

Putting Our Stamp on a Greener Tomorrow[®]

2023 ANNUAL SUSTAINABILITY REPORT*



* This report, dated September 2024, refers to information gathered and validated for fiscal year 2023 and is retrospective.



Our Sustainability Vision

We're excited.

In the coming years, in cities and towns across the country, you'll be seeing our iconic blue eagle on the side of tens of thousands of our new delivery vehicles, many of them battery electric-powered. We're launching one of the largest vehicle electrifications in the world. When you see one of our vehicles delivering your mail and packages, we hope you'll be reminded of the United States Postal Service's commitment — we consider it our responsibility — to be good stewards of the environment.

We have a great story to tell. In this report, you'll learn about our environmental goals, our progress and the actions we're taking on the road to a sustainable future — endeavoring to leave a greener footprint with every step we take, a greener pathway with every mile we travel.

Our modernized delivery fleet will certainly be impressive in reducing our greenhouse gas emissions, but there's much more that we're doing to address environmental management and be "future ready." We're engaged in an organization-wide effort to make our operations more environmentally sustainable in every way possible — big and small. From minimizing waste and expanding recycling to raising awareness among employees as well as mailers and shippers, we want to position the Postal Service for sustainability and success, today and tomorrow. In this report we detail our goals and continued progress across our three core sustainability focus areas — climate action, circular economy and environmental awareness.

We're guided by our 10-year Delivering for America plan, a transformation plan that will build a new network of processing and distribution facilities to better serve our customers and reduce our costs, slash our carbon footprint and minimize waste. You can read more about our Delivering for America plan at <https://about.usps.com/what/strategic-plans/delivering-for-america/>. It's already making a positive impact on our operations.

Your feedback is welcome. You can email us at sustainability@usps.gov. Look for updates on our endeavors at usps.com/green, <https://www.facebook.com/USPS>, <https://www.instagram.com/uspostalservice/>, <https://twitter.com/usps> and <https://www.linkedin.com/company/usps>.

And, when you see that blue eagle on one of our new electric vehicles, consider it a symbol of how your United States Postal Service is leading by example in making positive changes that benefit our people, our customers and the planet we all share.

Thank you for your interest in our sustainability journey.

Judy A. de Torok,
Vice President, Corporate Affairs





Sustainability Report Card

FY2030 Goals <i>(FY2021 Baseline)</i>	FY2023 Progress	FY2030 Target
Reduce Scope 1 & 2 emissions by 40%	2.2%*	-40%
Reduce Scope 3 emissions by 20%	-17.8%	-20%
Divert 75% of waste from landfill	68.2%	75%
Increase renewable electricity to 10%	7.1%	10%

**Our Delivering for America plan includes a focus on reducing contracted transportation, replacing many of these routes with USPS-owned vehicles. This resulted in an increase in our Scope 1 and 2 emissions in FY 2023. In future years, we expect this increase to be offset by replacing our vehicles with less emissions intensive electric vehicles, improving the energy efficiency of our facilities and increasing our investment in renewable electricity. We fully expect to achieve our FY 2030 Target.*



Climate Action



Strategy

We are focused on reducing our environmental impact by managing greenhouse gas (GHG) emissions and expanding our environmentally focused fleet and facilities.

Our Scope 1 emission sources consist of stationary combustion, including building heating (natural gas, fuel oil and propane), generators, mobile combustion (including owned fleet vehicles and small equipment) and fugitive emissions, such as refrigerants. Scope 2 emission sources are purchased electricity and steam. To manage Scope 1 and 2 emissions, USPS is focused on improving building and vehicle fuel efficiency.

- Modernizing our mail delivery fleet is a critical part of our Delivering for America plan. We have committed to acquiring more than 106,000 new vehicles including 66,000 electric vehicles (EVs) by 2028, making USPS one of the largest EV fleets in the nation.
- We expect all commercial-off-the-shelf delivery vehicles delivered in 2026 through 2028 and Next Generation Delivery Vehicles delivered from 2026 onward to be 100% electric. At the same time, we’re building a nationwide network of EV charging stations so we can rapidly deploy vehicles with zero emissions at the tailpipe.

The Postal Service currently operates a fleet of 30,673 alternative fuel-capable vehicles and 100 hybrid 2-ton vehicles. While a modernized fleet will help reduce emissions, we also have certain routes across the country that do not rely on vehicles for mail delivery. Over 6,600 carriers deliver mail solely on foot, and there are over 50 bicycle routes in Arizona and Florida.

