's also a domino effect to leading by example in doing the right thing for the environment. By showing our commitment to recycling and resource conservation, our customers are encouraged to do the same. At the same time, they're reminded of the positive impact of the Postal Service in the life of our nation.

Scrap Metal Initiative: Going Heavy on the Metal

Location, location, location. Placement of recycling bins makes a big difference when collecting scrap metal, as the Erie, PA, Processing and Distribution Center learned. The facility had set up a number of recycling stations but an anticipated increase in the amount and types of metal collected wasn't happening. It was mostly just aluminum cans. A bit of sleuthing was required, looking closely at maintenance and mail processing operations to identify opportunities to collect more metal. That led to loading dock and maintenance operations, which were generating scrap metal in the form of truck seals, used mail processing machine parts, aerosol cans and other used parts. Taking a cost-free step, designated metal recycling containers — unneeded trash cans — were placed at six locations where these operations take place. Making it easier — and closer — for employees helped increase the amount of scrap metal recycled in 2018 by more than 19 tons, a 452 percent boost compared to the year before. Revenue generated increased by \$1,320. Even better, recycling scrap metal reduces the amount of harmful materials in waste streams, reduces greenhouse gas emissions, uses less energy than making metal from virgin ore and provides green jobs for Americans. It's a shining example for all.



Facilities Repair and Alteration: An Expert at the Fine Print

It can appear to take a bit of wizardry to understand the often complex and strenuous environmental compliance activities required of the Postal Service by federal, state and local governments. Fortunately, USPS has Facilities Environmental Specialists. They're experts at understanding the fine print and making sure the Postal Service follows the regulations. They work on a wide range of issues, such as stormwater retention and treatment, hazardous materials spills and heating oil tank replacement. As an example, when the San Jose, CA, Vehicle Maintenance Facility faced problems with wastewater discharge, Ann Wolf, supervised corrective actions, testing and verification — getting it all done before the compliance deadline. With many projects involving multiple stakeholders and functional organizations, these employees coordinate activities and keep the lines of communication open — and keep the focus on customer service as well as environmental compliance.

Sustainable Transportation Initiatives: Reducing Emissions and Saving Money

If we can cut costs and benefit the environment at the same time, why wouldn't we? When it comes to mail transportation, the Postal Service is always thinking of ways to drive down emissions and fuel costs. A project implemented by the Processing Networks Transportation office supports these efforts. It involves a mail transport supplier that converted five existing diesel fuel vehicles to compressed natural gas, a step that will reduce greenhouse gas emissions by 165 metric tons annually. This is equivalent to removing 35 vehicles off the road or recycling 59 tons of waste.

GRI Content Index

This report has been prepared in accordance with the [GRI Sustainability Reporting Standards](#).

The GRI Standards help us understand and communicate our impact on critical sustainability issues.

GRI 102: GENERAL DISCLOSURES (VERSION: 2016) — Organizational Profile

GRI Disclosure Number	Description	Response
102-1	Name of the organization	United States Postal Service
102-2	Activities, brands, products and services	<p>Page 6, USPS Highlights section.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Organization's activities — Page 1 of 108, Item 1. Business section of the 2019 Form 10-K. ■ Primary brands, products and services — Pages 3-4 of 108, Service Categories section of the 2019 Form 10-K. ■ Products or services that are the subject of stakeholder questions or public debate — Pages 8-13 of 108, Item 1A. Risk Factors section of the 2019 Form 10-K.
102-3	Location of headquarters	475 L'Enfant Plaza SW Washington, DC 20260
102-4	Location of operations	<p>Page 6, USPS Highlights section.</p> <p>Although our operations are conducted primarily in the domestic market, we generate international revenue representing approximately 3% of operating revenue for the year ended September 30, 2019.</p>
102-5	Ownership and legal form	<p>Page 6, USPS Highlights section.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Nature of ownership and legal form — Page 1 of 108, Governance section of the 2019 Form 10-K.
102-6	Markets served	<p>Page 6, USPS Highlights section.</p> <p>We serve the industrials sector as defined under the Global Industry Classification Standard, Industry Classification Benchmark and Thomson Reuters Business Classification. We operate in the communications, distribution and delivery, advertising and retail markets throughout the nation and internationally.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Services offered by USPS — Page 1 of 108, Item 1. Business section of the 2019 Form 10-K.
102-7	Scale of the organization	<p>Page 6, USPS Highlights section.</p> <p>For our Financial and Operational Highlights, please see Page 1 of 37, FY2019 Annual Report to Congress.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Scale of the organization regarding employees — Page 5 of 108, Employees section of the 2019 Form 10-K. ■ Scale of the organization regarding number of operations — Services section and Pages 2 and 13 of 108, Item 2. Properties section of the 2019 Form 10-K. ■ Revenue — Page 15 of 108, Item 6. Selected Financial Data section of the 2019 Form 10-K.



