

# SUSTAINABILITY

LEANER | GREENER | FASTER | SMARTER

2010 REPORT





## Sustainability Performance Snapshot

■ Achieving goal ● On-target ✕ Off-target

FOCUS	OBJECTIVE AND TARGET	BASELINE	FY 2010	PROGRESS	STATUS
GREENER POST OFFICES & PLANTS					
Energy	Reduce total facility energy use 30% by FY 2015 (Billion Btu).	33,720 <i>FY 2003</i>	23,790	-29.4%	●
Waste and Recycling	Reduce waste sent to landfill 50% by FY 2015 (short tons).	231,661 <i>FY 2008</i>	218,225	-5.8%	✕
Water	Reduce water use 10% by FY 2015 (million gallons).	5,479 <i>FY 2007</i>	4,883	-10.9%	■
TRANSPORTATION FUEL					
Petroleum Fuels	Reduce Postal-vehicle petroleum fuel use 20% by FY 2015 (million gasoline gallon equivalents – GGE).	140.67 <i>FY 2005</i>	145.58	3.5%	✕
	Reduce contract transportation petroleum fuel use 20% by FY 2020 (million GGE).	580.13 <i>FY 2005</i>	552.7	-4.7%	●
Alternative Fuels	Increase Postal-vehicle alternative fuel use 10% annually by FY 2015 (million GGE).	0.94 <i>FY 2005</i>	2.19	132.7%	■
GREENHOUSE GAS					
GHG Emissions	Reduce scope 1 and 2 GHG emissions 20% by FY 2020 (million metric tons carbon dioxide equivalent – MTCO <sub>2</sub> e).	5.28 <i>FY 2008</i>	4.78	-9.5%	●
	Reduce select scope 3 GHG emissions 20% by FY 2020 (million MTCO <sub>2</sub> e).	8.09 <i>FY 2008</i>	7.52	-7%	●
GHG Benchmarking	Outperform the international postal sector’s average annual carbon management performance score – International Post Corporation (calendar year basis).	USPS scored 73% in CY 2009 – 12% higher than the postal sector average score.			■
PRODUCT STEWARDSHIP					
USPS Purchasing	Increase number of environmentally preferable products (EPP) available for USPS purchase on eBay2 catalog system 50% by FY 2015	<i>FY 2010</i>	11,131	<i>Baseline year FY 2010</i>	
	Reduce spending on consumables 30% by FY 2020 (\$ million).	\$508.4 <i>FY 2008</i>	\$341.5	-32.8%	■
Customer Offerings	Increase USPS Cradle-to-Cradle <sup>CM</sup> certified products (million).	758 <i>FY 2007</i>	26,308	3,369%	■
	Increase percentage of customer online transactions at usps.com.	38% <i>FY 2007</i>	54%	16%	■
CUSTOMER EXPERIENCE and COMMUNITY CONNECTION					
Customer Experience	Improve residential customer experience ratings (percentage surveyed that are very or mostly satisfied with USPS service).	<i>FY 2010</i>	86%	<i>Baseline year FY 2010</i>	
	Improve small and medium business customer experience ratings (percentage surveyed that are very or mostly satisfied with USPS service).	<i>FY 2010</i>	82%	<i>Baseline year FY 2010</i>	
Community Support	Support breast cancer research each year with funds raised by semi-postal stamps.	USPS has contributed \$70.8 million since FY 1998.			■
EMPLOYEE ENGAGEMENT					
Lean Green Teams	Establish active employee Lean Green Teams in all USPS districts and network distribution centers by FY 2012.	13% <i>FY 2009</i>	+12%	25% total	●
Employee Satisfaction	Improve Voice of the Employee approval rating.	64% <i>FY 2009</i>	62%	-2%	✕
SUPPLIER COLLABORATION					
Green Supply Chain	Require all suppliers with current contract commitments of more than \$500,000 to provide sustainability data to USPS by FY 2015.	<i>Baseline year FY 2011</i>			
	Include standard USPS sustainability clauses in all new contract actions by FY 2015.	<i>Baseline year FY 2011</i>			

View detailed USPS sustainability metrics and historical progress in the *Key Performance Indicators* table on page 38.



