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# A Message to Our Readers

# Putting our Stamp on a Greener Tomorrow™

Despite ongoing challenges and disruptions dealt by the COVID-19 pandemic, the United States Postal Service remains focused on improving our organization. Our customers and partners are always looking for us to be more efficient, reliable and sustainable. We have redoubled our efforts to do just that. We're committed to binding the nation together and continuing to improve the lives of our employees and all Americans who depend on our services, while also doing our part to champion sustainable and environmentally responsible solutions.

We believe implementing sustainable practices improves our operations. Building supply chain resilience, increasing clean energy use and reducing waste are just some examples of actions we're taking that will have positive effects for our employees, customers, environment and communities we serve. It's our responsibility to emerge from the pandemic as a sustainability leader. Our Annual Sustainability Report raises awareness of our efforts to integrate sustainability into our practices. It describes our social, economic and environmental impacts, as well as our progress towards our wide-ranging sustainability goals as we continue to push ourselves towards becoming a greener organization.

This report provides an overview of our organization and sustainability mission. We discuss these sustainability topics: operations, environmental management, emissions, energy, water, and recycling and minimizing waste. The Postal Service takes pride in reporting our successes and areas for continued improvements and goal setting. We take our role as sustainability leaders seriously and are always seeking feedback from the public. Please email us at <a href="mailto:sustainability@usenious.com/sustain

We will continue to move aggressively toward our targets to reduce greenhouse gas emissions, energy, fuel and waste in the coming year. Look for updates on our endeavors at <a href="mailto:about.usps.com/">about.usps.com/</a> what/corporate-social-responsibility/sustainability/, Facebook, Instagram, Twitter and LinkedIn.

Thank you for joining us and putting a stamp on a greener tomorrow.

Judy de Torok

Vice President, Corporate Affairs

This report covers fiscal year 2021 (Oct. 1, 2020, through Sept. 30, 2021) and follows the report released for FY2020.

This report has been prepared in accordance with the GRI Standards: Core option. External assurance was not pursued for FY2021.

For any questions regarding the report, please contact:

UNITED STATES POSTAL SERVICE ENVIRONMENTAL AFFAIRS AND CORPORATE SUSTAINABILITY, ROOM 2801 475 L'ENFANT PLAZA SW WASHINGTON, DC 20260 202-268-2000 SUSTAINABILITY@USPS.GOV

# USPS at a Glance

#### The mission of the United States Postal Service is:

- To serve the American people and, through our universal service obligation, bind our nation together by maintaining and operating our unique, vital and resilient infrastructure.
- To provide trusted, safe and secure communications and services, connecting our government, and the American people, businesses and their customers, and the American people with each other.
- To serve all areas of our nation, making full use of evolving technologies.

The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary and business correspondence of the people. It shall provide prompt, reliable and efficient services to patrons in all areas and shall render postal services to all communities.

Source: Title 39 U.S. Code 101(a)

### Facts and Figures

The Postal Service is the core of the nation's

# \$1.58 trillion mailing industry

Mailpieces processed and delivered annually

**128.9** billion



**46%** of the world's mail volume handled by the Postal Service

Headquarters **Washington, DC** 

**163,139,167** city, rural, PO Box and highway delivery points

**150,377,788** residential delivery points

**12,761,379** business delivery points



\$\$\$\$\$\$\$\$\$\$

\$\$

Total expenses





#### **Sustainability**

is a core commitment of the Postal Service. As we invest in new vehicles and technology, we will champion sustainable and environmentally focused solutions. 34,223

Post Offices stations, outlets, and branches

USPS Fleet of Feet: **6,614 letter carriers** who deliver mail entirely on foot

#### **232,368 Vehicles**

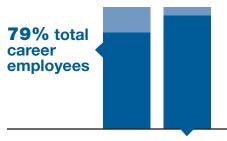
The Postal Service operates a fleet of **33,705 alternative fuel-capable vehicles** most of which are equipped to use ethanol. There are electric, hybrid, compressed natural gas and liquid propane gas vehicles in the fleet as well.



**4,800** addresses are added to our delivery network in one day at the Postal Service

98,356 changes of address processed in FY2021

# 653,167 total career and non-career employees



93% total career employees covered by collective bargaining agreements

# **USPS** Employee Diversity/Representation



52% Minorities38% Senior management

**47%** Women **37%** Senior management

10% Veterans10% Senior management

**We're multilingual**. The Postal Service offers usps.com translations in Spanish and Simplified Chinese.







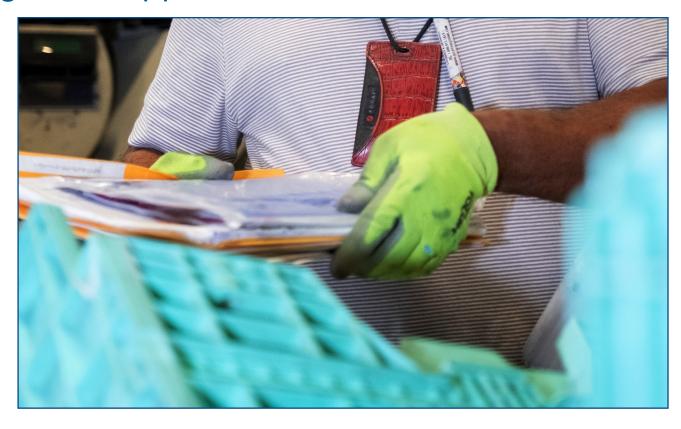
13 billion
U.S. postage stamps printed in FY2021

The Postal Service has a renewable energy generation system consisting of more than **25,000 solar panels** at our Los Angeles mail processing facility.



# Sustainability Management Approach

The Postal Service strives to provide prompt, reliable and efficient services to our customers and all communities to achieve our mission. Sustainability is integral to making sure we can carry out this mission today and in the future. We strive to create a culture of conservation by integrating sustainable business practices among our employees, across our organization, and with our suppliers and customers. We leverage the depth of our organization and our strategic partnerships to make sustainabilityfocused decisions throughout our daily operations. We also innovate to identify new ways to conserve our resources and more efficiently move the mail. We understand the direct impact we have on the communities we serve and the importance of our role as a sustainability leader.





#### **Employee Engagement**

Our more than 650,000 employees are key to the success of our sustainability initiatives. Employee engagement and outreach are core components of our sustainability program. Our employee engagement strategy incorporates tools to identify sustainable solutions to common problems and track sustainability indicators, provide educational materials on environmental compliance topics and how to increase facility sustainability, and distribute newsletters and internal articles highlighting sustainability actions and successes. Employee resources are all available on an internal sustainability website. Without the support and enthusiasm of our employees, we would not have the culture of conservation that has led us to achieve the progress towards our sustainability goals that we share in this report.

# Diversity, Equity, Inclusion and Accessibility

The Postal Service defines diversity as "the richness of cultures, perspectives, experiences and backgrounds." USPS recognizes the value of a diverse workforce and is one of the leading employers of minorities and women. As part of Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence, we launched the Executive Diversity Council

to advise, assist and recommend on diversity, equity and inclusion matters and champion key initiatives to build leadership and organizational capabilities. The council is composed of an experienced, diverse group of senior executive leaders.

The Postal Service also created a National Steering Committee to advance key focus areas identified by the council.

Both groups are committed to increasing diversity in leadership positions.

Additionally, the Postal Service created a new team dedicated to integrating diversity, equity and inclusion practices into our employee programs and processes to drive the necessary cultural changes needed throughout the organization.

Currently, minorities are **52%** and women are **47%** of the total USPS workforce.



Further, minorities make up 38% and women are 37% of senior USPS management positions.



More than a guarter of Postal Service workers are

African American (29%)

**Hispanic American (13%)** 

Asian American (8%)



USPS is the leading employer of **veterans** with just over **10%** of its workforce...





In contrast, according to 2018 Census Bureau data of the national workforce:

Total U.S. workers are

African American (13%)

**Hispanic American (17%)** 

Asian American (6%)

...nearly double the national rate of 5.7%, according to the Bureau of Labor Statistics.





# Postal Service Podcast

In September 2021, the Postal Service launched our official podcast, Mailin' It! The podcast, hosted by employees Yasmine Di Giulio and Dale Parsan, explores the rich history of the Postal Service, goes behind the scenes of our innovations, and discusses our dynamic future with organization and industry leaders. It also highlights the role of the Postal Service in the American experience and shares historical facts and unique facets about our organization, like our underground stamp cave. Mailin' It! is available at the Postal Service newsroom website or any podcast streaming platform.