GRI Disclosure Number	Description	Response						
102-8	Information on employees and other workers	<p>Page 6, USPS Highlights section.</p> <p>For information about our employee breakdown, Page 16 of 38, Employees section of the FY2019 Annual Report to Congress.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Employee compensation program — Pages 90-91 of 108, Compensation Discussion and Analysis section of the 2019 Form 10-K. <p>USPS tracks information on employees by gender; however, this data is not publicly available.</p> <p>Nearly 100% of operations involving the delivery and processing of mail is done by both career and non-career employees. While our operations involve contractors, we do not collect statistics on employees and supervised employees of contractors.</p> <p>Annually, there is seasonal variation in employment due to the holiday mailing season. To accommodate surges in volume during the holiday season, we have increased Sunday delivery service for some of our customers in limited U.S. markets and added employees for the holiday season.</p> <p>Additionally, in national election years mail volume is temporarily impacted. This is due to political organizations making use of Marketing Mail, generating volume increases during the months preceding an election. A full record of employees by pay status is compiled and stored in an Enterprise Data Warehouse, from which reports are generated for public release.</p>						
102-9	Supply chain	<p>Additional information:</p> <ul style="list-style-type: none">■ Organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products and services — Supplying Principles and Practices Manual.						
102-10	Significant changes to the organization and its supply chain	<p>Additional information:</p> <ul style="list-style-type: none">■ Changes in operations, including facility openings, closings and expansions — Page 15 of 38, Real Estate Inventory Actions section of the FY2019 Annual Report to Congress.■ Supply chain, including main elements as they relate to the Postal Service's activities, primary brands, products and services — Supplying Principles and Practices Manual. <p>USPS also has established goals for supplier diversity:</p> <table><tbody><tr><td>Small businesses</td><td>29.2%</td></tr><tr><td>Minority-owned businesses</td><td>3.7%</td></tr><tr><td>Women-owned businesses</td><td>5.6%</td></tr></tbody></table> <p>(Page 1 of 1, United States Postal Service Goals for Fiscal Year 2019.)</p>	Small businesses	29.2%	Minority-owned businesses	3.7%	Women-owned businesses	5.6%
Small businesses	29.2%							
Minority-owned businesses	3.7%							
Women-owned businesses	5.6%							
102-11	Precautionary principle or approach	<p>Page 13, Facility Resiliency Tool section.</p> <p>Page 14, Environmental Management section.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Risk management — Page 26 of 38, Safe Workplace and Engaged Workforce section of the FY2019 Annual Report to Congress.■ Risks — Page 8 of 108, Item 1a. Risk Factors section of the 2019 Form 10-K.						
102-12	External initiatives	Page 11, Greenhouse Gas Emissions section, (description of The Climate Registry Status and involvement in the International Post Corporation).						



GRI Disclosure Number	Description	Response
102-13	Membership of associations	American National Advertisers International Post Corporation The Climate Registry National Postal Forum Mailers' Technical Advisory Committee Postal Customer Councils EPA WasteWise How2Recycle GSA Smartway

GRI 102: GENERAL DISCLOSURES (VERSION: 2016) — Strategy

GRI Disclosure Number	Description	Response
102-14	Statement from senior decision- maker	Page 3, Interview with the Chief Sustainability Officer section. Page 5 of 43, Letter from the Postmaster General and the Chairman of the Board of Governors in the USPS Strategic Plan (FY2020-2024) .

GRI 102: GENERAL DISCLOSURES (VERSION: 2016) — Ethics and Integrity

GRI Disclosure Number	Description	Response
102-16	Values, principles, standards and norms of behavior	Page 3, Interview with the Chief Sustainability Officer section. Additional information: <ul style="list-style-type: none">■ Organization's values, principles, standards and norms of behavior — Page 90 of 108, Code of Ethics section of the 2019 Form 10-K

GRI 102: GENERAL DISCLOSURES (VERSION: 2016) — Governance

GRI Disclosure Number	Description	Response
102-18	Governance structure	USPS is governed by an 11-member Board that generally consists of our Postmaster General, Deputy Postmaster General and nine independent Governors. The Governors are appointed by the President with the advice and consent of the Senate. The Board has three committees: Audit and Finance Committee, Compensation and Governance Committee, and Strategy and Innovation Committee. For more information, see Page 87 of 108, Item 10. Directors, Executive Officers and Corporate Governance section of the 2019 Form 10-K . The CSO is responsible for reporting on USPS's environmental, social and economic topics in the context of GRI and is responsible for incorporating environmental, economic and social topics into the decisions of the Office of Sustainability. The CSO has input into the decisions of the Board through the Deputy Postmaster General and Postmaster General.

**GRI 102: GENERAL DISCLOSURES (VERSION: 2016) — Stakeholder Engagement**

GRI Disclosure Number	Description	Response
102-40	List of stakeholder groups	<p>Page 4, Materiality Table section.</p> <p>Our internal stakeholders include a total of seven representatives from the following departments: Strategic Planning, Supply Management, Facilities, Corporate Communications, Government Relations and Sustainability. Additionally, we used results from the 2016 Mailers' Technical Advisory Committee customer survey.</p>
102-41	Collective bargaining agreements	Approximately 92% of career employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	<p>Page 4, Materiality Table section.</p>
102-43	Approach to stakeholder engagement	<p>Page 4, Materiality Table section.</p> <p>The stakeholder group examined the economic, environmental and social impacts for each topic separately. The three score elements for each topic were averaged to determine a final score. Internal stakeholder evaluations were used to assess the importance of each topic to our business. Representatives from 13 departments were included in the assessment: Office of Sustainability, Corporate Communications, Government Relations, Supply Management, Facilities, Strategic Planning, Information Technology, Finance, Human Resources, Marketing and Operations. Surveys through the Postal Suppliers Council and the Mailers' Technical Advisory Committee were used to assess the importance of each topic to our customers. Nearly 80 individuals responded to these surveys. There were no changes in the importance to the customer scoring because we used 2018 customer survey results. The three scores were averaged to determine final ranking of the topics.</p>
102-44	Key topics and concerns raised	<p>Page 4, Materiality Table section.</p>

