UNITED STATES POSTAL SERVICE®

2022 Sustainability Implementation Plan

PUTTING OUR STAMP ON A GREENER TOMORROW®

October 2022

2022 USPS Sustainability Implementation Plan

1. USPS Sustainability Implementation Plan Summary

The U.S. Postal Service is committed to binding the nation together while also doing our part to champion sustainable and environmentally responsible solutions. The scale of our operations requires continuous improvement and innovation. Reducing greenhouse gases, conserving energy and other sustainability initiatives are important parts of our Delivering for America plan. 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. As we invest in new technology, we will continue to champion sustainable and environmentally focused solutions.

As a sustainability leader, the Postal Service has a responsibility to address the risk of a changing climate by reducing our greenhouse gas 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. To manage Scope 1 emissions, USPS is focused on improving vehicle fuel efficiency through recent purchases of next-generation vehicles and enhancing facility energy efficiency through performance audits and renewable energy credit purchases. To manage Scope 2 emissions, we're focused on installing and purchasing renewable energy such as our two recent solar panel projects at facilities in California and New Jersey. To manage Scope 3 emissions, we're focusing on employee business travel and employee commuting options by encouraging remote work when feasible and providing incentives for employees to take public transportation. We're also increasing contract transportation efficiency by fully optimizing our surface and air transportation network, with a focus on reducing routes. Additionally, our National Recycling Operation is committed to reducing solid waste disposal and increasing recycling revenue.

2. Priority Actions Toward Goals

A. 100 Percent Carbon Pollution-Free Electricity

The Postal Service will continue to develop and utilize renewable energy facilities to reduce our carbon pollution from electricity. The Postal Service recently installed two solar facilities in California and New Jersey.

B. 100 Percent Zero-Emission Vehicle Fleet

In February 2022, the Postal Service completed its obligations under the National Environmental Policy Act process and issued a Record of Decision to acquire up to 165,000 NGDV, with a commitment for at least 10 percent BEV. This decision was expressly designed to provide the Postal Service the flexibility to acquire significantly more BEV NGDV should financial and operational circumstances permit. Pursuant to this decision, the Postal Service then announced in March 2022 a purchase of 50,000 NGDV from Oshkosh Defense, including 20 percent BEVs.

The U.S. Postal Service announced on July 20, 2022, it anticipates adjusting the purchase interval and composition of its delivery fleet. The adjustments reflect refinements to the Postal Service's overall network modernization, route optimizations, improved facility electric infrastructure, and improved availability of vehicles and technology. The proposed expanded fleet mix will include purpose built Next Generation Delivery Vehicles (NGDVs) and commercial off-the-shelf (COTS) vehicles, and the network adjustments and attendant economies will facilitate substantially increased deployment of battery electric vehicles (BEVs).

Under the new adjusted scope for the Supplemental Environmental Impact Statement (SEIS), the Postal Service proposes to limit its Decision to the 50,000 NGDV already purchased and to raise the minimum NGDV BEV percentage to at least 50 percent. Because of the critical and immediate need to accelerate the replacement of our aging fleet in accordance with the Delivering for America plan, and the purpose and scope of the Environmental Impact Statement (EIS) process, the Postal Service is also proposing to purchase, over a 2-year period, 34,500 COTS vehicles. Additional purchases of NGDVs under the current contract or other COTS vehicles will be analyzed in future supplements to the EIS prior to such purchases. The Postal Service anticipates evaluating and procuring vehicles over shorter time periods to be more responsive to its evolving operational strategy, technology improvements, and changing market conditions, including the expected increased availability of BEV options in the future.

In total, of the above 84,500 NGDV and COTS vehicles, the Postal Service anticipates having at least 40 percent BEV. The Postal Service reiterates its commitment to the fiscally responsible roll-out of electric-powered vehicles for America's largest and oldest federal fleet. New NGDVs are expected to start servicing postal routes in late 2023.

The Postal Service will continue to look for opportunities to further increase the electrification of our fleet in a responsible manner, as we continue to refine our operating strategy and implement the Delivering for America plan.