Goals	Initiatives	Specific Actions	Fiscal Year FY 2030 Targets FY 2021 Baseline	Progress
Climate Action	Scope 1 & Scope 2 and Scope 3 GHG Emissions	<ul style="list-style-type: none"> ➔ Move freight from air to trucks ➔ Optimize routes for trucks and carriers ➔ Procure zero emissions and reduced emissions vehicles 	<p>Scope 1 and 2 Reduce Scope 1 and 2 emissions by 40%</p> <p>Scope 3 Reduce Scope 3 emissions by 20%</p>	<p>Scope 1 and 2</p> <ul style="list-style-type: none"> ▪ 0.38% increase in FY 2023 from FY 2022 ▪ 2.15% increase in FY 2023 from FY 2021 baseline <p>Scope 3</p> <ul style="list-style-type: none"> ▪ 7.48% decrease in FY 2023 from FY 2022 ▪ 17.84% decrease in FY 2023 from FY 2021 baseline

Climate Action

The Postal Service also has implemented two hydrogen fuel cell systems at the Washington, DC, Network Distribution Center. One is a steam methane reforming generation system, and the other is a delivered hydrogen solution. This technology is used for powered industrial vehicles — tow motors, pallet jacks and forklifts — that move mail within postal facilities.

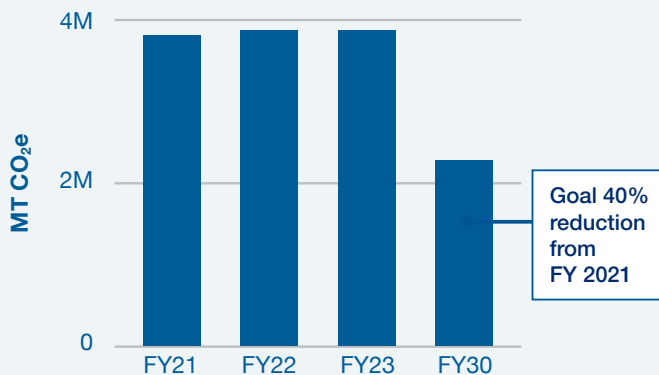
Our Delivering for America plan includes reducing contracted transportation and replacing many of these routes with USPS-owned vehicles. While these necessary changes resulted in a minor increase in the Postal Service's fiscal year 2023 Scope 1 and 2 emissions, they have also generated significant reductions to our Scope 3 emissions. As USPS continues modernizing our fleet, we expect to meet our FY 2030 Scope 1 and 2 emissions goals.

Scope 3 emission reductions in FY 2023 were primarily due to reductions in employee commuting as well as reduced contract transportation from commercial air partners as part of our Delivering for America strategies. Our Scope 3 emission sources include employee business travel, employee commuting, contract transportation, contracted solid waste disposal and wastewater treatment, buildings with fully serviced leases, and transmission and distribution losses from electricity purchases. USPS has various initiatives and programs to manage Scope 3 emissions.

- **Employee Business Travel:** The Postal Service manages emissions from business travel by strengthening our information technology platforms to allow for remote working, web meetings and virtual conferences. The Postal Service has more than 19,000 active remote users. Many were added to accommodate teleworking due to the COVID-19 pandemic.
- **Employee Commuting:** We offer a commuter benefits program to employees that incentivizes public transportation to reduce single employee vehicle commute trips.
- **Contracted Solid Waste Disposal:** Recycling initiatives and goals across the organization aim to increase recycling performance and reduce the waste volume sent to landfills, in turn reducing the volume of GHG emissions associated with waste, specifically methane and carbon dioxide. See the Circular Economy section to learn more about our recycling initiatives, including our National Recycling Operation.

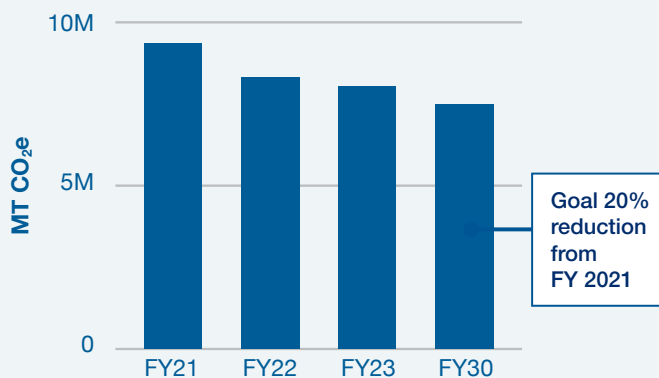
Scope 1 and 2 (MT CO₂e) FY 2023 Progress

2.15% increase in FY 2023 from FY 2021 baseline



Scope 3 (MT CO₂e) FY 2023 Progress

17.84% decrease in FY 2023 from FY 2021 baseline



Contracted Transportation

The Postal Service uses contract routes to transport mail between processing facilities and delivery locations. We also right-size transportation equipment, reducing the number of empty USPS vehicles on the road. This reduces the number of miles driven and amount of fuel used for transportation. USPS also plans to continue to shift away from contract air transportation in favor of ground transportation to save costs as part of our Delivering for America strategy. This transition will continue to reduce emissions as ground transportation is more energy efficient than contract air transportation.