GRI 102: GENERAL DISCLOSURES (VERSION: 2016) — Reporting Practice

GRI Disclosure Number	Description	Response
102-45	Entities included in the consolidated financial statement	<p>Page 46 of 108, the Related Party Transactions section of the 2019 Form 10-K.</p> <p>Page 49 of 108, Item 8. Financial Statements and Supplementary Data section of the 2019 Form 10-K.</p>
102-46	Defining report content and topic boundaries	<p>Page 4, GRI/Background section.</p> <p>Page 4, Materiality Table section.</p>
102-47	List of material topics	<p>Page 5, Materiality Table section.</p>
102-48	Restatements of information	Not applicable for this report period.
102-49	Changes in reporting	No changes in material topics or topic boundaries from previous reporting period.
102-50	Reporting period	As used herein, all references to years in this report, unless otherwise stated, refer to fiscal year beginning October 1, 2018, and ending September 30, 2019. All references to quarters, unless otherwise stated, refer to fiscal quarters.
102-51	Date of most recent previous report	April 2018
102-52	Reporting cycle	Annual



GRI Disclosure Number	Description	Response
102-53	Contact point for questions regarding the report	United States Postal Service Office of Sustainability, Room 2801 475 L'Enfant Plaza SW Washington, DC 20260 202-268-2000 sustainability@usps.gov
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards Core reporting option.
102-55	GRI content index	This GRI Content Index adheres to the requirements of this disclosure.
102-56	External assurance	External assurance is not being pursued for 2019.

MATERIAL TOPIC: OPTIMIZE DELIVERY AND NETWORK OPERATIONS — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 10, Vehicles and Vehicle Fuel section. Page 13, Operational Resiliency section.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Material topic and its boundary — Pages 18-19, Corporate-Wide Goals and Targets section of the FY2019 Annual Report to Congress. Page 2, Services section of the 2019 Form 10-K.
103-2	The management approach and its components	<p>Page 4, Materiality Table section. Page 6, USPS Highlights section.</p> <p>The Postal Service is committed to "...bind the Nation together through the personal, educational, literary, and business correspondence of the people. [We] shall provide prompt, reliable and efficient services to patrons in all areas and shall render postal services to all communities" (Title 39 CFR). This forms the core of Postal Service delivery and network operations.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Related policies, commitments, responsible parties and resources — Pages 21-23 of 38, High-Quality Service section of the FY2019 Annual Report to Congress.■ Related goals and targets — Pages 21-22 of 38, FY2019 Performance Report section of the FY2019 Annual Report to Congress.■ Related specific actions — Pages 21-22 of 38, FY2019 Performance Report section of the FY2019 Annual Report to Congress. Pages 23-25 of 37, Goal 4: Invest In Our Future Platforms section of the USPS Strategic Plan (FY2017-FY2021). Pages 25-27 of 43, Goal 4: Invest In Our Future Platforms section of the USPS Strategic Plan (FY2020-2024).



GRI Disclosure Number	Description	Response
103-3	Evaluation of the management approach	<p>Page 13, Operational Resiliency section.</p> <p>Page 10, Dynamic Route Optimization section.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Effectiveness, evaluation and adjustments to the Optimize Delivery and Network Solutions management approach — Pages 21-23 of 38, High-Quality Service section of the FY2019 Annual Report to Congress.

MATERIAL TOPIC: OPTIMIZE DELIVERY AND NETWORK OPERATIONS — GRI 203: Indirect Economic Impacts (Version: 2016)

GRI Disclosure Number	Description	Response
203-1	Infrastructure investments and services supported	<p>The Postal Service puts information and technology at the center of its business strategies. We are speeding the pace of innovation, developing mobile and digital tools to play a larger role in the daily digital lives of customers, and using one of the world's most advanced tracking and information systems to speed the flow of mail and packages throughout our network. We leverage the information derived from our robust scanning and tracking systems to add value to the senders and receivers of mail and packages — and to create new products and services, spurring growth in the mailing industry (Page 18 of 38, FY2019 Annual Report to Congress, Corporate-Wide Goals and Targets.).</p> <p>Pages 21-23 of 38 High-Quality Service section of the FY2019 Annual Report to Congress.</p> <p>All initiatives are commercial in nature.</p>

MATERIAL TOPIC: FINANCIAL STABILITY — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 6, USPS Highlights.</p> <p>The Postal Service is a major part of the nation's financial infrastructure, facilitating millions of transactions daily for virtually every commercial entity in America. The major factors that impact our financial results include overall customer demand, the changing mix of postal services and contributions associated with those services, fluctuating volumes of mail and packages processed through our network, our ability to manage our cost structure in line with declining volume, growth in legacy retirement and retiree health benefit costs, increase in the number of delivery points, and increased competition in the more labor-intensive Shipping and Packages business. Despite its own efforts, the Postal Service cannot secure its near- or long-term financial outlook without the passage of targeted postal reform legislation, as well as replacement by the Postal Regulatory Commission of the current price cap with a more suitable regulatory structure.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Material topic and its boundary — Pages 16-17 of 108, Results of Operation section of the 2019 Form 10-K; Pages 2-3 of 38, the Letter from the Postmaster General and USPS Board of Governors Chairman section of the FY2019 Annual Report to Congress; Pages 28-35 of 38 the Financial Health section of the FY2019 Annual Report to Congress, Pages 11-15 of 43 the Current Business Conditions section of the USPS Strategic Plan (FY2020-2024).



