

PCC Management Insights

“Staying in the Know”

U.S. Postal Service: A Sustainability Leader

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The U.S. Postal Service's (USPS) vision is simple — be a sustainability leader. This vision builds on its long history of leadership in implementing environmental and socially responsible operations and services. With a presence in most towns and cities across the nation, USPS is especially mindful of the impact that today's actions can have on future generations.

The Postal Service's sustainability leadership vision requires that it maintain both an inward focus on engaging our employees and driving culture change, and an outward focus on championing the adoption of more sustainable practices among customers, suppliers, and other stakeholders.

USPS Strategy and Goals

USPS's sustainability strategy connects the vision of being a sustainability leader with traditional enterprise value drivers of cost and efficiency, brand, and revenue improvement. The strategy contains 15 sustainability performance goals across 10 focus areas and they are described below:

★ Greenhouse Gas

USPS's goal is to reduce its scope 1, 2 and select scope 3 Greenhouse Gas (GHG) emissions 20 percent by Fiscal Year (FY) 2020, against a FY 2008 baseline. Each year, the Postal Service will measure, third-party verify, publically report and benchmark these emissions. USPS participates in three GHG performance tracking programs in the federal agency, corporate cross-industry and postal-sector specific spaces. In 2009, USPS became the first federal agency to publish a third-party-verified GHG emissions inventory. In 2010, it was able to demonstrate a 200,000 metric tons carbon equivalent scope 1 and 2 GHG emissions reduction.

★ Facility Energy

The Postal Service is on track to meet its goal of reducing total facility energy use as well as facility energy intensity 30 percent by FY 2015. As of FY 2009, USPS reduced facility energy use by nearly 24 percent. From advanced metering and energy management systems to focusing on Heating, Ventilation and Air Conditioning (HVAC) repair to informing employees through videos about energy conservation practices, USPS actions continue to show positive results.

★ Owned-Vehicle Fuel

The Postal Service's goals are straightforward — reduce petroleum fuel use 20 percent by FY 2015 and increase alternative fuel use 10 percent annually over the next five years across the world's largest civilian fleet of 217,000 owned postal vehicles. From FY 2005 to FY 2009, the Postal Service's use of alternative fuels increased 114 percent. Among many initiatives, it's working with the Department of Energy on electric vehicle prototypes, biodiesel tractors and cargo vans, and fuel economy reporting for fuel cell vehicles.

★ **Waste**

USPS is on track to reduce waste to landfill 50 percent by FY 2015, with a longer-term goal of achieving a zero-waste footprint. In FY 2009, USPS generated a total of 424,000 metric tons of municipal solid waste, diverted approximately 50 percent and sent the remaining 209,000 metric tons of solid waste to landfills. To achieve its FY 2015 goal, the Postal Service will need to continue to decrease solid waste to landfills by 8 percent per year.

★ **Materials**

The Postal Service buys sustainable materials and environmentally preferable products (EPP) when functionally and cost-effective. USPS is working to increase the percentage of EPP available for purchase from its national catalogs by 50 percent by FY 2015 using a FY 2010 baseline. To further reduce its environmental footprint, USPS is working towards reducing the total number of consumable products it buys. The goal is to reduce consumables spending 30 percent by FY 2020 using a FY 2008 baseline. USPS annual consumable spending increased from FY 2005 to FY 2007, but has decreased each year since. USPS had a 16 percent reduction in FY 2009.

★ **Water**

The Postal Service's longstanding water conservation objective continues to be using the minimum amount of water necessary to support its delivery service obligation and operations. USPS requires relatively small volumes of water to operate but continues to identify additional water conservation opportunities to meet its goal of reducing total water use 10 percent by FY 2015.

★ **Employees**

USPS employees can positively impact the sustainability of the communities and environment in which they live and work. The goal is to create a conservation culture at the Postal Service by building awareness, engaging employees, and deploying Lean Green teams to all USPS districts and network distribution centers in the next two years. The teams will encourage low and no-cost ways to make the Postal Service even more sustainable by improving use of resources and minimizing impact on the environment across five focus areas: facility energy, owned-vehicle petroleum use, waste, water, and consumables spending. In 2009, Lean Green pilot locations generated an average \$500,000 in annual savings in these focus areas.

★ **Suppliers**

The Postal Service has identified three supplier-focused sustainability goals to drive the continued expansion of sustainability throughout the extended supply chain that supports USPS. These goals are to reduce contract transportation petroleum fuel use 20 percent by FY 2020, require suppliers with current contract commitments of more than \$500,000 to provide sustainability data, and to include standard USPS sustainability clauses in new contracts.

★ **Customers**

USPS continues to offer its customers a range of more sustainable products and services, and encourages its customers to adopt more sustainable behavior. Examples include online options such as Click-N-Ship®, change of address, Post Office Box management, and pickup services that enable customers to skip the trip to the Post Office by having packages picked up at their homes or businesses. These options save customers time, fuel, money, and

reduce associated GHG emissions. Also, more than a half-billion packages and envelopes provided to customers by the Postal Service annually are nearly 100 percent recyclable and created using environmentally friendly materials. USPS is the only shipping or mailing company to earn Cradle to Cradle Certification™ based on the quality of raw materials used to produce Priority Mail and Express Mail packaging, stamps, and ReadyPost® packaging and shipping supplies — including tape and labels.

★ **Peers**

In 2008, USPS joined the International Post Corporation (IPC) and 16 other member postal organizations from around the world to develop the postal sector Environmental Measurement and Monitoring System (EMMS), a transparent, sector-specific carbon measurement and reporting system. The Postal Service's primary goal is to outperform the annual IPC EMMS Carbon Management Proficiency (CMP) sector-wide peer average score from the preceding calendar year. An additional goal is to improve its CMP score each calendar year. USPS continues to improve performance towards these goals each year. In addition, in 2009 USPS made a commitment with 20 other IPC member postal organizations to achieve a 20 percent absolute reduction in carbon emissions by 2020.

Keeping Track of Progress

The Postal Service will report each year on its progress towards achieving these sustainability goals through a variety of public forums, including the USPS Sustainability Annual Report and the USPS federal agency Strategic Sustainability Performance Plan, both available at usps.com/green.