Circular Economy



Strategy

We prioritize source reduction, reuse and recycling of materials we purchase to keep them in circulation to minimize waste and demand for natural resources.

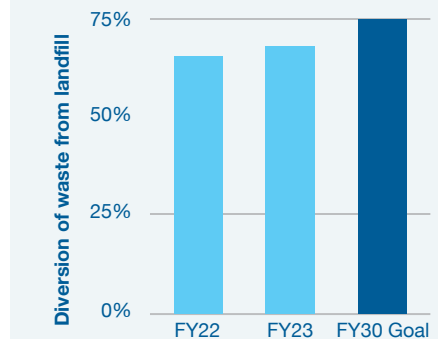
Goals	Initiatives	Specific Actions	Fiscal Year FY 2030 Targets FY 2021 Baseline	Progress
Circular Economy	Recycling and Waste Management	<ul style="list-style-type: none"> ➔ Divert waste from landfill by increasing recycling rate ➔ Increase packaging recycled content and recyclability ➔ Purchase on-site renewable energy and renewable energy certificates 	<ul style="list-style-type: none"> ■ Divert 75% of waste from landfill ■ Increase packaging recycled content to 74% ■ Increase packaging recyclability to 88% ■ Increase renewable electricity to 10% 	In FY 2023, we diverted 68.2% of our estimated generated waste. We recycled over 267,000 tons of waste, and over 17,000 tons of our waste were converted to energy by our waste handling partners. This included recycling 94,000 tons of cardboard, 149,000 tons of paper and 4,000 tons of thin-film plastic.

In FY 2023 our BlueEarth Secure Destruction mail service intercepted, destroyed and recycled over 132.2 million pieces of First-Class Mail that would have otherwise been returned to sender. This equates to over 3,740 tons of paper, saving over 63,000 trees. In addition to recycling, this mail service is helping reduce the carbon footprint of First-Class Mail — an estimated 1 metric tons of CO₂e is avoided for every 25,000 pieces of Return to Sender mail eliminated.

- The BlueEarth Federal Recycling Program helps partner federal agencies refurbish, reuse or recycle small unwanted electronics. In FY 2023, the program refurbished/reused 17,278 pounds and recycled over 171,737 pounds of electronics.
- In FY 2023, the Postal Service recycled 394,000 gallons of used oil from our vehicle fleet — equivalent to saving over 16 million

Waste Diversion Rate Progress

68.2% diversion of waste from landfill



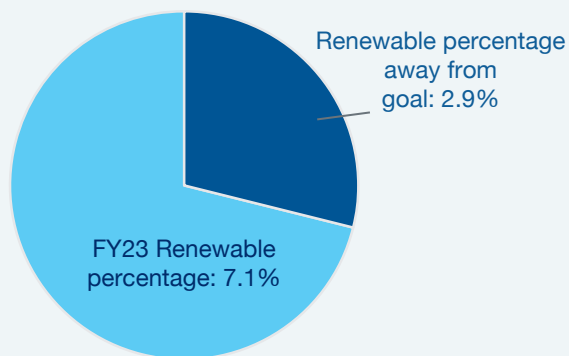
Circular Economy

gallons of crude oil. We also recycled 39,000 pounds of small lead-acid and dry cell batteries, including lithium-ion batteries, from wireless scanners and batteries from facilities and our vehicle fleet.