GRI Disclosure Number	Description	Response
103-2	The management approach and its components	<p>Page 4, Materiality Table section.</p> <p>For the Postal Service to effectively leverage the best available technologies and solutions to enhance its operations and services, and best serve its customers by providing reliable postal services, it takes aggressive management actions to control costs, increase efficiency and return to long-term financial stability.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Management approach and its components, goals and targets, and specific actions — Pages 28-35 of 38, Financial Health section of the FY2019 Annual Report to Congress.■ Related policies — Pages 84-86 of 108, Item 9a. Controls and Procedures section of the 2019 Form 10-K.■ Related commitments — Page 17 of 43, Our Vision for 2024 — A Financially Sustainable Postal Service that Delivers Products and Services that Customers Value in a Digital Economy section of the USPS Strategic Plan (FY2020-2024).■ Responsible parties — Pages 84-86 of 108, Item 9a. Controls and Procedures section of the 2019 Form 10-K.■ Resources — Pages 55-58 of 108, Note 1 - Organization and Summary of Significant Accounting Policies section of the 2019 Form 10-K.
103-3	Evaluation of the management approach	<p>Page 6, USPS Highlights section.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Evaluation of the management approach — Pages 28-35 of 38, Financial Health section of the FY2019 Annual Report to Congress.

MATERIAL TOPIC: FINANCIAL STABILITY — GRI 201: Economic Performance (Version: 2016)

GRI Disclosure Number	Description	Response
201-1	Direct economic value generated and distributed	<p>Total operating expenses: \$79.9 billion</p> <p>Total compensation and benefits: \$47.5 billion</p> <p>Interest expense: \$240 million</p> <p>U.S. government entities operating and interest expense: \$16.9 billion. For more information on payments to other entities of the U.S. government, please see Page 67 of 108, Item 8. Financial Statements and Supplementary Data, Note 5 – Related Parties section of the 2019 Form 10-K.</p> <p>In addition to the income we generate from investments in securities issued by the U.S. Treasury, we record imputed interest on the future installment payments that are owed to us under the Revenue Forgone Reform Act of 1993. Investment income was immaterial for the year ended September 30, 2019. Page 38, Interest and Investment Income section of the 2019 Form 10-K.</p> <p>Net loss: \$8.8 billion.</p> <p>Pages 18-19, For more information on direct economic value generated and distributed on an accrual basis, including the basic components for the organization's global operations, please see the Operating Revenue and Volume section of the 2019 Form 10-K.</p> <p>Page 20, Our operating revenue and volume for the years ending on September 30, 2019, 2018 and 2017 by service category are detailed in the 2019 Form 10-K.</p> <p>Page 15, For more information on our direct economic value generated and distributed, please see the Item 6. Selected Financial Data section of the 2019 Form 10-K.</p>

**MATERIAL TOPIC: DIGITAL AND PHYSICAL SECURITY — GRI 103: Management Approach (Version: 2016)**

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 13, Operational Resiliency section.</p> <p>Security includes international security (i.e., terrorism/terrorist acts, illegal drug trafficking, mail theft); physical security (i.e., security of Postal Service facilities, employees, collection boxes), safety of our employees (i.e., robbery, mail theft and employee internal security), and cybersecurity (protection of employee and customer information). With over 630,000 employees, data breaches could have repercussions on internal and external Postal Service operations and could be detrimental to brand as a trusted government agency.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Material topic and its boundary — Pages 28-29 and 34-35, Information technology and We protect you and your mail sections of the 2019 Postal Facts Companion.
103-2	The management approach and its components	<p>Page 4, Materiality Table section.</p> <p>Page 13, Operational Resiliency section.</p> <p>Page 18, USPS BlueEarth section.</p> <p>To avoid digital security breaches, the Postal Service invests in technologies and platforms that increase security and improve employee safety. To maintain physical security, the Postal Inspection Service investigates a range of crimes involving the U.S. Mail, including mail theft, identity theft, mail fraud and suspicious mail. We boost employee and customer awareness about keeping the nation's mail system secure through communication campaigns, employee training programs, publications and sponsored events.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Related policies — Item 1a. Risk Factors section of the USPS 2019 Form 10-K, Pages 8-13 and the 2 Security Roles and Responsibilities section of the Handbook AS-805 Information Security.■ Related commitments — Introduction: Corporate Information Security section of the USPS Handbook AS-805 Information Security.■ Related goals and targets — Pages 25-27, Goal 4: Invest in Our Future Platforms section of the USPS Strategic Plan (FY2020-2024).■ Related responsible parties — Security Roles and Responsibilities section of the Handbook AS-805 Information Security and 12 things to know about the Postal Service section of the 2019 Postal Facts Companion, Page 10-11.■ Related resources — Pages 34-35, We protect you and your mail section of the 2019 Postal Facts Companion, Related specific actions — Service Categories section of the Form 2019 10-K, Pages 3-4 and We protect you and your mail section of the 2019 Postal Facts Companion, Pages 34-35.
103-3	Evaluation of the management approach	<p>The Postal Service is committed to a safe and secure mail delivery system. Safety measures are in place to protect both your digital and physical security.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Effectiveness and results of the management approach — Pages 34-35, We protect you and your mail section of the 2019 Postal Facts Companion.■ Adjustments made to the management approach — Pages 25-27, Goal 4: Invest in Our Future Platforms section of the USPS Strategic Plan (FY2020-2024).

**MATERIAL TOPIC: DIGITAL AND PHYSICAL SECURITY — GRI 418: Customer Privacy (Version: 2016)**

GRI Disclosure Number	Description	Response
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	USPS does not publicly disclose statistics on breaches of customer privacy and losses of customer data on an annual basis.