# FROM THE POSTMASTER GENERAL

**Leaner, greener, faster, smarter**  
**It's our sustainability call to action**

**D**elivering the mail to every person and business in America is a big job. It comes with enormous responsibilities — to the customers we serve, the communities where we live and to the environment that sustains us all.

And it takes a big organization to do it. Ours has nearly 582,000 employees, more than 215,000 vehicles and 33,000 post offices and plants across the country.

With all those people, vehicles and facilities, as you would expect, we have a big carbon footprint.

That's why "leaner, greener, faster, smarter" is our sustainability call to action. It's an environmentally responsible, as well as a good business decision.

It means right-sizing our delivery network and our workforce to better meet the needs of 21st century America.

By eliminating waste and reducing the energy and fuel we use, we lower our carbon footprint, and drive our costs down.

That's being sustainable. That's being responsible.

I hope you will take a few minutes to look at our sustainability report. I think you'll be surprised at how much we're doing to green the Postal Service, help our customers be green and lower our costs during this very challenging economic period.

*PATRICK DONAHOE*  
*Postmaster General and*  
*Chief Executive Officer*





# FROM THE DEPUTY POSTMASTER GENERAL

Our vision is to be a sustainability leader by creating a culture of conservation throughout the Postal Service, and leading the adoption of sustainable business practices by engaging our employees, customers, suppliers, the mailing industry and our federal peers.

As I look back on Fiscal Year 2010, I am pleased to report that the Postal Service made significant strides in FY 2010 toward this vision, and continued progress toward our 15 corporate sustainability performance goals, which guide our actions.

We greatly lowered facility energy consumption and our associated greenhouse gas emissions. We improved mail sorting and processing efficiencies, improved delivery routes to conserve fuel, and increased fuel use in our alternative fuel-capable delivery fleet, the largest in the country.

Our 8 percent greenhouse gas emissions reduction since FY 2008 is the equivalent of taking nearly 204,000 U.S. passenger vehicles off the road for an entire year!

We increased our employee Lean Green teams to more than 400 across the country. These teams work to implement low- and no-cost ways to conserve natural resources, purchase fewer consumable products and materials, and reduce costs.

They helped USPS save \$5 million in FY 2010 alone.

I'm proud to tell you that we were able to continue our sustainability commitment, while facing the greatest financial challenge in our 235-year history.

Our mail volume and revenue are rapidly declining due to the economy and electronic diversion, while the number of delivery points we serve continues to increase by a million a year as the population grows. That makes reducing our vehicle petroleum fuel use extremely challenging.

At the same time, fuel, energy and employee health care costs are rising faster than the consumer price index. By law, we can't raise prices higher than the index. USPS also has a unique requirement to pre-fund billions of dollars of retiree health benefits. And we do not receive government appropriations to fund our business operations or sustainability efforts.

Despite these challenges and legislative restrictions, we remain committed to providing universal mail service for current and future generations in a socially and environmentally responsible manner.

Our sustainability focus going forward is to invest our limited resources in initiatives that have timely paybacks and deliver high returns on investment, such as our energy and fuel conservation projects and the widespread deployment of our Lean Green teams. We intend to improve our sustainability performance as much as our finances permit, and emerge from this crisis a leaner, greener, faster, and smarter service organization.



RONALD STROMAN  
*Deputy Postmaster General*



# ABOUT THIS REPORT

This report covers the U.S. Postal Service's sustainability performance for fiscal year 2010. Its three sections highlight our efforts to engage *our people* to integrate conservation and efficiency across *our network* and enhance *our commitment* to becoming leaner, greener, faster and smarter.

The report details the opportunities and challenges that we are addressing to achieve our corporate sustainability goals in several focus areas, including: employee engagement, customer experience, mail processing and delivery, greener Post Offices and plants, and greenhouse gas emissions.

Our unique mission is to deliver the mail to every community in America. We receive no tax dollars to accomplish this huge task. We rely solely on the sale of postage, products and services to fund our operations.

As a non-funded federal agency, we aren't required to meet all of the federal sustainability requirements in U.S. Executive Orders 13423 and 13514. But, our own voluntary performance goals meet or exceed most of those requirements, including an absolute 20 percent reduction in our greenhouse gas emissions by FY 2020.