- The Postal Service continues our efforts to divert waste. Recommendations include standardized trash and recycling equipment and placement throughout the mail processing network. We're also increasing communication and training for employees..
- To support the demand for recycled commodities, the Postal Service proactively procures environmentally preferred products (EPPs) that are made from recycled content materials. Other EPPs purchased include bio-based, energy efficient, water efficient and reputable eco-label certified products. In FY 2023, USPS spent over \$579 million on EPPs, which was a \$119.2 million improvement over the previous year.
- EPPs purchased include the sustainable packaging USPS provides to our customers, with ongoing efforts aimed at further enhancing the sustainability of postal packaging.
- The United States Postal Service, in partnership with How2Recycle®, uses a consumer-oriented package labeling system to help our customers recycle or dispose of our packages properly. Each label communicates instructions needed to prepare the item for proper disposal, material type (such as paper or plastic), and packaging format (such as bottles or boxes), to make recycling easier. Since we started this partnership five years ago the program's visibility has improved as we replace depleted inventory with new stock incorporating a How2Recycle label. We have also expanded the program beyond our Priority Mail, Priority Mail Express and ReadyPost packaging to include How2Recycle guidance on postcards, posters and certain printed paper products. On your next visit to your local Post Office, please check out some of our products that carry the How2Recycle label.

Increase Acquisition of Renewable Electricity

Renewable Electricity Percentage



In addition to our goal of sourcing 10% of overall electricity consumption from renewable sources, the Postal Service has also set the following targets for the purchase of renewable energy certificates:

- 2024: 35%
- 2025: 40%
- 2026: 45%
- 2027: 50%

These goals apply specifically to the solicitation and award of third-party electricity supply contracts for accounts managed through our Utility Management System across 13 deregulated states and the District of Columbia. Green-e Energy renewable energy certificate (RECs) are purchased as certified proof that the Postal Service is offsetting the usage of contracted conventional

Progress:

In FY 2023, eight solar photovoltaic projects generated over 21,000 megawatt-hours (MWh) of renewable electricity at USPS facilities.. Our renewable energy usage has increased by over 6,000% in the last five years. In FY 2023, USPS used over 280,000 MWh of renewable energy — the equivalent electricity usage for over 23,000 homes for a year. In FY 2023, we purchased over 248,000 MWh of green power. Moving forward, USPS also plans to install on-site photovoltaic at 10 additional sorting and delivery centers.

Circular Economy

third-party supply at percentages that either meet or exceed our Environmental Council's published percentage of renewable energy generated goals. Each Green-e Energy REC represents a specific amount of electricity produced and delivered to the power grid by a renewable source/asset such as wind and solar with one REC equal to one MWh. In addition to achieving these goals, the Postal Service also provides revenue to support additional renewable energy projects and promote growth in the green power marketplace.

To manage Scope 2 emissions, USPS is focused on installing and purchasing renewable energy. The Postal Service's approach to reducing energy consumption and intensity focuses on monitoring energy consumption and increasing facility renewable energy and energy efficiency.



Environmental Awareness



Strategy

Grow environmental awareness with our more than 640,000 employees and our external stakeholders.

Goals	Initiatives	Specific Actions	Details
Environmental Awareness	Deliver Environmental Communication to Our Employees, Our Communities, and Federal, State and Local Entities	<ul style="list-style-type: none"> ➔ Communication ➔ Policies ➔ Training 	<ul style="list-style-type: none"> ■ Provide effective environmental awareness communication to our employees, our customers, and the public to reinforce positive brand association. Share our initiatives and commitments with administration officials as well as federal, state and local entities. ■ Work toward ensuring environmental policy requirements are communicated and incorporated into operations. Describe our initiatives in the context of the broader policy arena. ■ Work toward providing on-site and online training and tools that align with policy and regulatory requirements to 100% of applicable employees

Every Postal Service employee is encouraged to actively contribute to sustainability efforts, helping foster a culture of environmental awareness and responsibility throughout our organization. We provide training, resources and incentives to empower employees to make sustainable choices in their daily work activities.

Our priority strategies for achieving environmental compliance include employee training and communications, as well as innovation to improve site-level compliance.

The Postal Service provides training on applicable regulations and procedures for environmental and energy management. Topics include hazardous and universal waste management, stormwater permitting, spill management planning, underground storage tank operations and facility utility consumption. Our Utility Management System provides facility costs, usage and bill payment for over 90% of our utility consumption.



Communication

Research has shown that consumers consider sustainability when making purchasing decisions. In a competitive delivery market, demonstrating our sustainability leadership is an important market differentiator for the Postal Service.

Our Delivering for America 10-year transformation plan has provided the opportunity to operationalize our initiatives. Our efforts to achieve cost savings while operationalizing challenging sustainability goals—all while benefiting the environment—have been positively noted by our Government colleagues. Postal Service leadership has sought every chance to collaborate with our Government counterparts and we believe all have benefited from an enhanced perspective.