MATERIAL TOPIC: CUSTOMER SERVICE AND SATISFACTION — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 6, USPS Highlights Sections.</p> <p>The Postal Service's customer base is the American public, and in order to maintain this base, the Postal Service must meet customer expectations such as on-time delivery and responding to customer concerns. Other ways that the Postal Service engages the American public include expanding its social media presence, offering innovative delivery services, reducing customer wait time, and offering a variety of purchasing options during retail encounters.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Material topic and its boundary — Pages 20-21, Goal 1: Deliver World-Class Customer Experiences section of the USPS Strategic Plan (FY2020-2024).
103-2	The management approach and its components	<p>Page 4, Materiality Table section.</p> <p>Page 7, Building a Culture of Conservation section.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Management approach, commitments, goals and targets, and specific actions — Pages 23-26, Excellent Customer Experiences section of the FY2019 Annual Report to Congress; Pages 18-19, Goal 1: Deliver a World-Class Customer Experience section of the Five-Year Strategic Plan FY 2017-2021; and Pages 20-21, Goal 1: Deliver a World-Class Customer Experience section of the Five-Year Strategic Plan FY2020-2024.■ Management approach and grievance mechanisms — Pages 23-26, Excellent Customer Experiences section of the FY2019 Annual Report to Congress.
103-3	Evaluation of the management approach	<p>Page 6, USPS Highlights section.</p> <p>To evaluate our customers' satisfaction with the services we provide, customers are surveyed at every primary interaction point. The results provide a comprehensive view of the customer experience across the most frequently used postal customer contact channels and is measured as a composite index of component survey scores. The Postal Service analyzed these results and, in response, made operational performance improvements, rolled out a state-of-the-art customer relationship management system, redesigned and improved functionality of USPS.com, and took other actions to address customers' feedback.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Effectiveness, evaluation and adjustments to the Customer Service and Satisfaction management approach — Pages 23-26, the Excellent Customer Experiences section of the FY2019 Annual Report to Congress.

**MATERIAL TOPIC: CUSTOMER SERVICE AND SATISFACTION — Other Specific Disclosures**

GRI Disclosure Number	Description	Response
N/A	Complaint handling and resolution process	Additional information: ■ Pages 23-26, Excellent Customer Experiences section of the FY2019 Annual Report to Congress .
N/A	Results of surveys measuring customer satisfaction	Additional information: ■ Pages 23-26, Excellent Customer Experiences section of the FY2019 Annual Report to Congress .

MATERIAL TOPIC: INNOVATION — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	Page 7, Building a Culture of Conservation section. Additional information: ■ Material topic and its boundary — Pages 21-22, Goal 3: Innovate Faster to Deliver Value section of the Five-Year Strategic Plan FY2017-FY2021 , and Pages 23-25, Goal 3: Innovate Faster to Deliver Value section of the Five-Year Strategic Plan FY2020-FY2024 .
103-2	The management approach and its components	Page 3, Interview with the Chief Sustainability Officer section. Page 4, Materiality Table section. Page 7, Building a Culture of Conservation section. Additional information: ■ Related commitments — Pages 2-3, Letter from the Postmaster General and USPS Board of Governors Chairman section of the FY2019 Annual Report to Congress . ■ Responsible parties — Pages 4-6, United States Postal Service Board of Governors section of the FY2019 Annual Report to Congress . ■ Related goals and targets and specific actions — Pages 21-22, Goal 3: Innovate Faster to Deliver Value section of the Five-Year Strategic Plan FY2017-FY2021 ; Pages 23-25, Goal 4: Invest In Our Future Platforms section of the Five-Year Strategic Plan FY2017-FY2021 ; Pages 23-25, Goal 3: Innovate Faster to Deliver Value section of the Five-Year Strategic Plan FY2020-FY2024 ; and Pages 25-27, Goal 4: Invest in Our Future Platforms section of the Five-Year Strategic Plan FY2020-FY2024 .
103-3	Evaluation of the management approach	Page 6, USPS Highlights section. Page 10, Sustainability Facility Update Newsletter section. Page 10, Dynamic Route Optimization section. Page 16, Sustainable Management section. Additional information: ■ Evaluation of the management approach — Pages 36-37, Strategic Initiatives section of the FY2019 Annual Report to Congress .

**MATERIAL TOPIC: INNOVATION — GRI 203: Indirect Economic Impacts (Version: 2016)**

GRI Disclosure Number	Description	Response
203-2	Significant indirect economic impacts	Page 10, Sustainability Facility Update Newsletter section. Page 10, Dynamic Route Optimization section. Page 16, Sustainable Management section. Pages 36-37, Strategic Initiatives section of the FY2019 Annual Report to Congress .

MATERIAL TOPIC: OPERATIONAL RESILIENCY — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	Page 13, Operational Resiliency section. Additional information: ■ Material topic and its boundary — Page 25, Be a Sustainability Leader section of the Five-Year Strategic Plan FY2017-FY2021 ; Page 27, Culture of Conservation section of the Five-Year Strategic Plan FY2020-FY2024 ; and Pages 8-13, Item 1a. Risk Factors section of the 2019 Form 10-K .
103-2	The management approach and its components	Page 4, Materiality Table section. Page 13, Operational Resiliency section. Page 13, Facility Resiliency Tool section. Page 13, Alternative Energy section.
103-3	Evaluation of the management approach	Page 4, Materiality Table section. Page 13, Operational Resiliency section. Page 13, Facility Resiliency Tool section. Page 13, Alternative Energy section. Additional information: ■ Evaluation of the management approach — Pages 21-23, High-Quality Service section of the FY2019 Annual Report to Congress .