Left to right: Yasmine Di Giulio, Postmaster General Louis DeJoy, Dale Parsan

# Strategic Business Partnerships and Initiatives

The Postal Service maintains partnerships with international, federal and private organizations to further our sustainability efforts. These include:

- International Post Corporation
- The Climate Registry
- How2Recycle®
- Association of National Advertisers
- National Postal Forum
- Mailers' Technical Advisory
   Committee
- Postal Customer Councils
- EPA WasteWise
- EPA Federal Green Challenge
- EPA SmartWay







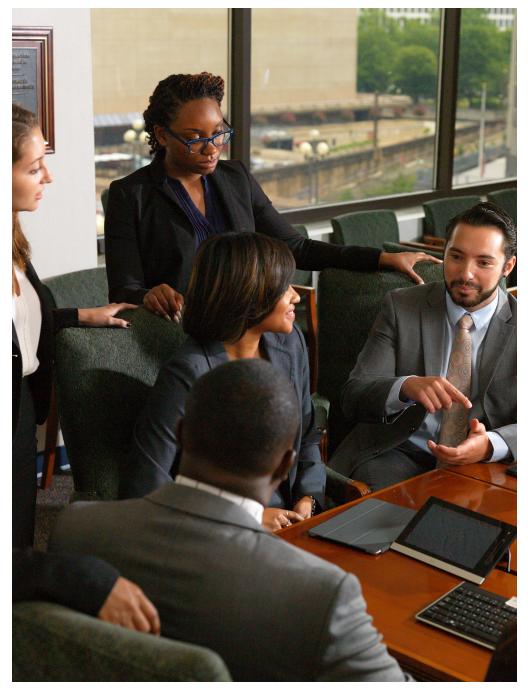












# **Environmental Commitment Letter**



Louis DeJoy Postmaster General and Chief Executive Officer

The Postal Service is committed to advancing our sustainability goals to reduce greenhouse gas emissions, energy, fuel and waste. In support of this effort, Postmaster General Louis DeJoy signed a commitment to environmental excellence with a focus on incorporating environmental, sustainability and climate adaptation priorities into business planning and leading by example within the federal sector. DeJoy asks every postal employee to take ownership and responsibility for the environment, including compliance with environmental laws and regulations.

LOUIS DEJOY POSTMASTER GENERAL, CEO



January 2022

#### UNITED STATES POSTAL SERVICE COMMITMENT TO ENVIRONMENTAL EXCELLENCE

The United States Postal Service is committed to continuously advancing our sustainability goals and environmentally focused solutions that reduce greenhouse gas emissions, energy, fuel, and waste. The framework for our environmental commitments is focused on:

- Meeting or exceeding compliance with all applicable environmental laws and regulations.
- Leading by example on environmental excellence and stewardship within the Federal sector.
- Ensuring that environmental, sustainability, and climate adaptation priorities are a key part of our business planning and decision-making processes at all levels of the organization.
- Integrating pollution prevention, waste and energy reduction, recycling, and reuse of materials into our operations.
- Investing in new vehicles and technology that champion sustainable and environmentally focused solutions.
- Using continuous improvement principles to assess and enhance our environmental and sustainability management policies and programs and reporting on our progress.
- Asking every employee to take ownership and responsibility for our environmental commitments.
- Incorporating environmental management policies and sustainability best practices throughout our supply chain.

The Postal Service is committed to transparency and accountability as we work toward achieving our environmental targets. Please refer to the Annual Sustainability Report for more information on the Postal Service commitment to environmental leadership.

Louis DeJoy

575 L'ENFANT PLAZA SW WASHINGTON, DC 20260-0010

# **Encouraging Market Relevance and Innovation**

The scale of our operations requires continuous improvement and innovation. We encourage our employees to always consider how we can more efficiently, effectively and sustainably move the mail. Reducing greenhouse gases, conserving energy and other sustainability initiatives are important parts of our <u>Delivering for America</u> plan. USPS also recognizes individual environmental stewardship efforts through our annual Sustainability Excellence Awards program.

# **Delivering for America**

Our strategic vision for change is centered on our goal of achieving service excellence and financial sustainability. We're confident that implementation of the complex change initiatives detailed in our Delivering for America plan will make a significant positive impact on service performance and operations, including our finances.

The initiatives are managed through a robust and best-in-class process led by the Postmaster General, members of the Executive Leadership Team and other senior executives. During the strategic planning phase, the Postmaster General and Executive Leadership Team, in consultation with the Board of Governors, establish corporate goals, develop a baseline forecast, and research, select and assign initiatives for executives.

Each initiative's metrics, targets and milestones are recorded in an enterprise-wide strategic initiative performance monitoring system. The system has a dashboard that shows the status of each initiative's risk, schedule and outcome variance as red, yellow or green, depending on the degree of variance to the established target value or completion date.

The Postmaster General and Executive Leadership Team lead regular status review meetings with key executives and conduct extensive and thorough deep dive reviews of the initiatives.

### Sustainability Excellence Awards

Our Sustainability Excellence Awards recognize functions, areas, districts, facilities and teams who contribute to a sustainable workplace and illustrate their commitment to environmental stewardship. Being leaner, greener and faster as we push for innovation continues to be an important business driver for the Postal Service.

This year we recognized the importance of engaging the Executive Leadership Team in a collaborative opportunity to highlight our corporate-wide focus on environmental and sustainability stewardship. Each executive nominated a project to be considered for the highest accolade — the Postmaster General Sustainability Excellence Award. This year, that honor goes to the Asset Management Group's Investment Recovery Team for their solution for dealing with unusable plastic mail processing trays. Details about their winning effort are below, as well as additional projects cited for their successful sustainability solutions.

# CHIEF FINANCIAL OFFICER AND POSTMASTER GENERAL SUSTAINABILITY EXCELLENCE AWARD

Recycling USPS Mail Processing Trays

It's the circle of life for plastic trays. When they



no longer can be used in Postal Service mail processing facilities they go back to the facility where they were made and become new products. Credit for this eco-friendly solution goes to the Supply Management/Asset Management Group's Investment Recovery Team. Previously, unusable trays were funneled to the Material Distribution Center in Topeka, Kansas, and then sent on to a local vendor for shredding or recycling. However, that vendor was unable to find a viable downstream solution to keep the trays out of the landfill. A fresh approach was needed. Now the original manufacturer of the trays takes the unwanted plastic to be recycled. Over six months, the Postal Service kept over 46,000 trays out of a landfill. The plastic in the trays is a valuable commodity in the plastic recycling market which generated approximately

\$9,000 in revenue for the Postal Service. There's no cost to the Postal Service to ship the trays to Topeka using our backhaul process, and the vendor picks up the cost for shipping the trays from the Material Distribution Center to their local recycling plant. It's a round trip that benefits the environment — as well as the USPS bottom line.

### CHIEF RETAIL AND DELIVERY **OFFICER SUSTAINABILITY EXCELLENCE AWARD**

Energy Efficient Lighting Upgrade at Spokane, Washington, Vehicle Maintenance Facility

Changing a lightbulb can be a big deal when there are several hundred of them to maintain. When the Spokane, Washington, Vehicle Maintenance Facility was built in 2004, high-bay metal halide fixtures and fluorescent tube lights were part of the design. Over the years the lighting deteriorated, and USPS maintenance employees were regularly replacing bulbs and repairing fixtures. To reduce energy costs and work hours replacing those bulbs, all interior lighting at the facility was upgraded with high efficiency light emitting diode (LED) fixtures and bulbs. This included replacing 57 high-bay fixtures in the vehicle repair shop and 386 lamps in the remaining parts of the facility. LED lighting means longer bulb lifespans and savings on energy and maintenance costs. After the upgrade, the facility's electric usage dropped 14,144 kilowatt hours compared with the same period in 2018, a savings of \$1,461. Even better, this was a nocost project — the local power company provided rebates that covered 100% of the cost of the LED fixtures and bulbs. This project shows the benefits

that green thinking and effective partnerships can bring to our business - providing a better and more efficient working environment, using less energy and generating less universal waste.

### CHIEF LOGISTICS AND PROCESSING OPERATIONS OFFICER SUSTAINABILITY **EXCELLENCE AWARD**

Recycling at the Oklahoma City Processing and Distribution Center

They're more than just "OK" at recycling. The Oklahoma City Processing and Distribution Center (P&DC) is a role model. Recycling is an integral part of the facility's efforts to improve organizational efficiency, ensure safety and eliminate waste. The P&DC is guided by the principles of 6S Lean Workplace — sorting, setting in order, shining, standardizing, sustaining and ensuring safety and the core values of continuous improvement. As a part of this focus, the workplace is cleaned daily, providing clear and safe passages for employees, and the recyclable materials area is immaculate by the end of each business day, with credit going to the custodial staff. Primary sources of recyclable materials are plastic, cardboard and mixed paper. Other recycled products include batteries, fluorescent lamps, electronic parts and small components. Among its many successes, the facility generated \$33,000 in revenue from recycled mixed paper and cardboard boxes. The P&DC also serves as a recycling hub and outlet for offices throughout the state. The recycling program plays a vital part in the health and safety of employees. benefits the environment and has a direct impact on USPS success.

### CHIEF TECHNOLOGY **OFFICER SUSTAINABILITY EXCELLENCE AWARD**

#### Reduction in Manual Change of Address Forms

Cost savings. Improved address quality. Reduced carbon footprint. All delivered! Thanks to the Address Technology group in the Chief Technology Office which introduced an automated process for completing a certain Official USPS Changeof-Address (COA) Form, Carriers and other USPS employees can now use their mobile delivery devices and in-office devices to submit the "Moved, Left No Address/PO Box Closed, No Forwarding Order" form. In the next phase of deployment, the "Notice of Address Correction" form also will be automated. Completing both forms electronically saves costs, reduces waste and reduces our carbon footprint because they no longer need to be produced, processed and transported. Entry of COA information is also critical for address quality and reducing undeliverable-as-addressed mail. This new procedure will assist business customers in correcting their mailing lists. Since this new tool was added to handheld devices, USPS has seen significant declines in submissions of paper "Moved, Left No Address" forms. Cost savings of \$4.4 million annually are expected from this switch to digital submissions.

# A Conversation with Postmaster General and CEO Louis DeJoy and Jennifer Beiro-Réveillé, Senior Director, Environmental Affairs and Corporate Sustainability

What are the opportunities and challenges for sustainability and environmental management at the Postal Service? Postmaster General and Chief Executive Officer Louis DeJoy talks with Jennifer Beiro-Réveillé, Senior Director for Environmental Affairs and Corporate Sustainability, about how the Postal Service is working every day to put its stamp on a greener tomorrow.