C. Net-Zero Emissions Buildings, Campuses and Installations

i. Design and Construction for Net-Zero Emissions

The Postal Service does not have a design and construction policy for net-zero emissions.

ii. Increasing Energy Efficiency

USPS is taking several steps to increase energy efficiency. Our FY2030 goal is a 25% decrease in energy intensity compared to FY2019.

- USPS performs regular maintenance at all facilities. This increases the overall efficiency of our facilities and helps prevent breakdowns and other issues.
- USPS implements many energy saving measures, at least when the return on investment is optimal.
- Additionally, our Facilities team is currently updating our standard design criteria which will further define our strategy for energy reductions in our facilities.

iii. Increasing Water Efficiency

USPS is committed to drastically decreasing water consumption. Our FY2030 goal is to reduce potable water intensity by 20% from FY2019 levels.

- We implement water saving measures, such as the installation of low-flow aerators.
- Water consumption in postal facilities increased approximately 13% because of the additional cleaning procedures and hand-washing that occurred when COVID-19 protocols were implemented.

D. Reducing Waste and Pollution

The Postal Service set a goal of diverting 75% of its waste from landfills by 2030 (from our FY2020 baseline of 62%). In FY2021, we achieved a 64.5% waste diversion rate.

- USPS strives to reduce waste at the source through use of innovative technologies, process modifications and procurement of environmentally preferrable products. Where source reduction is not possible, USPS proactively looks for ways to reuse and/or recycle materials.
- The National Recycling Operation uses our unique transportation network to backhaul recyclable commodities to centralized recycling hub sites. The program focuses on our largest volume waste streams — mixed paper, cardboard and plastics.
- The Postal Service has two services aimed at helping others recycle:
    - USPS BlueEarth® Federal Recycling Program enables federal agencies and their employees to easily recycle small electronics, computers, laptops, and more for no cost using our sustainable recycling mail-back service.
    - USPS BlueEarth Secure Destruction prevents waste by intercepting and destroying undeliverable mail being returned to the sender. In FY2021, the program intercepted and recycled over 111.7 million pieces of mail.
- Through local contracts, the Postal Service recycles most of the waste it generates, including used oil, used antifreeze, tires, industrial batteries, small batteries, metals and even mail collection boxes.
    - In FY2021, the Postal Service recycled over 361,000 gallons of used oil — equivalent to saving over 15 million gallons of crude oil.
    - In FY2021, the Postal Service recycled approximately 54,000 pounds of small lead-acid and dry cell batteries, including lithium-ion batteries

E. Sustainable Procurement

Since 1992, the Postal Service has been focused on pollution prevention — eliminating waste at the source before it's generated. As an outgrowth of our pollution prevention policy, USPS has

established sustainability principles, practices and clauses to better integrate sustainability into our supply chain.

- Our sustainable acquisition program is focused on the identification and procurement 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. In FY2021, USPS purchased over $429 million worth of EPPs.
- USPS EPPs are defined in five categories:
    - Recycled content
    - Bio-based
    - Energy efficient
    - Water efficient
    - Reputable eco-label certified
- The definitions of these five EPP categories are integrated into USPS Supplying Practices and Principles and Sustainability Clauses 7-10 to 7-15. Detailed guidance and additional EPP definitional clarifications are maintained in our sustainable acquisition program guidance.

F. Climate and Sustainability Focused Federal Workforce

USPS has developed a climate literacy program to better educate our workforce.

- Articles were developed for posting on LINK, the Postal Service's internal news and information publication, available to employees on the intranet. Some of the topics were climate terminology, identification of climate risks, and actions USPS is taking to mitigate risk.
- The Postal Service provides training on applicable regulations and procedures for environmental management. In FY2021 alone, USPS provided compliance training for over 3,300 employees on topics such as hazardous waste management and others.
- USPS communicated training requirements through targeted articles, compliance bulletins and a robust website. Most trainings are available on demand in a virtual format through our learning management system.
- The Postal Service also supports climate awareness by our customers in the public and private sectors with our BlueEarth Carbon Accounting Service. USPS created this sustainable service in 2012 to help mailers track, measure and monitor the carbon impacts of their mailing activities with the Postal Service. The USPS patent pending software provides mailers with both life cycle and carbon footprint Scope 3 emissions data.

USPS encourages our employees to make sustainable commuting decisions when possible. We aim to reduce our Scope 3 emissions through various employee initiatives and programs.