MATERIAL TOPIC: OPERATIONAL RESILIENCY — Other Specific Disclosures

GRI Disclosure Number	Description	Response
N/A	N/A	There are no existing applicable GRI topic-specific disclosures on which to report as it relates to operational resiliency.

**MATERIAL TOPIC: GOVERNMENT RELATIONS / LEGISLATIVE AND REGULATORY REFORM — GRI 103: Management Approach (Version: 2016)**

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>As a self-supporting independent establishment of the executive branch, the USPS business model and operations are significantly influenced by congressional oversight and legislation.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Material topic and its boundary — Page 2, 1.0 Government Relations and Public Policy section of the <i>Government Relations and Public Policy Standard Operating Procedures for Congressional and Other Governmental Inquiries</i>, and Page 28, Goal 5: Support the Legislative and Regulatory Changes to Enable This Vision section of the <i>Five-Year Strategic Plan FY2020-FY2024</i>.
103-2	The management approach and its components	<p>Page <i>4, Materiality Table</i>.</p> <p>The Postal Service works with Congress and other key stakeholders to develop legislation that results in meaningful, beneficial reforms to improve our business model and help ensure long-term financial stability.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Management approach and our related policies, commitments and related parties — Pages 2-3, 1.0 Government Relations and Public Policy section of the <i>Government Relations and Public Policy Standard Operating Procedures for Congressional and Other Governmental Inquiries</i>.■ Related goals and targets — Page 4, 2.2 Productivity Goals section of the <i>Government Relations and Public Policy Standard Operating Procedures for Congressional and Other Governmental Inquiries</i>.
103-3	Evaluation of the management approach	<p>Additional information:</p> <ul style="list-style-type: none">■ Effectiveness as it relates to the Government Relations and Legislative and Regulatory Reform management approach — Page 4, <i>Government Relations and Public Policy Standard Operating Procedures for Congressional and Other Governmental Inquiries</i>.

MATERIAL TOPIC: GOVERNMENT RELATIONS / LEGISLATIVE AND REGULATORY REFORM — GRI 415: Public Policy (Version: 2016)

GRI Disclosure Number	Description	Response
415-1	Political contributions	The United States Postal Service makes no in-kind political contributions of any kind to any organizations.

MATERIAL TOPIC: ENVIRONMENTAL COMPLIANCE — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	Page <i>14, Environmental Management</i> section.
103-2	The management approach and its components	Page <i>4, Materiality Table</i> section. Page <i>14, Environmental Management</i> section.
103-3	Evaluation of the management approach	Page <i>14, Environmental Management</i> section.

**MATERIAL TOPIC: ENVIRONMENTAL COMPLIANCE — GRI 303: Water and Effluents (Version: 2018)**

GRI Disclosure Number	Description	Response
303-5	Water consumption	Total water consumption within the organization for fiscal year 2019: 8,471 mega liters. This data point is adjusted for data variances and is reported to the Federal Energy Management Program as 2,237,703 thousand gallons.

MATERIAL TOPIC: EMPLOYEE HEALTH, SAFETY AND WELLNESS — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>The Postal Service considers its employees' health, safety and wellness in both indoor and outdoor work environments. A safe workplace facilitates engagement and a sense of trust among company employees. Threats to this topic range from viruses to extreme temperatures to dog bites.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Material topic and its boundary — Page 20, Goal 2: Equip, Empower, and Engage Employees section of the Five-Year Strategic Plan FY2017-FY2021 and Pages 22-23, Goal 2: Equip, Connect, Engage, and Empower Employees to Best Serve USPS Customers section of the Five-Year Strategic Plan FY2020-FY2024.
103-2	The management approach and its components	<p>Page 4, Materiality Table section.</p> <p>Page 14, Environmental Management section.</p> <p>To avoid accidents and occupational diseases, the Postal Service has adopted standard requirements for safety and health protection in the workplace, established compliance protocols to ensure effective implementation, and assesses and manages workplace risks. This includes accounting for all relevant risks, checking the efficiency of the safety measures adopted, documenting the outcomes of the assessment, and reviewing and updating the assessment regularly.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Management approach and our related policies, commitments and responsible parties — 8 Safety, Health and Environment section of the Employee and Labor Relations Manual, Issue 47.■ Related goals and targets, grievance mechanisms and specific actions — Pages 26-27, Employee Safety section of the FY2019 Annual Report to Congress.
103-3	Evaluation of the management approach	<p>Page 6, USPS Highlights section.</p> <p>Additional information:</p> <ul style="list-style-type: none">■ Evaluation of the management approach — Pages 26-27, Employee Safety section of the FY2019 Annual Report to Congress.

MATERIAL TOPIC: EMPLOYEE HEALTH, SAFETY AND WELLNESS — GRI 403: Occupational Health and Safety (Version: 2018)

GRI Disclosure Number	Description	Response
403-9	Work-related injuries	<p>Additional information:</p> <ul style="list-style-type: none">■ Work-related injuries — Pages 26-27, Employee Safety section of the FY2019 Annual Report to Congress.