We've heard you say that one of the most important ways that the Postal Service can contribute to climate change challenges is by improving its transportation logistics. What improvements has the Postal Service made to its surface and air transportation network?

Louis DeJoy: That's correct – our surface and air transportation network is a key priority in our Delivering for America plan. Simply put, the most important thing we can do is to have our trucks full of mail and packages before they leave the facility. We have a legacy operating plan that does not optimize density in our containers and trucks. Moving forward, letter and flat products will be merged into streamlined, shape-based mail flows within our processing and distribution centers. This effort will allow us to increase density in our containers and trucks and facilitate greater use of our ground transportation assets. Ground transportation is less emissions intensive than emissions associated with transporting packages by air, so we expect to see a notable reduction in our overall emissions due to this change. We will continue to optimize our transportation logistics as we strive to meet our service commitments. The

bottom line here is this – improved trip utilization means fewer truck trips and fewer truck trips equates to less emissions in our carbon footprint.

Jennifer Beiro-Réveillé: Agree that transportation optimization is an operational and environmental success story - efficient surface routes and increased capacity utilization means fewer trucks and decreased emissions. It's notable that nearly 7.000 of our routes are conducted on foot, and this year we've been testing electric bicycles on some carrier routes, thus producing no emissions. As stated in our Commitment to Environmental Excellence we prioritize sustainable and environmentally focused solutions.

#### What sustainability challenges has the Postal Service faced this year?

Louis DeJoy: COVID-19 has been a massive shockwave across the globe and, like people and businesses everywhere, the Postal Service has felt its impacts. As noted in our 10-year strategic plan, Delivering for America, the dramatic evolution of the mailing and shipping industries over the past decade—accelerated by the COVID-19 pandemic requires a new business model and a reorientation of the Postal Service's management, network, and processes. The COVID-19 pandemic has emphasized the importance of adaptable policies and practices and preparing for future challenges. We're confident that we can continue to make sustainability strides without compromising our responsibility to efficiently deliver our products and services to the American people.



Louis DeJoy Postmaster General and Chief Executive Officer



Jennifer Beiro-Réveillé Senior Director, Environmental Affairs and Corporate Sustainability

#### What sustainability successes has the Postal Service seen this year?

Jennifer Beiro-Réveillé: We've used this time as an opportunity to educate and train our employees for potential future challenges and install resilient business models. These education opportunities include training provided to our internal and external business partners ranging from environmental compliance training to recycling training among many other informational exchanges. We also continue to pursue a variety of clean energy solutions. We're especially proud of our recycling efforts. We buy over \$392 million worth of products containing recycled material every year and reduce waste by recycling 277,000 tons of material annually. These improvements

will provide benefits throughout our operations. We believe we can come out of the pandemic as a more resilient and effective organization, as we continue to make a positive impact on the communities we are committed to serve.

#### What is the Postal Service doing regarding climate risk and adaptation?

Louis DeJoy: Climate risk poses challenges to our business in many forms ranging from increased wildfires and drought to more frequent hurricanes and flooding. Addressing these concerns will be crucial, just as reliable and timely delivery is essential to our business. Because the Postal Service is an organization with over 34,000 Post Offices, stations and branches across the nation and U.S. territories, we must be prepared for a dynamic and uncertain future. Without a holistic approach to climate action planning that integrates adaptation and resilience measures across all our strategic, operational, facility and procurement policies, we remain at risk. We take this on as seriously as we take on the other changes planned in our Delivering for America Plan.

Jennifer Beiro-Réveillé: The risk of inaction over time is great. We've been addressing the recent presidential executive order on Tackling the Climate Crisis at Home and Abroad through initiatives detailed in our Climate Action Plan, many of which will begin in fiscal year 2022. Priorities include developing climate-ready adaptations across both Postal Service facilities and our supply chains, identifying key vulnerabilities throughout our operations, and addressing our need to integrate climate planning into all our policies to be better prepared for a changing planet. These initiatives are just pieces of the framework that will allow us to take even more ambitious action in the coming years.

What areas of sustainability will USPS focus on in the coming year?

Louis DeJoy: We are laser focused on the most dramatic modernization of our vehicle fleet in three decades as we work to invest in 50,000 to 165,000 Next Generation Delivery Vehicles (NGDV) over the next 10 years. These vehicles will include advanced safety and comfort features and can be equipped with modern drivetrain technology, contributing to our organization's commitment to environmental sustainability. We are also working diligently toward achieving our ambitious goals to reduce water and energy usage, as well as our greenhouse gas emissions. Everything we do to improve our operations - new facilities, better transportation utilization and delivery route refinements, helps reduce our carbon footprint.

#### Why are sustainable practices important to USPS?

Jennifer Beiro-Réveillé: The Postal Service has long been committed to sustainable leadership and we have confidence in our ability to reduce our environmental footprint. We're aware of the importance of implementing sustainable practices both for our business model and for the well-being of our employees and our communities. Through our efforts to provide environmentally responsible packaging products, reduce energy use and create more reliable supply-chain networks, we believe sustainable practices and policies elevate our business, not hinder it, resulting in a more resilient organization. Solutions that we provide to environmental challenges make us more efficient, robust and pragmatic while being responsive to the expectations of our customers.

#### How do employees contribute to the culture of sustainability at the Postal Service?

Louis DeJoy: Our employees are an integral part of the communities they serve and they care about the environment where they live and work. When we talk about leading the way in environmental stewardship,

we're talking about the example we set as an organization through our actions and policies, such as increasing our diversion of waste from landfills through our national recycling program, increasing our green purchasing power, implementing cleaner and more efficient technologies, and continuously driving efficiencies in our operations. We're also talking about the positive impact that our employees make through simple steps like recycling or using more efficient lightbulbs.

Jennifer Beiro-Réveillé: Exactly! We have employee teams at our facilities across the country that focus on finding ways to adopt green practices at no cost or low cost to the Postal Service. I'm proud of the commitment of many postal employees to finding, and implementing, environmentally friendly solutions that contribute to a sustainable future for the Postal Service and the customers we serve.

#### Closing thoughts?

Jennifer Beiro-Réveillé: We've made improvements to our report this year based on feedback from our 2021 Annual Sustainability Report readers, such as highlighting our goals more effectively and including more sustainability success stories. We welcome your comments at sustainability@USPS.gov

Louis DeJoy: On behalf of our more than 650,000 employees - who take great pride in serving the nation and our customers reliably, securely, affordably, universally and sustainably — we hope you find our 2022 Annual Sustainability Report to be both informational and inspirational. We appreciate your interest in learning about our focus on the environment, and I thank you for supporting the United States Postal Service.

# Materiality Assessment

For the information in our sustainability report to be meaningful, it must reflect the most significant economic, environmental and social impacts for our stakeholders and our organization. In FY2020, we engaged stakeholders from across the Postal Service to conduct a materiality assessment to identify the economic, environmental and social topics most relevant to our employees and customers. We issued a survey to self-selected and targeted internal stakeholders, including representatives from our facilities, finance, government relations, information technology, legal, marketing, safety, strategic planning, supply management, sustainability and transportation groups. While the survey did not engage external stakeholders such as business customers or the general public, we requested that respondents answer the survey questions from the perspective of both employees and customers. To ensure external stakeholder input was reflected in our materiality assessment, we integrated input from prior year surveys into our results. We still find the FY2020 stakeholder engagement process to be relevant to this year's report.

The survey requested that respondents assess the importance of various topics to our employees and customers, as well as the impact of USPS actions on the U.S. economy, environment and society. The survey assessed 14 topics listed in the following table. These topics were selected as a result of extensive research into existing guidelines, examples from other organizations and learning from past USPS stakeholder engagement and materiality assessments. In addition, they are guided by our Ready-Now Future-Ready Five-Year Strategic

Plan FY2020-FY2024. The survey also requested respondents to list any additional topics they consider important to customers and employees.

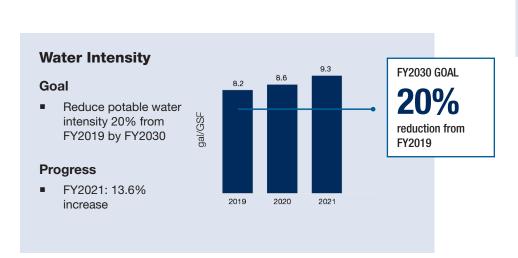
The results of the survey indicated that both the targeted and self-selected internal stakeholders viewed all topics with similar importance. In addition, all additional topics that respondents

considered important aligned closely with the 14 topics already assessed. Therefore, for the purposes of this report, all 14 topics are considered material topics. This report covers each topic in the following sections and includes specific goals towards six of the topics. For additional information and resources related to each material topic, review the GRI Index on Page 33.