The *performance snapshot* in this report summarizes our progress against our goals, while the *key performance indicators* provide detailed sustainability metrics and our historical progress.

To reduce our carbon footprint and conserve natural resources, we are providing this report primarily online at [usps.com](http://usps.com) and in eBook format.

This report conforms to version 3.0 of the *Global Reporting Initiative* (GRI) sustainability reporting guidelines — the most widely respected international reporting standard for public disclosure of sustainability performance for private and public organizations.

Based on GRI reporting guidelines, we believe this report achieves a B application level.

We have engaged the GRI to verify our reporting disclosures, indicators and application level. See the GRI application level check statement online at [usps.com/green/report/2010](http://usps.com/green/report/2010). Also online is the USPS GRI content index, which identifies each disclosure and performance indicator. Learn more about GRI reporting and assurance at [globalreporting.org](http://globalreporting.org).

This report is national in scope, but does include some international information, such as carbon reduction and benchmarking data related to our relationships with other member posts of the *International Post Corporation* — a global mailing industry consortium.

Throughout the report, we have used direct measurement to generate sustainability performance indicators. When direct measurement hasn't been available, we have established estimation methodologies that use sample sizes of our facilities or vehicles, or we use other sources, such as financial data.

USPS has improved several methodologies and systems used to measure, collect and analyze our sustainability data since FY 2009. This gives a more accurate accounting of our operations. Examples include greenhouse gas emissions, fuel and water use, waste generation and recycling. All restated data and methodologies are in the *key performance indicators*.

Greenhouse gas (GHG) emissions data in this report has been recalculated and restated as fiscal year data, consistent with federal agency GHG guidelines and reporting requirements, which we voluntarily follow. USPS also publishes and third-party verifies an annual GHG emissions inventory using calendar year data, consistent with the guidelines of The Climate Registry.

Information about our evolving sustainability commitments and progress, as well as our most current performance information, is available online at [usps.com/green](http://usps.com/green). Thank you for exploring this report and joining us on our sustainability journey.





*Flex-fuel vehicles are helping speed USPS to a leaner, greener, faster, smarter delivery network.*



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*Our commitment to Sustainability begins with our  
commitment to our employees — nearly 582,000 employees  
who deliver 40% of the world's mail.*



# OUR PEOPLE

## Employee engagement

Each of our employees is a potential ambassador for sustainable living. And together our employees are a potent force supporting the Postal Service's sustainability success.

Many employees have been longtime advocates of conserving our planet's resources. Their efforts begin at home, where they regularly recycle and adjust thermostats to save energy. And they bring those same green habits to work, where they help the Postal Service be more sustainable.

Because USPS believes our nearly 582,000 employees are key to our efforts to advance sustainability, we are encouraging them to join our most ambitious employee effort to date — participating in sustainability teams across the organization to help us work “leaner, greener, faster, smarter.”

## Lean Green teams

Last year, USPS began inviting employees at its mail processing facilities, network distribution centers and Post Offices to help the organization reduce its operational costs and carbon footprint.

Our “Lean Green teams” identify and implement low- and no-cost ways to reduce waste and resource use, focusing their efforts on five sustainability reduction goals:

- Facility energy use — 30 percent by FY 2015.
- Waste sent to landfill — 50 percent by FY 2015.
- Petroleum fuel use — 20 percent by FY 2015.
- Water use — 10 percent by FY 2015.
- Consumables spending — 30 percent by FY 2020.

Our intention is to have active Lean Green teams in all of our districts and network distribution centers by the end of FY 2012. While we're more than a quarter of the way there, we face an ongoing challenge to engage all employees across our 33,000 facilities as we transition to a smaller organization.

However, the potential cost savings and sustainability benefits of fully implementing this program across the country are significant.

In FY 2010, Lean Green teams helped USPS save more than \$5 million by reducing energy, water and petroleum fuel use, and solid waste sent to landfills. Recycling postal-wide generated more than 222,000 tons of material, \$13 million in revenue and avoided \$9 million in landfill fees.

The money our employees are helping us save is crucial during these tough economic times. But just as important, and of great potential for our long-term benefit, is the fact that our Lean Green teams are bringing a culture of conservation to our organization. Their efforts are literally making us leaner, greener, faster, smarter!