- 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. USPS 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 (walking, cycling and public transportation) and reduces single-employee vehicle commutes.

G. Accelerating Progress Through Partnerships

- The Postal Service is a founding member of The Climate Registry®, a nonprofit organization that's governed by U.S. states and operates the Carbon Footprint Registry, which is North America's largest voluntary registry for greenhouse gas emissions. The Postal Service was awarded Climate Registered™ All Star status by The Climate Registry. The Postal Service earned this recognition by publicly reporting a third-party verified GHG emissions inventory for our operations. This data will enable us to track climate initiatives and GHG reductions credibly over time.
- The Postal Service is one of 25 members of the International Post Corporation. The IPC is a cooperative association of posts in North America, Europe and Asia Pacific. Since 1989, the IPC has created solutions and services that are used by more than 180 posts worldwide and is the leading service provider of the global postal industry. Collectively, IPC members deliver 80% of global mail volumes — more than 330 billion mailpieces each year. IPC is working to systematically address the impacts of global climate change and collaborating to reduce carbon emissions across the postal sector.
- The Postal Service is a U.S. Environmental Protection Agency SmartWay Transport Partner. This partnership is a strong government/industry collaboration between freight shippers, carriers, logistics companies and other stakeholders to voluntarily achieve improved fuel efficiency and reduce environmental impacts from freight transport. SmartWay uses performance-based quantifications and reporting tools that benchmark and inform industry and the marketplace on freight operations, energy and environmental efficiency. SmartWay partners demonstrate that they're taking responsibility for the emissions associated with the movement of goods, are committed to corporate social responsibility and sustainable business practices and are reducing their carbon footprint.
- The Postal Service also participates in Department of Energy sponsored virtual meetings including INTERFUEL, FEVAR, Federal Fleet Strategic Plan, Renewable Energy Working Group and Energy Exchange, as well as the General Services Administration-sponsored FedFleet Conference.
- The Postal Service is in our 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 for making recycling easier, including how to prepare for recycling, type of recyclable material such as plastic or paper, and packaging format such as bottles and boxes. 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've expanded How2Recycle information to postcards, posters and certain printed paper products.

3. Progress Examples

Reducing Facility Energy Intensity — Columbus Lighting Project
The Columbus, Ohio, Processing and Distribution Center upgraded its lighting with LED devices. Each year, the maintenance department at the facility experienced significant expenses maintaining 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.

Increasing Renewable Energy — Solar Panel Projects

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 5.503 megawatts. It's expected to generate 7,150 megawatt hours annually, which is enough electricity to power over 856 homes each year. USPS continues to focus on enhancing solar photovoltaic systems at the Bellmawr facility in addition to an existing system at our Anaheim, California, P&DC. This system has 2,465 modules and will produce approximately 1,500 megawatt hours annually. This equates to the energy used by 179 homes in one year.

Managing Stormwater Runoff and Decreasing Water Usage — St. Louis Rain Garden

During final construction of the South County Vehicle Maintenance Facility in St. Louis, Missouri, a rain garden was installed to control the site's stormwater runoff. This runoff can pick up loose soil, pesticides and other contaminants that can enter storm drains and wind up in local streams and lakes, often without any treatment. The rain garden acts 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.

Reducing Facility Water Use — Utility Management System

The Utility Management System captures cost and consumption data from Postal Service utility invoices, including electricity, natural gas, water, propane, steam and heating oil. It's used by USPS facilities to identify trends in utility consumption. For example, the system alerted the Berwick, Pennsylvania, Main Post Office about an anomaly in its water bill, which jumped 323% in early FY2022 compared to the average monthly cost in FY2021. The USPS Facility Services office was notified and a maintenance inspection was performed. It found that the auto-fill valve on the boiler was defective. The valve was repaired and the average monthly cost for water dropped lower than before the failure. Due to improved efficiency, the site now uses an average of 15.6% less water each month.

Reducing Waste – Reuse of Collection Boxes

Our iconic blue collection boxes have been around for more than 50 years. Now they're also "green." The Postal Service has a national program to refurbish boxes that are damaged or worn, 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 old paint using 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 in a secure process and then the steel is recycled. 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.