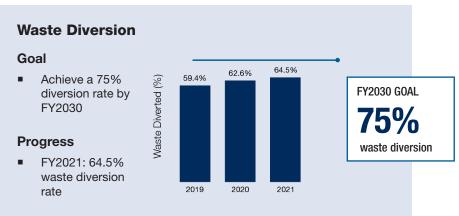
| Section                            | Material Topic  | Sustainability Goals  |
|------------------------------------|---|---|
| Sustainability Management Approach | <ul><li>Market relevance and innovation</li><li>Strategic business partnerships</li><li>Supply chain resilience</li></ul>                       |   |
| <u>Operations</u>                  | <ul><li>Worker and customer safety</li><li>Customer satisfaction</li></ul>  |   |
| Environment Management             | Environmental management  |   |
| <u>Emissions</u>                   | <ul> <li>Responsive to climate risk</li> </ul>  | <ul><li>Scope 1 and 2 emissions</li><li>Scope 3 emissions</li></ul>                   |
| <u>Energy</u>                      | <ul><li>Renewable energy</li><li>Facility energy efficiency</li><li>Fleet efficiency</li><li>Contract transportation fleet efficiency</li></ul> | <ul><li>Energy intensity</li></ul>  |
| <u>Water</u>                       | <ul><li>Water stewardship</li></ul>   | <ul><li>Water intensity</li></ul>   |
| Recycling and Minimizing           | <ul><li>Waste reduction</li><li>Packaging footprint</li></ul>   | <ul><li>Waste diversion</li><li>Secure destruction</li><li>Green purchasing</li></ul> |

# Goals Snapshot

#### **Greenhouse Gas Emissions** Goal Scope 1&2 Emissions FY2030 GOAL Reduce Scope 1 and 2 emissions 25% from FY2019 by FY2030 Reduce Scope 3 reduction from emissions 30% from FY2019 FY2008 by FY2025 **Progress** Scope 3 Emissions Scope 1 and 2 Emissions FY2021 Scope 1 and 2: 7.3% reduction 2119 FY2025 GOAL Scope 3 Emissions FY2021 Scope 3: 14.4% reduction reduction from FY2008



#### **Energy Intensity** Goal BTU/GSF (thousands) FY2030 GOAL Reduce facility energy intensity 25% from FY2019 by FY2030 reduction from **Progress** FY2019 FY2021: 6.7% reduction 2019 2020 2021



# **Operations**

For the Postal Service to successfully deliver prompt, reliable and efficient services, it's important that our employees and customers are safe, our customers are satisfied, our supply chain is resilient to any potential service disruptions, and we increase environmental sustainability across our operations.

### Worker and Customer Safety

The Postal Service has more than 650,000 employees performing over 2,500 different jobs within the organization. Our employees drive trucks, delivery vehicles and powered industrial vehicles. They also operate machinery and equipment ranging from sorting machines to handheld scanners used in delivery and retail operations. Maintaining safety standards for such a diverse workforce is a complex task but vitally important to our employees and the communities in which we operate.

The mission of the USPS Safety Program is to create a culture of engaged employees who own their safety, health and wellness through standardized policies, procedures and initiatives. The goal is to provide education, awareness and training opportunities throughout the organization. This creates a work environment that is healthy and safe while preventing accidents and injuries. In addition, we prioritize ensuring injured employees receive prompt and accurate payment of benefits and are able to return to work as early as feasible.

Prevention is the guiding principle and the underlying philosophy of the USPS Safety Program. Each year our employees receive more than 500,000 hours of safety training on topics as diverse as safe driving, slip, trip and fall prevention and office ergonomics. Training is delivered online and in person through "stand-up talks." In FY2021, our employees received more than 180,000 hours of training on electrical safety and 80,000 training

hours on emergency response and cleanup for unexpected releases of hazardous substances.

Annually, we promote initiatives such as National Dog Bite Awareness Week, a campaign to promote responsible pet ownership, as well as the Heat Illness Prevention Program to educate employees in preventing heat-related illnesses. We have a dedicated team of 780 safety and health professionals who assist with on-the-job training, industrial hygienists who assess our workplace and occupational health nurses who offer on-site assistance and evaluations.

Risk assessment and management are fundamental in preventing and controlling risks to safety and health in the workplace. In FY2021, the Safety Leadership and Vision Award program recognized seven districts for their exceptional safety performance. These safety leaders were acknowledged for their innovative and dedicated



efforts that inspire and engage our workforce in promoting a strong safety culture. Their best practices enable every employee to do what they do best every day — get the mail delivered on time- and at the end of the workday safely return home to their families.

#### COVID-19

In March 2020, the Postal Service established our COVID-19 Response Command Team to ensure proactive management of the pandemic's effect on employees, operations and customers. The team continues to monitor the daily effects of the pandemic and identify potential and actual impacts across the nation. The team also recommends and implements policies, plans and procedures to ensure continued high-quality service to the public, while also meeting employee and customer safety needs. In addition, our COVID-19 Supplies Command Center remains dedicated to ensuring that Postal Service facilities have adequate supplies to keep employees safe and meet ongoing facility cleaning needs throughout the pandemic.



#### **COVID-19 Test Kits**

"The United States Postal Service is proud to fulfill its mission of service to the nation by delivering COVID test kits as part of this important public health initiative of the Biden Administration (COVIDtests.gov - Free at-home COVID-19 tests). The 650,000 women and men of the United States Postal Service are ready to deliver and proud to play a critical role in supporting the health needs of the American public. We have been working closely with the Administration and were well prepared to accept and deliver test kits on the first day the program launched." - Postmaster General Louis DeJoy

Core responsibilities of the COVID-19 Response Command Team include:

- Reinforcing proper workplace behaviors regarding safety precautions such as social distancing and wearing face coverings.
- Implementing contact tracing and other COVID-19 tracking procedures.
- Updating cleaning and ventilation policies.
- Monitoring USPS leave policies for employees affected by the COVID-19 pandemic.
- Expanding telework capabilities for most administrative employees and ensuring adequate communication to and safeguards for employees who have returned to the office.
- Issuing stand-up talks, articles, videos and other communications to ensure employees have the latest information.
- Maintaining steady communication with residential customers and business mailers regarding postal facility disruptions and delivery impacts through USPS Service Alerts at about. usps.com/newsroom/service-alerts.

The Postal Service takes a holistic view of employee wellness. In FY2021, to support employees during the continuing COVID-19 pandemic, a robust communications effort called Wellness was launched to increase health and wellbeing webinars and classes via Zoom. Wellness provided over 35 webinars on a variety of topics, including stress, working from home, financial wellness, health and retirement. Virtual meditation and chair yoga classes were offered two to three times a week to provide greater opportunities for self-care and stress management.

Another key component of employee wellness is engagement — research shows that higher levels of employee engagement correlate to healthier work environments, successful teams and positive business outcomes for organizations. Wellness held three virtual challenges to keep employees engaged and encouraged to nourish their overall wellbeing. USPS aims to provide employees with an engaged workplace, one in which teams, individuals and leaders thrive and perform at high levels. For Postal Service employees, wellness includes physical and emotional health, financial security, connections with others in the community and feeling fulfilled at work.

The Postal Service is proud of its ability to provide a trusted, valued service to the American public, while safeguarding employees and customers during the continuing national public health emergency.

Find more information on our approach to COVID-19 on our Delivering for America during COVID-19 webpage.

### **Customer Experience** and Satisfaction

Customer experience and satisfaction are important to the overall sustainability of our organization. The Postal Service measures customer satisfaction through a series of seven surveys (Delivery, Retail, Customer360, Customer Care Center, USPS.com, Business Service Network and Business Mail Entry Unit) at every primary interaction point — touchpoint — with a business or residential customer. In FY2021, more than 6.3 million survey responses were collected to understand trends in customer satisfaction and identify ways to improve customer experience. This was an increase of more than 830,000 responses from the prior fiscal year. The Postal Service had an overall customer experience composite index score of 68.49%, down from FY2020 (72.40%). There was an improvement in one of seven touchpoint scores, however, the composite index target (76.90%) was not achieved.

Our customers also have an opportunity to leave feedback on the surveys. We analyze this data to determine what matters to customers and other factors affecting their satisfaction with the Postal Service.

In addition, our 2021 Annual Sustainability Report included a survey seeking opinions from customers on current and future reporting topics and methods of information sharing. These methods aid our understanding of customer needs and help create an improved customer experience as we move forward in our sustainability journey.

### Supply Chain Resilience

The Postal Service maintains supplier relationships accounting for more than \$12 billion in expenditures and \$6 billion of inventory each year. Our Supply Management organization implements best practices for supply chain oversight including strategic planning, policy modernization, process improvement, strategic sourcing, strengthening of supplier relationships and diversity, technology enhancements and inventory management. A focus is supply chain resiliency and risk mitigation, attributes that have been tested during the COVID-19 pandemic. Responding to the crisis, Supply Management established the COVID-19 Supplies Command Center to ensure that USPS facilities nationwide have an adequate stock of gloves, masks, hand sanitizer, and cleaning and disinfecting products to keep employees safe and meet ongoing facility cleaning requirements. To track supplies, the Supply Management group collaborated with our Enterprise Analytics organization to develop several supply visibility dashboards that measure and predict the volume of COVID-19 supplies required at each facility based on its number of employees. Inventories are monitored daily to identify facilities that are low on supplies or where surplus supplies could be redistributed to other locations when needed.

While the pandemic is unprecedented, the Supply Management team regularly plans for supply chain challenges. Given the Postal Service's national footprint, annual weather issues can require emergency and significant continuity of operations responses from our supply chain. Working with a geospatial supplier, we created an emergency notification system that uses data feeds about weather hazards, hurricanes and rainfall amounts, as well as public announcements from the National Oceanic and Atmospheric Administration, Federal **Emergency Management Agency and National** Weather Service. Customized warning messages can be issued to Supply Management and other USPS managers who can then take early action by contacting suppliers and developing a plan of action. The system also keeps track of actions taken so the Postal Service has a record of best practices to follow in the future.

Supply chain planning can make the difference in continuity of our operations — it ensures that Supply Management's internal business partners receive the supplies they need when they need them, and that our customers receive the mail they expect each delivery day.