## The 4-1-1 on Lean Six Sigma

Like any forward-thinking business, USPS is constantly working to improve its processes.

At the Postal Service, continuous improvement isn't just about solving problems. It's about understanding what *caused* the problem and using that information to reduce waste, and improve speed, quality, predictability and consistency in how work is done.

Lean Six Sigma is a proven approach to continuous improvement. We use it to become increasingly leaner, greener, faster, smarter, which improves our customers' experience and helps employees serve them better.

***Lean Green teams helped USPS save more than \$5 million by reducing energy, water, petroleum fuel and waste sent to landfills.***



**30 teams competed for the first-ever Postmaster General Sustainability Excellence awards. Categories were: waste reduction and recycling, energy efficiency, green transportation, green IT and green services.**

The “lean” portion of Lean Six Sigma focuses on increasing speed and efficiency by removing waste, such as unnecessary materials. Lean also ferrets out unneeded resources, whether human or natural, as well as wasted energy or time. “Six sigma” looks at improving quality and consistency by using data analysis to correct workflow variation and defects.

Using Lean Six Sigma, USPS has made measurable, significant improvements in workflow speed and accuracy, resource efficiency and business management. Its tools have helped us prioritize and then initiate projects with the greatest value, both from a business and a sustainability perspective.

The result is improvements that provide both the greatest *environmental* benefit and *financial* return on investment.

The Postal Service’s continuous improvement office coordinates training for field and management employees to become experts who can identify process problems, and then supervise teams that apply Lean Six Sigma methods to create work improvement solutions. Lean Green teams are part of this effort.

#### **WHAT’S UP? WATTS DOWN!**

Simple steps can add up to big energy savings, as the Miami, FL, Processing and Distribution Center proved by slashing its electric bill more than \$450,000 in FY 2010.

The plant’s Lean Green team coordinated installation of 3,300 energy-efficient light bulbs, and connected lighting and air-conditioning systems to a computer that synched the lights’ on and off times with mail processing equipment run times.

The team also led efforts to shut down an inefficient, energy-consuming chiller.

Posters throughout the facility raise employee awareness about specific, simple steps that lead to energy efficiency and cost savings in the workplace, which employees also can follow at home to save “green.”

#### **Recognizing performance — the Postmaster General Sustainability award**

In 2010, USPS recognized the value of employee contributions to its sustainability efforts with first-ever Postmaster General Sustainability Excellence awards.

Teams from across the country submitted detailed accounts of their sustainability projects, and more than 30 were nominated in these categories: waste reduction and recycling, energy efficiency, green transportation, green IT and electronic stewardship, and promoting and selling green services to customers.

Winning projects included zero waste initiatives, lighting upgrades, and greener and faster ways to print operational reports. Together, these teams’ efforts contributed more than \$23 million in savings and cost avoidance.

#### **USE LESS. MAKE MORE.**

USPS field managers know that helping reduce corporate energy and fuel use can save money and reduce our carbon footprint.

The Postal Service is the first federal agency to add energy and fuel reduction metrics to its managers’ annual pay-for-performance reviews. Facility energy and vehicle fuel are included in their national performance assessment scores each year.

#### **Employee diversity**

Diversity of people and perspectives is an important part of the Postal Service’s success. USPS is one of the leading employers in America for diversity — minorities make up 39 percent of our workforce. And 40 percent of our employees are women. The Postal Service also employs more than 4,000 employees with disabilities. *Black Enterprise* and *Hispanic Business* magazines rank the Postal Service as a leader in workforce diversity.



## Improving satisfaction — Voice of the Employee

We know that if we're going to engage employees, we need to listen to what they have to say. The USPS "Voice of the Employee" survey is intended to help that happen at all levels of our organization.

Our survey measures employee engagement — how well the Postal Service is engaging employees in the organization's mission and efforts, including our sustainability efforts.

In FY 2010, the survey revealed that while attitudes remain positive in many areas — 62 percent of our employees responded favorably to our efforts to engage them — there are opportunities to improve the quality and frequency of communication to employees about how they are performing individually, as well as how their units are performing, and about their contribution to USPS growth.

Several sustainability questions were added to this year's survey to gauge how employees perceive our green communications to them and the opportunities for them to get involved.