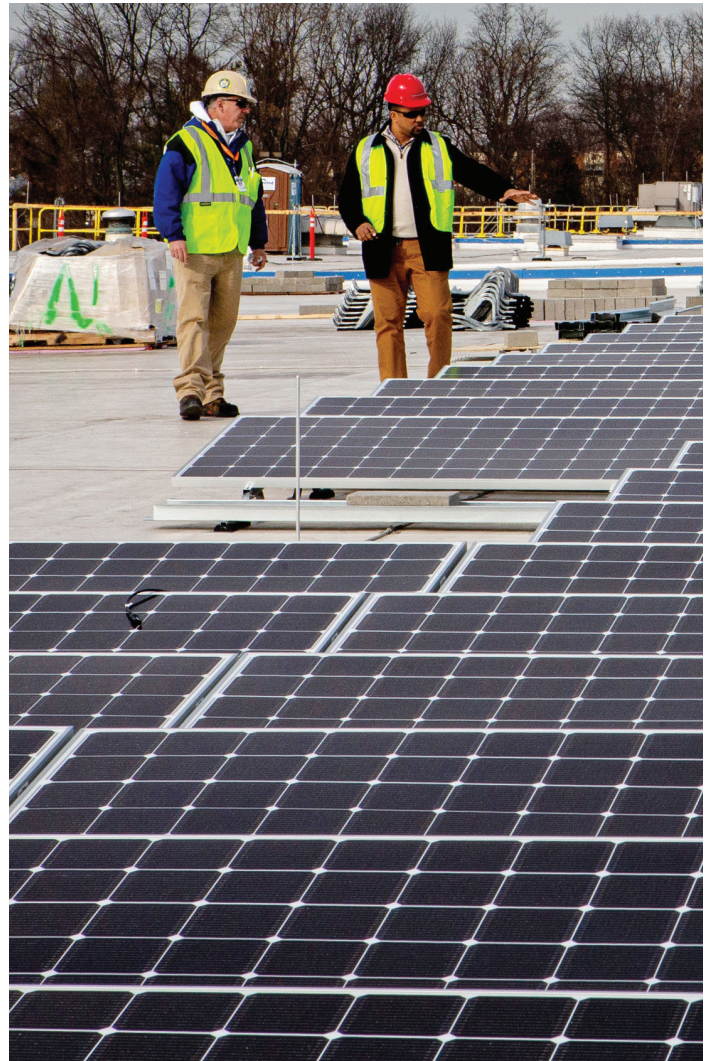
For these reasons, sharing our sustainability momentum is an important element of our environmental awareness effort. USPS enables customers to measure and manage their greenhouse gas emissions through our BlueEarth Carbon Accounting Service. This no-fee service follows the most widely accepted accounting methods to calculate shipping and mailing GHG emissions based on item characteristics, including product type, size, weight, processing, distribution and transportation. Customers using this service are provided Scope 3 carbon emissions statements specific to their actual USPS mailing and shipping.

Being leaner, greener and faster as we push for innovation continues to be an important business driver for the Postal Service. Our environmental information management system is an important tool for approximately 5,500 users to monitor and manage environmental compliance requirements for regulated equipment and activities. We also provide easy-to-access and readily available environmental compliance bulletins on a dedicated environmental management website. These bulletins serve as quick references for environmental compliance requirements and other best practices for environmental stewardship.

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Environmental Policy and Compliance

The Postal Service remains committed to our universal service mission while continuously striving to achieve environmental excellence and lead the industry in environmental practices. As a foundation to our sustainability leadership initiatives, the Postal Service meets or exceeds compliance with applicable administration, federal, state, and local environmental requirements, laws and regulations.

The Postal Service implements standardized preventative measures across the organization and continuously evaluates its operations to ensure compliance and minimize risk. In FY 2024, we'll continue maintaining environmental compliance throughout all Postal Service operations.

Training

The Postal Service maintains a robust library of environmental compliance training courses and videos in our internal learning management system. It enables employees to take training on demand and provides centralized record-keeping. The Postal Service provides training on applicable regulations and procedures for environmental management.

Putting Our Stamp On a Greener Tomorrow

The Eagle Logo; the design and shape of USPS packaging, the Letter Carrier Uniform, and the Postal Truck; and the following word marks are among the many trademarks owned by the United States Postal Service®: Delivering for America®, First-Class™, First-Class Mail®, Forever®, Informed Delivery®, Informed Visibility®, Marketing Mail®, Post Office™, Priority Mail®, Priority Mail Express®, Priority Mail Express International®, Priority Mail International®, Putting our stamp on a greener tomorrow™, ReadyPost® United States Postal Inspection Service®, United States Postal Service®, U.S. Mail®, U.S. Postal Service®, USPS®, USPS BlueEarth®, usps.com®.

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