# **Environmental Management**

The Postal Service is committed to meeting or exceeding all applicable environmental laws and regulations. Environmental compliance is the foundation of the Postal Service's commitment to sustainability. We strive to be good stewards of the environment and minimize our impact by establishing programs and practices to comply with applicable federal, state and local environmental regulations.

### **Environmental Compliance**

The Postal Service conducts internal environmental compliance reviews of our facilities to evaluate sitelevel compliance and provide hands-on assistance to address findings. These evaluations follow a standardized protocol to assess site compliance and provide a platform to directly engage with our employees on important compliance resources. When necessary, we mandate corrective actions and track them to completion. We use the information gathered from site reviews to enhance our compliance program and improve overall environmental performance. In 2022, we'll continue maintaining environmental compliance throughout all Postal Service operations. We plan to conduct site reviews at one-third of our highest-priority sites as part of our commitment to reviewing environmental compliance at all our priority sites every three years.

### **Employee Training and** Communications

In addition to on-site compliance assistance, 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 management. In FY2021, we provided compliance training for approximately 3,300 employees through our online training system on topics including hazardous and universal waste management, stormwater permitting, spill management planning and underground storage tank operations.

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 approximately 7,200 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.



#### **Clean Air Act**

It's USPS policy to comply with federal, state and local air requirements, which include regulations from the Clean Air Act. As an example, the Act regulates cooling systems containing both ozone depleting substance refrigerants and other refrigerants. By complying with Clean Air Act requirements and adopting other best practices, the Postal Service ensures that our systems are functioning efficiently to prevent unwanted air emissions that could be costly to both USPS and the environment. Our policy on refrigerant management aligns with EPA requirements regarding proper training for handling, inspecting and disposing of refrigeration units, as well as protocols on leak detection and correction for both regulated and unregulated refrigerants.

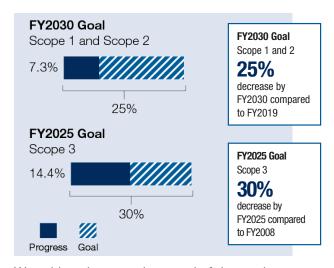
To ensure employees are informed, the Postal Service provides easy-to-access and readily available environmental compliance bulletins on a dedicated environmental management website. These bulletins serve as quick references for environmental compliance requirements and other best practices for environmental stewardship.

The Postal Service will continue to seek innovative ways to monitor its environmental impacts and improve site-level compliance with federal, state and local environmental regulations. We'll build on established programs to manage both ongoing and emerging environmental issues to ultimately reduce our environmental footprint.

# **Emissions**

As a sustainability leader, USPS has a responsibility to address the risk of a changing climate by reducing our greenhouse gas (GHG) emissions. We partner with internal and external stakeholders to identify and implement opportunities across the organization that reduce our Scope 1, Scope 2 and Scope 3 emissions and improve our efficiency, productivity and resource use.

The Postal Service's GHG emissions goals and progress are shown below:



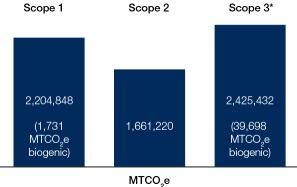
We achieved our previous goal of decreasing Scope 1 and Scope 2 emissions by 25% between FY2008 and FY2025 several years early. As a result, we set new goals in 2019 which is our

updated baseline year. The new goal extends through FY2030 and leverages a refreshed commitment from stakeholders to further reduce our emissions through improvements to facility and vehicle energy efficiency. A revised Scope 3 emissions goal is in development as the Postal Service reevaluates our transportation optimization strategy.

USPS emissions totals include carbon dioxide, methane, nitrous oxide and fugitive fluorinated gases expressed as metric tons of carbon dioxide equivalent (MTCO<sub>2</sub>e) and use the operational control consolidation approach. Scope 1 and Scope 3 biogenic emissions — emissions from natural sources — are provided separately. Our emissions calculations are based on the Federal Greenhouse Gas Accounting and Reporting Guidance, Council on Environmental Quality (Jan. 17, 2016) and use the Department of Energy Federal Energy Management Program's Annual Energy Management Data Report workbook for comprehensive reporting of fiscal year energy, costs, square footage and associated operational data. Emissions totals are calculated using this workbook with current Environmental Protection Agency Center for Corporate Climate Leadership emissions factors and Global Warming Potential values.



In FY2021, Postal Service GHG emissions included:



Information on the sources of our Scope 1, Scope 2 and Scope 3 emissions, as well as the strategies and actions we're taking to achieve our goals, are detailed on the following pages.

Continued on next page

#### **Greenhouse Gas Reporting**

In addition to submitting a federal GHG inventory, the Postal Service submits annual GHG inventories to the International Post Corporation and The Climate Registry. These efforts enable transparency and comparability. Our performance is benchmarked against data from postal services and other organizations throughout the world.

Scope 3 emissions from contract transportation and buildings with fully serviced leases are not included in the Postal Service's Scope 3 goal or calculation but are determined separately and tracked. Scope 3 emissions from contract transportation are 7,302,572 MTCO<sub>2</sub>e and Scope 3 emissions from buildings with fully serviced leases are 38,238 MTCO<sub>a</sub>e.

#### Scope 1 Emissions

Our Scope 1 emission sources include stationary combustion including building heating (natural gas, fuel oil and propane) and generators, mobile combustion including owned fleet vehicles and small equipment and fugitive emissions such as refrigerants. To manage Scope 1 emissions, USPS is focused on improving building and vehicle fuel efficiency, as discussed further in the <a href="Energy">Energy</a> section.

#### Scope 2 Emissions

Our Scope 2 emission sources include purchased electricity and purchased steam. To manage Scope 2 emissions, we're focused on installing and purchasing renewable energy, as discussed further in the <u>Energy</u> section.

#### Scope 3 Emissions

Scope 3 emissions from contract transportation and buildings with fully serviced leases are not included in the Postal Service's Scope 3 goal or calculation but are determined separately and tracked. Scope 3 emissions from contract transportation are 7,302,572 MTCO<sub>2</sub>e and Scope 3 emissions from buildings with fully serviced leases are 38,238 MTCO<sub>2</sub>e.

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:



#### **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. One example is our BlueEarth Carbon Accounting Service which helps major mailers determine and manage their Scope 3 emissions through an online report 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.

Employee Business Travel: The Postal Service manages emissions from business travel by strengthening our information technology platform to allow for remote working, web meetings and virtual conferences. The Postal Service currently 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

the use of alternative modes of transportation (e.g., walking, cycling and public transportation) and reduces single-employee vehicle commute trips.

Contract Transportation: The Postal Service uses contract routes to transport mail between 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. Additionally, we right-size transportation equipment, reducing the number of empty USPS vehicles on the road. This reduces the number of miles driven and the amount of fuel used for transportation. USPS plans to shift away from contract air transportation in favor of ground transportation due to economic factors and cost savings of ground transportation.

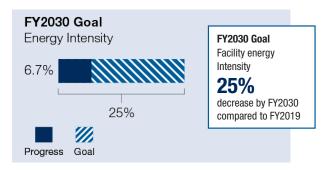
Contracted Solid Waste Disposal and Wastewater Treatment: The Postal Service has recycling initiatives and goals across the organization to increase recycling performance and reduce the waste volume sent to landfills, in turn reducing GHG emissions associated with waste. See the Recycling section to learn more about our recycling initiatives. Wastewater treatment emissions are managed through our water consumption and water quality efforts. See the Emissions section to learn more about these efforts.

# Energy

The Postal Service operates an extensive network of more than 34,000 facilities and 232,000 vehicles throughout all 50 states and U.S territories. We manage facility energy use, facility energy intensity and vehicle fuel usage to reduce the Postal Service's GHG emissions and conserve resources.

### Facility Energy

The Postal Service's facility energy intensity goals are:



Energy consumption is calculated using the DOE Federal Energy Management Program's Annual Energy Management Data Report workbook and the U.S. Energy Information Administration's Monthly Energy Review for conversion factors. The energy intensity calculation includes energy consumption at USPS buildings subject to the Energy Policy Act of 2005, including electricity, fuel oil, natural gas, steam, on-site renewable electricity and offsite green energy purchases. All consumption is converted to British thermal units and divided by the associated facility gross square feet.

The Postal Service's approach to reducing energy consumption and intensity focuses on monitoring energy consumption and increasing facility renewable energy and energy efficiency.

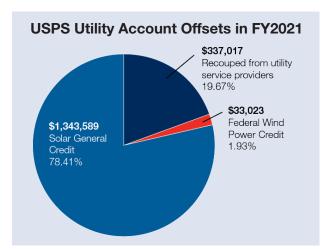
# **Monitoring Energy Consumption**

We offset our utility accounts in FY2021 by over \$1.7 million through refunded utility overages identified by the Utility Management System (UMS), Enterprise Energy Management System (EEMS) and Clean Energy Credits. The Postal Service relies on our UMS and EEMS to closely monitor our facility energy consumption. UMS identifies variances in utility use based on prior month and prior year data, allowing us to act when overages are identified. For FY2021, a total of \$337,017 was recouped through the UMS program from utility service providers. The chart below indicates recovered funds and Clean Energy Credits.

# Management Software

We are currently updating UMS training for enhancements made to the software. Our goals are twofold:

1. Train area and district coordinators and local site contacts on how to meet their roles/ responsibilities using the enhanced software.



2. Empower UMS users to find new ways of reducing consumption and improving efficiency by analyzing reports and using advanced tools available in UMS.