## FLEX WORK EQUALS SMALLER FOOTPRINT

USPS has a flexible work program for its headquarters and related field units that lets employees telecommute one or more days or to work an alternative schedule. This program increases employee retention and satisfaction, reduces commuting costs, lowers traffic congestion and provides for the continuity of Postal Service operations during emergency or severe weather conditions.

It also helps keep greenhouse gas emissions out of the atmosphere.

Since the program began, about 2,700 participating employees have avoided driving an estimated 4.7 million total miles per year and saved more than 230,000 gallons of gas, which equates to eliminating about 4.4 million pounds of greenhouse gas emissions.

## Employees engaging customers

Few organizations have the scope and reach of the Postal Service. We deliver to every community in America every day, touching the lives of millions of our citizens. USPS is consistently rated as one of the most-trusted federal agencies, and our employees work hard to keep that trust.

We have also asked our employees to help us build our business, an especially important request during these challenging economic times. We have developed outreach programs for our letter carriers, postmasters, station/branch managers, and mail processing and administrative employees to identify potential business leads.

*Business Connect* encourages postmasters and station/branch managers to meet with customers in their communities to highlight how USPS can meet their shipping needs.

*Customer Connect* and *Rural Reach* ask city and rural letter carriers to identify potential business leads on their routes.

*Submit-a-Lead* makes it easy for any USPS employee to tell us about businesses they believe would benefit from the Postal Service's products and services.

These programs have been very successful — generating 750,000 leads and more than \$800 million in revenue in FY 2010 alone, and nearly \$3 billion since they started. As much as these programs have made significant contributions to our bottom line, they also have benefitted our customers by making doing business with us quicker, easier and more convenient.

And that adds up to an improved customer experience.



*Fishing Creek, MD, Postmaster Jeanne Phillips explains USPS products and services during a Business Connect visit.*

***We have asked our employees to help us build our business by finding sales leads. In FY 2010, they generated 750,000 leads and more than \$800 million in revenue.***



***We have offered mixed paper recycling in our lobbies since 1995. Secure containers encourage customers to “read, respond and recycle” their mail in a convenient and environmentally responsible way.***

## Customer experience

Improving our customers’ experience doing business with us doesn’t end at our retail counters, our dock doors or even our customers’ front doors. It extends to every community we serve. We also are helping our customers with their own sustainability efforts.

That’s the message we carry in our lobbies and online at [usps.com/green](http://usps.com/green) — our website devoted to showcasing our efforts to be greener, as well as helping our customers be greener and save some green.

Improving our customers’ experience also means providing convenient services that save them time and money, and help them reduce their carbon footprint. It also means putting more sustainable materials into our stamps, packaging and products.

### ***usps.com/green***

On our website, we spotlight ways customers can save money, skip trips to the Post Office and help the environment. At [usps.com/green](http://usps.com/green), you can check out our green packaging, postage, shipping and delivery, and learn about ways to recycle both your mail and your unwanted electronic gadgets right in our lobbies.

Also at [usps.com/green](http://usps.com/green), business mailers can find out how to be “environmailists” and create effective direct mail and engagement campaigns that minimally impact the environment.

## CALCULATE SUSTAINABILITY SAVINGS

Skipping the trip not only adds convenience and saves time and fuel costs — it benefits the environment.

Our skip the trip calculator tells you the amount of fuel, money and greenhouse gas emissions you save based on how far you drive, the fuel efficiency of your cars and how often you go to the Post Office. Check it out at [usps.com/green](http://usps.com/green).



## Lobby mail recycling

Since 1995, we have offered mixed paper recycling in our lobbies. Secure containers encourage customers to “read, respond and recycle” their mail in a convenient and environmentally responsible way.

In FY 2010, the Postal Service expanded the program to 10,098 locations, an 81 percent increase from the previous year. Through this program, customers have helped keep about 22,000 tons of mail out of landfills, and earned USPS more than \$1.75 million in recycling revenue.

### ***Mailing back unwanted electronics***

Customers can recycle more than mail in our lobbies — 1,600 Post Offices participate in a postage-paid mailback program that lets people send their used cell phones, ink jet cartridges, digital cameras and small electronic devices to a national recycling center.