**MATERIAL TOPIC: BRAND IMAGE — GRI 103: Management Approach (Version: 2016)**

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 6, USPS Highlights section.</p> <p>Brand image is how the Postal Service's real and potential customer base, business partners and competitors view the organization. Any event, whether real or perceived, that calls into question the Postal Service's long-term existence, ability to deliver mail, quality or reliability could diminish the value of its brand and reputation and could adversely affect business operations and operating revenue.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Material topic and its boundary — Pages 8-13, Item 1a. Risk Factors section of the 2019 Form 10-K.
103-2	The management approach and its components	<p>Page 3, Interview with the Chief Sustainability Officer section.</p> <p>Page 4, Materiality Table section.</p> <p>The Postal Service evolves its brand image for its residential and business customers as it provides more services and offerings that keep pace with the customers' ever-changing needs.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Management approach and the responsible party — https://about.usps.com/who/leadership/officers/ccmo-evp.htm. ■ Management approach and goals and targets — Pages 23-26, Excellent Customer Experiences section of the FY2019 Annual Report to Congress. ■ Management approach and grievance mechanisms — Page 10, Public Opinion section of the FY2019 Annual Report to Congress. ■ Management approach and specific actions — Pages 18-19, Goal 1: Deliver a World-Class Customer Experience section of the Five-Year Strategic Plan FY2017-FY2020, and Pages 20-21, Goal 1: Deliver World-Class Customer Experiences section of the Five-Year Strategic Plan FY2020-FY2024.
103-3	Evaluation of the management approach	<p>Page 6, USPS Highlights section.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Effectiveness and adjustments to the Brand Image management approach — Pages 23-26, FY2019 Annual Report to Congress, Excellent Customer Experience, ■ Evaluation of the Brand Image management approach — Page 10, FY2019 Annual Report to Congress, Public Opinion,

MATERIAL TOPIC: BRAND IMAGE — Other Specific Disclosures

GRI Disclosure Number	Description	Response
N/A	N/A	There are no existing applicable GRI topic-specific disclosures on which to report as it relates to brand image.

MATERIAL TOPIC: ENERGY, FUEL AND EMISSIONS — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	Page 9, Energy, Fuel, Emissions and Water section.



GRI Disclosure Number	Description	Response
103-2	The management approach and its components	Page 4, Materiality Table section. Page 9, Energy, Fuel, Emissions and Water section.
103-3	Evaluation of the management approach	Page 8, Sustainability Goals Snapshot section. Page 9, Energy, Fuel, Emissions and Water section.

MATERIAL TOPIC: ENERGY, FUEL AND EMISSIONS — GRI 302: Energy (Version: 2016)

GRI Disclosure Number	Description	Response
302-1	Energy consumption within the organization	<p>Page 8, Sustainability Goals Snapshot section. Page 9, Facility Energy section. Page 10, Vehicles and Vehicle Fuel section.</p> <p>Total USPS energy consumption: 48,420,717 GJ</p> <ul style="list-style-type: none"> ■ Fuel types: gasoline, diesel, biodiesel (B20), E85, LPG, CNG <p>Facility energy consumption from non-renewable sources: 22,693,362 GJ</p> <ul style="list-style-type: none"> ■ Electricity consumption: 15,445,793 GJ ■ Heating consumption (Fuel oil, natural gas, and LPG): 7,125,883 GJ ■ Steam consumption: 121,038 GJ ■ Other (gasoline): 647 GJ <p>Facility energy consumption from renewable sources: 8,647 GJ</p> <ul style="list-style-type: none"> ■ Electricity: 8,115 GJ ■ Other (geothermal): 531 GJ <p>The Postal Service uses the Federal Energy Management Program's Annual Energy Management Data Report workbook for emission factors, the global warming potential rates used, and comprehensive reporting of FY2019 energy, costs, square footage and associated operational data.</p> <p>Conversion factors for metrics to standard units were based on U.S. Energy Information Administration's March 2020 Monthly Energy Review (source: https://www.eia.gov/totalenergy/data/monthly/#appendices).</p>

**MATERIAL TOPIC: ENERGY, FUEL AND EMISSIONS — GRI 305: Emissions (Version: 2016)**

GRI Disclosure Number	Description	Response
305-1	Direct (Scope 1) GHG emissions	<p>Page 8, Sustainability Goals Snapshot section.</p> <p>Page 11, Greenhouse Gas Emissions section.</p> <p>Scope 1 GHG emissions: 2,199,409 MT CO₂e</p> <p>Biogenic CO₂ emissions: 3,097 MT CO₂e</p> <p>The Council on Environmental Quality established the base year for tracking progress of all federal agencies' Scope 1 GHG emission reduction to be FY2008. The Postal Service's Scope 1 GHG emissions in the base year were 1,835,640 MT CO₂e.</p> <p>The Postal Service uses an operational control consolidation approach for Scope 1 GHG emissions and the Federal Energy Management Program's Annual Energy Management Data Report workbook for emission factors, the global warming potential rates used, and comprehensive reporting of FY2019 Scope 1 GHG emissions and associated data.</p>
305-2	Energy indirect (Scope 2) GHG emissions	<p>Page 8, Sustainability Goals Snapshot section.</p> <p>Page 11, Greenhouse Gas Emissions section.</p> <p>Scope 2 GHG emissions: 1,901,846 MT CO₂e</p> <p>The Council on Environmental Quality established the base year for tracking progress of all federal agencies' Scope 2 GHG emission reduction to be FY2008. The Postal Service's Scope 2 GHG emissions in the base year were 3,449,587 MT CO₂e.</p> <p>The Postal Service uses an operational control consolidation approach for Scope 1 GHG emissions and the Federal Energy Management Program's Annual Energy Management Data Report workbook for emission factors, the global warming potential rates used, and comprehensive reporting of FY2019 Scope 1 GHG emissions and associated data.</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>Page 8, Sustainability Goals Snapshot section.</p> <p>Page 11, Greenhouse Gas Emissions section.</p> <p>Total Scope 3 GHG emissions 8,862,915.2</p> <p>Scope 3 GHG emissions included in goal: 2,273,225 MT CO₂e</p> <ul style="list-style-type: none">■ Includes emissions from transmission and distribution losses, business travel, employee commuting and solid waste generated in operations. <p>Scope 3 GHG emissions not included in goal: 6,589,691 MT CO₂e</p> <ul style="list-style-type: none">■ Includes emissions from contract transportation and leased facilities. <p>The Council on Environmental Quality established the base year for tracking progress of all federal agencies' Scope 3 GHG emission reductions to be FY2008 for categories included in the goal. In the base year, Scope 3 GHG emissions included in goal were 2,834,516 MT CO₂e.</p> <p>The Postal Service uses the Federal Energy Management Program's Annual Energy Management Data Report workbook for emission factors, the global warming potential rates used, and comprehensive reporting of FY2019 Scope 3 GHG emissions and associated data.</p>