EEMS collects data daily from UMS and combines it with other internal data to enable skilled technicians to remotely monitor and control certain HVAC units, ensuring they're operating efficiently and reducing maintenance costs. From FY2015 through FY2021, 424 of 1,073 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 to identify 1,550 specific rooftop units that required repair by an on-site technician. This ensures we send technicians to sites only when needed. EEMS also evaluates data for normalizing usage based on weather conditions. This allows us to compare our nonweather impacted energy use from year to year and accurately determine the success of our energy-saving efforts.

#### Renewable Energy

In FY2020, USPS added to its on-site renewable energy production with a solar installation at the Bellmawr, New Jersey, Processing and Distribution Center. This project includes installation of over 13,000 solar panels, with a capacity of 4.26 megawatts (MW). It's expected to generate 7,150 megawatt hours (MWh) annually, which is enough electricity to power 986 homes each year. In FY2021, USPS continued to focus on the implementation of on-site solar photovoltaic

systems at the Bellmawr facility in addition to an existing system at our Anaheim, California, processing and distribution facility. This system has 2,465 modules and will produce approximately 1,500 MWh annually. This equates to the energy used by 134 homes in one year.

In addition to on-site renewable energy production, the Postal Service has begun purchasing renewable energy in the form of credits. In 2019, we entered negotiations with energy suppliers in 13 states and the District of Columbia to request that suppliers provide 25% of our power from renewable energy sources including wind, hydro and solar installations. This resulted in a purchase of over 883,000 MWh of green power over a four-year period. In CY2020, we purchased over 221,087 MWh of green power as a result. We'll continue to evaluate opportunities to include green power in new utility contracts.

### **Energy Efficiency**

USPS conducts regular preventive maintenance to ensure the continual operations of all facilities. As part of this program, many items are regularly checked, replaced and/or repaired, which increases the overall efficiency of the operation of the facilities. This includes replacing belts and filters, checking refrigerant levels, cleaning indoor and outdoor coils, lubricating motors and bearings. testing control functions and calibration, cleaning and maintaining cooling towers and more.

#### Vehicle Energy

Vehicles play an important role in Postal Service operations. We seek to improve fuel efficiency in our vehicles while upholding our universal service obligation to deliver mail and packages to more than 163 million address points in the United States,

#### **Columbus Lighting Project**

The Columbus, Ohio, Processing and Distribution Center upgraded its parking lot lighting with LED devices. Each year, the maintenance department at the facility experienced significant expenses maintaining the exterior lighting, such as ballasts, capacitors, bulbs and the cost of renting a lift. An employee familiar with another installation prepared and presented a proposal outlining the benefits and savings the facility would gain by converting to LED lighting.

By achieving approval for this project, the Columbus P&DC was able to convert all exterior lighting to LED (including the parking lot, building lights, walkways, canopy and docks.) This project created a more efficient, safer and economic way to maintain lighting at the facility.

The benefits of converting to LED bulbs include:

- No more ballasts or capacitors.
- Longer life bulb.
- Reduced heat emission from bulb.
- Less energy usage.
- Cleaner illumination with consistent color.

The Columbus P&DC facility is estimated to save almost \$500,000 over the next 10 years in energy and maintenance costs.

six — and often seven — days a week. Our goal is to obtain and operate vehicles that will incorporate new technology, accommodate a diverse mail mix, enhance safety, improve service, reduce emissions and produce operational savings, while enabling employees to perform their jobs safely.

On Feb. 23, 2021, the Postal Service announced the award of a 10-year contract for our Next Generation Delivery Vehicle. This contract will include U.S.-built postal delivery vehicles that will drive the most dramatic modernization of the USPS fleet in three decades. The contract is the first part of a multibillion-dollar, 10-year effort to replace the Postal Service's delivery vehicle fleet, which includes many vehicles that have been in service for 30 years.

As a generally self-funded entity, the Postal Service is strongly incentivized to track vehicles to reduce fuel consumption, accidents and fraud. As an example, USPS is currently utilizing a telematics system on our semitrailer fleet to validate opportunities to improve safety, reduce fuel consumption and lower our maintenance costs.

We have also performed pilot testing of several different telematics systems on our light duty and passenger vehicles in order to evaluate the return

on investment. We have not made a final decision on implementation of a fleet-wide system but we're in the process of performing the financial evaluation and the best method to implement a telematics system.

An additional opportunity to reduce our fuel emissions is alternative fuel vehicles. Nearly 34,000 of our over 232,000 vehicles can be powered with alternative fuel, including ethanol, electric, compressed natural gas, liquid propane, biodiesel and hybrid. We've issued guidance for postal drivers to use alternative fuel in alternative fuel capable vehicles in line of travel. We provide missedopportunity reports to our facilities that indicate instances when conventional fuel was purchased by a driver using an alternative fuel capable vehicle at a location where alternative fuel is available and could have been purchased. These reports help emphasize the availability of alternative fuel and the

importance of using it when available. We plan to continue to work to incorporate alternative fuel requirements into our contracts to reduce our Scope 3 emissions. We also have 6,614 walking routes and 51 biking routes to reduce vehicle use when possible.

USPS has a rigorous vehicle preventive maintenance program. Vehicle maintenance is performed on a scheduled basis to provide the least interruption of regular mail transportation and delivery service. We provide training to vehicle personnel to ensure efficient and professional performance of all duties assigned and initiate quality control in maintenance procedures to maximize vehicle performance and ensure the highest level of vehicle safety and appearance. We also perform annual evaluations of USPS-owned vehicles, including emissions control systems, and our vehicles are subject to state and local emissions testing regulatory requirements.



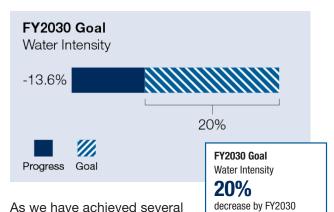
#### **Next Generation Delivery Vehicle**



# Water

The Postal Service manages water consumption and water quality to forecast usage and costs, identify emerging and existing issues with high-use facilities. and tackle future challenges. Water is not a primary input for our operations. However, our operations have the potential to impact water quality and as environmental stewards we find it important to conserve water.

### Water Consumption



compared to FY2019 years early our initial goal of decreasing water consumption 36% by FY2025 compared to 2007, we set a new goal with a FY2019 baseline. The new goal is to reduce potable water intensity by 20% from FY2019 levels and extends to FY2030.

In FY2021, the Postal Service consumed 2.6 billion gallons (9,842 megaliters) of water across all operations. This data is compiled using and in accordance with Federal Energy Management Program reporting requirements. The Postal Service manages water consumption by actively identifying

#### St. Louis Rain Garden

During final construction of the South County Vehicle Maintenance Facility in St. Louis, Missouri, a unique approach to controlling the site's stormwater runoff was incorporated into the property design. It's called a rain garden.

The problem? Every time it rains, stormwater flows down roofs, driveways and other impervious surfaces. This runoff can pick up loose soil, pesticides and other contaminants, which can then enter storm drains that transport them to local streams and lakes, often without any treatment.

Think of a rain garden as a large environmentally friendly sponge that's designed to soak up and treat much of this runoff before it can cause any potential environmental impact. The garden starts with a bowl-shaped bed consisting of loose soil, sand and gravel layers. The garden is then planted with deep-rooted native trees, bushes, flowers and other plants that help absorb the collected water and excess nutrients. Rainwater runoff is now filtered through the various layers of soil before finally entering a shallow groundwater supply or local stormwater system through an underdrain perforated pipe.

Rain gardens also work to slow runoff and prevent flooding during storm events. In this small way, this facility will continue contribute to cleaner water for the greater St. Louis area into the foreseeable future.



opportunities to conserve water in our facilities and by tracking consumption through our Utility Management System to identify any significant variances (greater than 25%) in water usage. We compare the current period's water usage and costs with the prior period and same period last year to identify significant variances.

In addition to monitoring water consumption, the Postal Service conducts audits at our facilities and implements water-saving measures, such as installing low-flow aerators, where the return on investment is at least 30%. USPS conducted approximated 50 audits in FY2020 as part of utility-supported programs. However, following these initial audits, USPS paused new audits in order to reevaluate the process while continuing to install low-flow aerators at processing facilities based on previously completed audits.

# Water Quality

Some Postal Service 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 assists these sites to ensure compliance with spill prevention requirements, release reporting and stormwater permitting regulations. We typically conduct on-site water quality reviews to evaluate compliance with permit conditions, regulatorily required plans and USPS zero discharge policies. These reviews mitigate the potential for spills and prevent contamination of stormwater and groundwater.

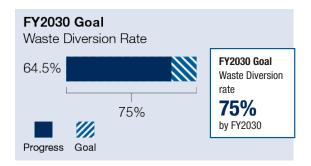


#### **Storage Tank Management**

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're approaching industry acceptable lifespans or warranty limits. Since the inception of the program, the Postal Service has removed 194 aging underground storage tank systems, reducing the number of federally regulated underground storage tanks by just over 60% 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 to avoid soil and groundwater contamination.

# Recycling and Minimizing Waste

The Postal Service set a goal of diverting 75% of its waste from landfill by 2030. The information below provides progress toward our goal.



Recycling and reducing waste to landfill promote conservation, material reuse and natural resources stewardship. Increasing recycling and eliminating waste are recognized business opportunities. Reducing trash volume not only reduces disposal costs but also provides opportunities to generate recycling revenue from materials previously incurring disposal costs.

The Postal Service has a unique mail class known as USPS Marketing Mail that is not returned to the sender if addressed improperly. This undeliverable mail generates paper waste in Post Offices. Our goal is to manage this in a sustainable way. By using our reverse transportation logistics capabilities between our Post Offices and processing facilities, we're currently recovering over 175,000 tons of undeliverable USPS Marketing Mail every year for recycling.