*Customers can recycle cell phones and small electronic devices using postage-paid MailBack envelopes.*

In FY 2010 alone, customers recycled 313,507 items, about 80,000 pounds of material. Since the program began in FY 2008, more than 1 million electronic devices and printer cartridges have been kept out of landfills!

This program benefits the environment, and it generates revenue for the Postal Service.

Looking ahead, we are exploring ways to offer a similar program on a larger scale to more Post Offices, as well as to other businesses and government agencies.



## Skip the trip

We make it easy for customers to do business with us from the comfort of their homes or offices.

Almost anything you can do at a Post Office, you can do online at [usps.com](http://usps.com) — from purchasing postage-paid shipping labels and scheduling a free package pickup, to changing an address or putting mail on hold, to buying stamps and ordering packaging and supplies. We encourage our customers to “skip the trip” and do it all through the Internet.

## HAVE A SHOE TO GRIND WITH US?

The great thing about recycling and repurposing is that innovative new products can be made from older items collecting dust in your house or office.

USPS is working with other sustainability-minded companies to develop additional product take-back programs that would reuse, repurpose and remanufacture items that would otherwise end up in landfills.

The Postal Service goes to every home and business six days a week — rain or shine. Imagine all the materials we could help our customers recycle, right from their doors.

Instead of *tossing out* those old running shoes, we're encouraging people to think about running on them after they're transformed into a new running track or tennis court.

## How are we doing?

We want every customer's experience to be a good one — online or in our Post Offices. So, we're streamlining every transaction we can and simplifying shipping options so using USPS is quick, easy and convenient.

In FY 2010, the Postal Service introduced a new customer experience measurement program that helps us better understand and improve our customers' interactions with us.

We're also measuring our speed and reliability by mail class, which gives our employees insights about how they can better serve

customers and help make USPS a more customer-focused organization.

Also, surveys go out to residential, small business and large business customers regularly to find out about their experience in several areas — sending and receiving mail, satisfaction with local Post Offices and how their most recent contact with USPS went.

Also, a survey invitation is now located at the bottom of our receipts, providing customers an additional way to give feedback. The surveys cover a wide variety of topics, including how good our service is, the quality of our products and services, and how satisfied customers are during their visit to the Post Office.

FY 2010 results will be used as a baseline for future measurements. Track our progress at [usps.com/serviceperformance](http://usps.com/serviceperformance).

## THE 24/7 POST OFFICE

USPS has 2,500 self-service kiosks called Automated Postal Centers (APC) available in postal lobbies in all 50 states. They provide easy access to postal products and services the same way ATMs provide convenient access to banking services.

Most of these self-service machines are available 24/7 and offer support for the hearing impaired. Customers can use them to do transactions quickly, while USPS retail associates are available at the counter to assist with more complicated transactions.

APCs help the Postal Service reduce wait-time-in-line and improve customer satisfaction. In FY 2010, APCs generated \$577 million, a 5.5 percent increase over the previous year.

As declining mail volumes require USPS to lower operating costs, it must reduce the number of Post Offices it maintains and switch to five-day delivery. APCs offer a convenient and sustainable solution for customers and the Postal Service.

USPS continues to explore ways to expand self service, and is currently testing at 12 retail stores a commercial kiosk that lets customers print postage and ship packages.

***We want every customer experience to be a good one — online or in our Post Offices. So, we're streamlining every transaction we can, and simplifying shipping options, so using USPS is quick, easy and convenient.***



Customers can use our Automated Postal Centers to purchase many of the same services available at our retail counters.



**The annual National Association of Letter Carriers' "Stamp Out Hunger" food drive — the nation's largest one-day drive — collects non-perishable food to help feed more than 35 million people.**

## Community connection

Our commitment to our communities is broad and deep. In cities and towns across the country, USPS employees donate their time to making their communities better places in which to live and work. Whether donating lifesaving bone marrow, distributing information about missing children or collecting food for the hungry, USPS employees are making a positive difference every day.

### Marrow Donor

Since USPS began its affiliation with the National Marrow Donor program in 1997, more than 50,000 postal employees and family members have joined the "Be the match" registry through the Postal Service's "Delivering the gift of life" program.

So far, 80 USPS employees have donated marrow.