**MATERIAL TOPIC: EMPLOYEE ENGAGEMENT — GRI 103: Management Approach (Version: 2016)**

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 6, USPS Highlights section.</p> <p>Research shows that higher levels of employee engagement correlate to healthier work environments, successful teams and positive business outcomes for organizations. The Postal Service facilitates its employees' engagement by offering stable jobs with flexible compensation and benefits packages, professional development opportunities, and avenues to share workplace feedback.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Material topic and its boundary — Pages 27-28, Employee Engagement section of the FY2019 Annual Report to Congress, and Pages 22-23, Goal 2: Equip, Connect, Engage and Empower Employees to Best Serve USPS Customers section of the Five-Year Strategic Plan FY2020-FY2024.
103-2	The management approach and its components	<p>Page 4, Materiality Table section.</p> <p>Page 14, Environmental Management section.</p> <p>Page 18, Green Teams section.</p> <p>To measure the level of employee engagement at the Postal Service, the organization administers the Postal Pulse survey. The grand mean score assesses overall engagement levels of surveyed respondents while the survey response rate identifies the level of participation of all potential respondents during each survey administration. The Postal Service analyzed the results of the FY2019 survey and provided relevant coaching and training opportunities as well as additional avenues to share workplace comments.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Management approach and our related policies, commitments, goals and targets, grievance mechanisms and specific actions — Pages 27-28, Employee Engagement section of the FY2019 Annual Report to Congress.
103-3	Evaluation of the management approach	<p>Page 6, USPS Highlights section.</p> <p>Page 19, PMG Sustainability Excellence Awards section.</p> <p>USPS engages its employees using large-scale surveys. The percentage of engaged employees has continued to climb year over year.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Evaluation of the management approach — Pages 27-28, Employee Engagement section of the FY2019 Annual Report to Congress.

MATERIAL TOPIC: EMPLOYEE ENGAGEMENT — GRI 405: Diversity and Equal Opportunity (Version: 2016)

GRI Disclosure Number	Description	Response
405-1	Diversity of governance bodies and employees	For information about the USPS Board of Governors, please see Page 87, 2019 Form 10-K , Item 10. Directors, Executive Officers and Corporate Governance.

MATERIAL TOPIC: COMMUNITY ENGAGEMENT — GRI 103: Management Approach (Version: 2016)

GRI Disclosure Number	Description	Response
103-1	Explanation of the material topic and its boundary	<p>Page 6, USPS Highlights section.</p> <p>Postal employees are active members in our communities because the Postal Service cares about strengthening the relationship between USPS, its customers and its surrounding communities. Community engagement considers the community's impression of the Postal Service and how the Postal Service is trying to engage community.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Material topic and its boundary — Pages 7-10, FY2019 Comprehensive Statement of Postal Operations section of the FY2019 Annual Report to Congress.
103-2	The management approach and its components	<p>Page 3, Interview with the Chief Sustainability Officer section.</p> <p>Page 4, Materiality Table section.</p> <p>Page 14, Environmental Management section.</p> <p>The Postal Service does its part to strengthen the communities it serves by educating the community; recognizing everyday heroes; working with small, women-owned and multicultural businesses; and supporting important causes.</p> <p>Additional information:</p> <ul style="list-style-type: none"> ■ Management approach and grievance mechanisms — Page 10, Public Opinion section of the FY2019 Annual Report to Congress. ■ Management approach and specific actions — Pages 16-17, Serving communities section of the 2019 Postal Facts Companion.
103-3	Evaluation of the management approach	<p>Additional information:</p> <ul style="list-style-type: none"> ■ Effectiveness, evaluation and adjustments to the Community Engagement management approach — Pages 7-10, FY2019 Comprehensive Statement of Postal Operations section of the FY2019 Annual Report to Congress.

MATERIAL TOPIC: COMMUNITY ENGAGEMENT — Other Specific Disclosures

GRI Disclosure Number	Description	Response
N/A	N/A	<p>As active members of our communities, we provide public resources and participate in activities to engage our customers and our neighbors. From educating our community to recognizing everyday heroes to supporting important causes, we do our part to strengthen the communities we serve. While GRI 413: Local Communities (Version: 2016) provides disclosure opportunities, there are currently no existing applicable GRI topic-specific disclosures on which to report as it relates to the Postal Service's community engagement programs.</p>

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Year References: All references to a specific year refer to the Postal Service fiscal year (FY) ending Sept. 30. However specific month and year references pertain to the calendar date.



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