USPS has engaged independent third parties in performing studies to help identify new business opportunities for this recyclable material. This data is important to the fiber recovery industry which could find use for the material in manufacturing new products made from recyclable content.



#### USPS BlueEarth Mail Services

The Postal Service offers a suite of services. under the USPS BlueEarth umbrella, designed to promote sustainability with customers and employees.

### USPS BlueFarth Secure Destruction

This mail service was created in response to business customer requests to reduce handling costs associated with return-to-sender mail that contains personally identifiable information. Secure Destruction identifies and intercepts undeliverableas-addressed mail being returned to the sender and securely shreds and recycles it to protect any confidential or sensitive information. The service is free, secure and convenient. The program also

provides a stronger security profile for participating mailers by ensuring confidential and sensitive information is securely removed from the mail stream and destroyed with fewer touchpoints than if it was returned to the sender.

To improve efficiency and build participation in the program, we're regularly improving our processes and conducting marketing and outreach efforts with new mailers.

In FY2021 the Secure Destruction mail service intercepted, destroyed and recycled over 111.7 million pieces of First-Class Mail that would have otherwise been returned to the sender.

# USPS BlueFarth Federal Recycling Program

This program makes it easy for federal agencies and their employees to properly dispose of unwanted small electronics and empty ink and toner cartridges. Participating federal agencies and their employees can recycle official agency assets and personally owned property for free, online. Items sent to the Federal Recycling Program

#### **Secure Destruction Recycling Metrics**

| Metric   | Program Lifetime | FY21        | FY2021 Target | FY2021 Variance |
|--|------------------|-------------|---------------|-----------------|
| Mailpiece volume                               | 497,945,259      | 111,758,626 | 98,133,656    | 13,624,970      |
| Potential metric tons of GHG emissions avoided | 19,976.9         | 4,503.8     | 3,925.3       | 578.5           |
| Metric tons of paper recycled                  | 12,775.6         | 2,891.5     | 2,503.8       | 387.7           |

are remanufactured, remarketed or recycled, and agencies can access reports with measurable results to help track these items.

As of the end of FY2021, there were 37 agencies (including USPS) signed up for the recycling program. Our goal is to increase this number and encourage greater participation among agencies that are already signed up by spreading awareness of the program and its benefits. In FY2021, over 118,000 pounds of unwanted small electronics, ink and toner cartridges and other office equipment were reused and over 268,000 pounds were recycled.

#### USPS BlueEarth Carbon Accounting

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. One example is our BlueEarth Carbon Accounting Service which helps major mailers determine and manage their Scope 3 emissions through an online report 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.

### How2Recycle

The Postal Service is in its second year of partnership with How2Recycle. This is a consumer-oriented package labeling system that uses Federal Trade Commission guidance to help customers properly recycle. We've made great strides in identifying our products that can include a How2Recycle label. As we deplete our current inventory and produce new stock, we're now seeing a How2Recycle label attached to those items. How2Recycle labels communicate to customers precise instructions, including how to prepare for recycling, type of recyclable material such as plastic or paper, and packaging format such as bottles and boxes, to make recycling easier. Cereal boxes, soup cans and other pantry items often carry How2Recycle guidance.

In addition to our Priority Mail, Priority Mail Express and ReadyPost packaging we have expanded How2Recycle guidance to postcards, posters and certain printed paper products.

















#### Pollution Prevention

As part of our effort to manage waste, the Postal Service is focused on pollution prevention - eliminating waste at the source before it's generated. Our pollution prevention policy focuses on integrating sustainability into our supply chain through the identification and availability of environmentally preferable products (EPP). These types of products have a reduced negative effect on human health and the environment when compared with competing products that serve the same purpose. USPS defines EPP as products that contain high levels of post-consumer content recycled materials, are made of bio-based materials, are energy efficient, are water efficient and have ecolabel certifications from reputable organizations. The Postal Service includes clauses in our contracts with suppliers that encourage them to provide products that meet our EPP criteria.

The offices of Sustainability and Supply Management work together to improve our ability to display and profile products available through our internal procurement website that have environmentally preferable attributes and increase the number of EPPs available to our employees. We also work in partnership with suppliers to integrate sustainability into the supply chain through contract clauses, evaluation factors and specifications.

# Hazardous and Regulated Waste Management

Postal Service operations sometimes result in the generation of hazardous and regulated waste, including used oil, batteries, mercury-containing lamps and ink. We have programs and national contracts in place to ensure these wastes are



**53.5%** of applicable contract spending was on EPPs.

properly recycled, or, if necessary, disposed of 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.

# **Used Oil Recycling**

The Postal Service vehicle fleet includes over 232,000 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 FY2021, the Postal Service recycled over 361,000 gallons of used oil — equivalent to saving over 15 million gallons of crude oil.

# **Battery Recycling**

The Postal Service network has hundreds of thousands of 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 mailback recycling available to all sites, so even the

most remote locations can recycle batteries. In FY2021, the Postal Service recycled approximately 54,000 pounds of small lead-acid and dry cell batteries, including lithium-ion batteries. Looking ahead, we're exploring options to make the battery recycling process more cost-effective for our smaller Post Office locations that recycle fewer batteries than our larger facilities.

# Poshmark: The Circular Economy

Have you heard of the circular economy? An organization is a member of the circular economy when it helps ensure products can be used, reused and/or repaired. The life of the product is extended and resources that would otherwise be consumed by making a new product are conserved. We are a member of this economy. We transport parts that are used to repair items, materials to be recycled into new things, and items that can be reused by consumers. One example of a business focused on the circular economy is Poshmark, a social marketplace for new and secondhand style and a leader in the growing resale market. They help their customers, known as Poshers, extend the lifespan of clothing and other items and keep them from going to waste. Together with Poshmark's community of 80 million users, we're helping Americans actively participate in the circular economy and we look forward to continuing our work together to offer consumers more sustainable choices.

#### **Mailboxes**

Many are aware of the three Rs of sustainability - reduce, reuse and recycle. Did you know the

#### **Stamps**

The Postal Service is best known for tiny little pieces of art known as postage stamps. But did you know these little beauties have a big sustainability story? The facestock — the part of the stamp that customers see — is printed on paper that is Forest Stewardship Council certified. This means the paper is sourced through a careful chain of custody that ensures the pulp comes from sustainably managed forests. Additionally, the adhesive on Postal Service stamps is a special recyclingcompatible adhesive that allows stamps affixed to letters to be recycled with other paper products. For most customers in the U.S., this means stamped envelopes can be placed directly in their recycling bin along with other paper products.

Postal Service focuses on the principle of reuse with its iconic blue mailboxes? Our mailboxes have been around for more than 50 years, dating back to a time when USPS was known as the Post Office Department. The deep blue color included special reflective red and white decals featuring the words "U.S. Mail." Today these iconic blue boxes are also "green." The Postal Service has a national program in place to refurbish boxes that are damaged or worn.

Refurbishing boxes is a sustainable choice in lieu of purchasing new materials to make new boxes.



This program not only saves money — it ensures the boxes are carefully maintained according to environmental principles. The boxes are stripped of the old paint through a special process that doesn't use chemicals, making it better for the environment. Since the Postal Service has more than 140,000 boxes nationwide, this program has a big impact on the environment. Boxes that are too worn to be repaired are destroyed and then the steel is recycled according to protocols that ensure the security of the boxes is upheld throughout. In fact, the Postal Service has not procured any new boxes in the last three years and has been able to keep up with demand by using refurbished boxes instead.

How can you tell if your mailbox has been refurbished? Look for a green leaf logo on it.





#### **Straw Bale Post Office**

Everyone knows the fable of the three little pigs and the different building elements they used to build their houses. But can you guess which of the storybook animals' materials the Post Office used to build a Post Office in New Mexico?

If you guessed straw, you're correct. This durable and environmentally friendly material has been used in building construction for hundreds of years throughout the world. When a new Post Office was planned for Corrales, New Mexico, the Postal Service wanted to showcase our commitment to environmental excellence. In the Corrales Post Office, built in 1999, this commitment is hidden in the walls. The special insulation used in this office consists of nearly 900 straw bales. The Post Office is still standing strong and saving energy a proud testament to the Postal Service's longstanding history of caring for the earth.

# Climate Risk Adaptation

The Postal Service published a <u>Climate Action Plan</u> in 2021 in response to <u>Executive Order 14008</u>, <u>Tackling the Climate Crisis at Home and Abroad</u>. The plan ensures we're transparent in our management approach as we adapt to climate risk. For the purpose of the plan, the following definitions for adaptation and resilience are used (definitions from the Interim Instructions for Preparing Draft Climate Action Plans under EO 14008).

**Adaptation:** The action of adjusting natural or human systems in anticipation of or response to a changing environment in a way that effectively uses beneficial opportunities or reduces negative effects.

**Resilience:** The capacity to anticipate, prepare for and adapt to changing conditions and withstand, respond to and recover rapidly from disruptions.

Developing and implementing a Climate Action Plan is a multiyear process for the Postal Service. It serves as our initial framework that will be built on in the years to come. This approach ensures we'll fulfill our commitment to voluntarily comply with EO 14008, provides us with the flexibility to build new capabilities and partnerships with key stakeholders, Congress, the presidential administration and the American public, and drives change at all levels of our organization.



# **GRI Index**

### GRI 102: General Disclosures

#### **ORGANIZATIONAL PROFILE**

| Disclosure | Disclosure Title   | 2021 Response  |
|------------|--|--|
| 102-01     | Name of the organization                                     | United States Postal Service   |
| 102-02     | Activities, brands, products and services                    | 2021 Form 10-K Page 1  |
| 102-03     | Location of headquarters                                     | <u>USPS at a Glance: Page 2</u><br>475 L'Enfant Plaza SW, Washington, DC 20260   |
| 102-04     | Location of operations                                       | USPS at a Glance: Page 2   |
| 102-05     | Ownership and legal form                                     | USPS at a Glance: Page 2   |
| 102-06     | Markets served   | USPS at a Glance: Page 2   |
|            |  | 2021 Form 10-K, Pages 6 and 60 USPS at a Glance: Page 2  |
| 102-07     | Scale of the organization                                    | 2021 Form 10-K, Pages 4, 8-9, 19-20  |
|            | Information on employees and other workers                   | USPS at a Glance: Page 2   |
| 102-08     |  | 2021 Annual Report to Congress, Page 29  |
|            |  | <u>2021 Form 10-K, Page 8</u>  |
| 102-09     | Supply chain   | Website: Supply Chain Philosophy   |
|            |  | USPS at a Glance: Page 2   |
| 102-10     | Significant changes to the organization and its supply chain | Energy, Page 21  |
|            |  | 2021 Annual Report to Congress, Pages 16, 23, 28   |
|            | Precautionary principle or approach                          | A Conversation with Postmaster General and CEO Louis DeJoy and Jennifer Beiro-Réveillé, Senior Director, Environmental Affairs and Corporate Sustainability: Page 11 |
| 102-11     |  | Worker and Customer Safety: Page 15  |
|            |  | 2021 Annual Report to Congress, Page 42  |
| 102-12     | External initiatives   | Sustainability Management Approach: Page 4   |
| 102-13     | Membership of associations                                   | Sustainability Management Approach: Page 4   |

### GRI 102: General Disclosures — Strategy

| Disclosure | Disclosure Title                     | 2021 Response  |
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| 102-14     | Statement from senior decision-maker | A Conversation with Postmaster General and CEO Louis DeJoy and Jennifer Beiro-Réveillé, Senior Director, Environmental Affairs and Corporate Sustainability: Page 11  USPS Strategic Plan (2020-2024) Page 5 |

### GRI 102: General Disclosures — Ethics and Integrity

| Disclosure  | Disclosure Title                                  | 2021 Response                              |
|---|---|--|
| Values, principles, standards and norms of behavior | Values principles standards and norms of behavior | Sustainability Management Approach: Page 4 |
|   | 2021 Form 10K, Page 95                            |  |

#### GRI 102: General Disclosures — Governance

| Disclosure | Disclosure Title     | 2021 Response              |
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| 102-18     | Governance structure | 2021 Form 10-K Pages 91-93 |

# GRI 102: General Disclosures — Stakeholder Engagement

| Disclosure | Disclosure Title                       | 2021 Response                                 |
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| 102-40     | List of stakeholder groups             | Materiality Assessment: Page 13               |
| 102-41     | Collective bargaining agreements       | USPS at a Glance: Page 2                      |
| 102-42     | Identifying and selecting stakeholders | Materiality Assessment: Page 13               |
| 102-43     | Approach to stakeholder engagement     | Materiality Assessment: Page 13               |
|            |  | Materiality Assessment: Page 13               |
| 102-44     | Key topics and concerns raised         | 2021 Annual Report to Congress, Page 38       |
|            |  | Five Year Strategic Plan (2020-2024), Page 28 |

### GRI 102: General Disclosures — Reporting Practices

| Disclosure | Disclosure Title   | 2021 Response                   |
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| 102-45     | Entities included in the consolidated financial statements | 2021 Form 10-K, Pages 51, 56-60 |
| 102-46     | Defining report content and topic boundaries               | Materiality Assessment: Page 13 |
| 102-47     | List of material topics                                    | Materiality Assessment: Page 13 |

| Disclosure | Disclosure Title   | 2021 Response  |
|------------|--|--|
| 102-48     | Restatements of information                              | Not applicable for this report period.                                 |
| 102-49     | Changes in reporting                                     | Materiality Assessment: Page 13  |
| 102-50     | Reporting period   | A Message for Our Readers: Page 1                                      |
| 102-51     | Date of most recent report                               | A Message for Our Readers: Page 1                                      |
| 102-52     | Reporting cycle  | A Message for Our Readers: Page 1                                      |
| 102-53     | Contact point for questions regarding the report         | A Message for Our Readers: Page 1                                      |
| 102-54     | Claims of reporting in accordance with the GRI Standards | A Message for Our Readers: Page 1                                      |
| 102-55     | GRI content index  | This GRI Content Index adheres to the requirements of this disclosure. |
| 102-56     | External assurance                                       | A Message for Our Readers: Page 1                                      |

# GRI Management Approach and Topic Specific Disclosures

#### MATERIAL TOPIC: CUSTOMER SATISFACTION

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| 103-1, 103-2 | Management approach | Five-Year Strategic Plan FY2020-FY2024, Pages 20-23 and 28-32 |
| and 103-3    | Management approach | 2021 Annual Report to Congress, Pages 36-41                   |

#### MATERIAL TOPIC: RESPONSIVE TO CLIMATE RISK

| Disclosure   | Disclosure Title                        | 2021 Response                                 |
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| 103-1, 103-2 | I Management approach                   | Emissions: Page 19                            |
| and 103-3    |   | Annual Report to Congress, Pages 11-12, 52-53 |
| 305-1        | Direct (Scope 1) GHG emissions          | Emissions: Page 19                            |
| 305-2        | Energy indirect (Scope 2) GHG emissions | Emissions: Page 19                            |
| 305-3        | Other indirect (Scope 3) GHG emissions  | Emissions: Page 19                            |

#### MATERIAL TOPIC: FACILITY ENERGY EFFICIENCY, RENEWABLE ENERGY, FLEET EFFICIENCY, CONTRACT TRANSPORTATION FLEET EFFICIENCY

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| and 103-3    |   | Sustainability Reporting and Implementation Plan 2020, Pages 5-7 |
| 302-1        | Energy consumption within the organization    | Energy, Page 21  |
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#### MATERIAL TOPIC: ENVIRONMENTAL MANAGEMENT

| Disclosure   | Disclosure Title    | 2021 Response                                      |
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| and 103-3    | Management approach | USPS FY2021 Annual Report to Congress, Pages 11-12 |

#### MATERIAL TOPIC: MARKET RELEVANCE AND INNOVATION

| Disclosure                | Disclosure Title    | 2021 Response   |
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| 103-1, 103-2<br>and 103-3 | Management approach | Sustainability Management Approach: Page 4  USPS Five-Year Strategic Plan FY2020-FY2024, Pages 13 and 22-23  USPS FY2021 Annual Report to Congress, Pages 34-36 |

#### MATERIAL TOPIC: PACKAGING FOOTPRINT

| Disclosure   | Disclosure Title    | 2021 Response  |
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| 103-1, 103-2 | Management approach | Recycling and Minimizing Waste: Page 26                              |
| and 103-3    |                     | USPS 2020 Sustainability Report and Implementation Plan, Pages 15-16 |

#### MATERIAL TOPIC: STRATEGIC BUSINESS PARTNERSHIPS

| Disclosure                | Disclosure Title    | 2021 Response  |
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| 103-1, 103-2<br>and 103-3 | Management approach | Sustainability Management Approach: Page 4  USPS FY2021 Annual Report to Congress, Pages 2-3 and 12-23  USPS Five-Year Strategic Plan FY2020-FY2024, Pages 10-11 |

#### MATERIAL TOPIC: SUPPLY CHAIN RESILIENCE

| Disclosure                | Disclosure Title    | 2021 Response  |
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| 103-1, 103-2<br>and 103-3 | Management approach | Emissions: Page 19 Supplying Principles and Practices Supplier Diversity Corporate Plan USPS Five-Year Strategic Plan FY2020-FY2024, Pages 17-18 and 23-25 |

#### MATERIAL TOPIC: WASTE REDUCTION

| Disclosure                                    | Disclosure Title             | 2021 Response  |
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| 103-1, 103-2<br>and 103-3 Management approach | Management approach          | Recycling and Minimizing Waste: Page 26                                      |
|   | планадентент арргоаст        | Sustainability Reporting and Implementation Plan 2020, Pages 10-12 and 15-18 |
| 306-3   | Waste generated              | Recycling and Minimizing Waste: Page 26                                      |
| 306-4   | Waste diverted from disposal | Recycling and Minimizing Waste: Page 26                                      |

#### MATERIAL TOPIC: WATER STEWARDSHIP

| Disclosure                | Disclosure Title    | 2021 Response   |
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| 103-1, 103-2<br>and 103-3 | Management approach | Water: Page 24 Sustainability Reporting and Implementation Plan 2020, Pages 7-8 |
| 303-5                     | Water consumption   | Water: Page 24  |

#### MATERIAL TOPIC: WORKER AND CUSTOMER SAFETY

| Disclosure                | Disclosure Title    | 2021 Response   |
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| 103-1, 103-2<br>and 103-3 | Management approach | Operations: Page 15   |
|                           |                     | 2022 Annual Report to Congress, Pages 23, 33 and 42-45          |
|                           |                     | USPS Five Year Strategic Plan FY2020-FY2024, Pages 28-32 and 35 |
|                           |                     | 2021 10-K Form, Page 10   |

#### **DIVERSITY AND EQUAL OPPORTUNITY**

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|------------|---------------------|--|
| 405-1      | Management approach | 2021 Annual Report to Congress, Page 13 2021 Form 10-K, Page 8 |



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