One USPS employee — Chino Hills, CA, Rural Carrier Associate Yvonne Elizarraras —



*Chino Hills, CA, Rural Carrier Associate Yvonne Elizarraras, center, and her three daughters, from left, Celeste, Candice and Chelsea, with Santa Ana District Gift of Life coordinator Bob Lockovich.*

donated bone marrow to a 10-year-old boy she has never met, as he battles acute lymphoid leukemia.

When Elizarraras discovered she was a potential match, the mother of three mailed back the required materials the same day she got them. "I didn't want to delay anything," she said, because time was critical for the young boy.

After donating marrow, Elizarraras was told she might be called back to make a second donation. "I'd do it again!" she declares. "My fingers are crossed for that little boy!"

### More than 1 billion (pounds) served

The annual National Association of Letter Carriers' "Stamp Out Hunger" food drive — the nation's largest one-day food drive — collects non-perishable food to help feed more than 35 million people, including 12 million children, who face hunger every day in America.

The carriers, in partnership with the Postal Service, collected a record 77.1 million pounds of food during the FY 2010 drive. The results of the May event easily eclipsed the previous record of 73.4 million pounds set in FY 2009.

During the 18-year history of the food drive, more than 1 billion pounds of food have been collected for those in need.

### Postal Employee Relief Fund

Natural disasters and emergencies struck more than 30 states in 2010. Many USPS employees were victims of these events, which included Atlantic Coast blizzards, California mudslides and Tennessee floods, and turned to the Postal Employee Relief fund for assistance.



The fund was created more than 20 years ago in the aftermath of Hurricane Hugo and a California earthquake to help USPS employees in areas devastated by natural disasters and wildfires.

The program is administered by the Postal Service and its unions and management associations and is supported financially by employees through donations and payroll deductions to the Combined Federal Campaign.

Since its inception, the fund has provided more than 3,000 grants totaling nearly \$15 million to USPS employees and retirees.

### **Combined Federal Campaign**

Every year the Postal Service participates in the Combined Federal Campaign, the world's largest annual workplace philanthropy program. It provides federal employees with an opportunity to help improve the quality of life for others less fortunate.

In FY 2010, postal employees pledged \$32.1 million to support nonprofit organizations of their choice.

### **Have you seen me?**

This year marked the 25th year that USPS has participated in the "Have you seen me?" program that helps locate missing children. As part of the effort, USPS delivers mailed information to Americans in six different regions in the U.S. Each flier features 25 missing children specific to that part of the country.

Since 1985, the Postal Service, the National Center for Missing and Exploited Children and Valassis, which created the mailer, have worked to reunite missing children with their families through the power of the mail. An estimated 800,000 children in America are reported missing each year. That's more than 2,000 every day, according to the center.

As a result of leads generated by this program, 149 children have been safely returned to their families.

### **SUPPORTING BREAST CANCER RESEARCH**

In addition to using stamps to commemorate people, events and places, the Postal Service issues them to help fund causes mandated by Congress. For 12 years, the proceeds from our Breast Cancer Research stamp, a 55-cent semi-postal stamp, have gone to support breast cancer research.

The sale of more than 894 million stamps has raised \$70.8 million for breast cancer research. This year alone, USPS sold more than 28 million stamps and raised more than \$3 million.



***Postal employees pledged \$32.1 million this year through the Combined Federal Campaign to support nonprofit organizations.***

### **Extending our commitment**

The Postal Service invites you to follow our ongoing efforts to be socially and environmentally responsible in the communities in which we live and serve. Please explore additional community connections on our website at [usps.com](http://usps.com).





*The Postal Service operates the world's largest civilian fleet — more than 215,000 postal vehicles and 42,000 contract vehicles.*



# OUR NETWORK

Every day, USPS processes and distributes nearly half of the world's mail. In FY 2010, we delivered nearly 171 billion letters and packages.

While that number is impressive, it represents a 20 percent drop in mail volume over the last three years. To address this precipitous decline and the changing behavior of our customers in the digital age, we must continue to rightsize our network.

We are doing that through more efficient sorting and processing, better route management and increased use of alternative fuels. We also are reducing the number of processing facilities and equipment, and the energy needed to power them.

We are making important strides toward achieving our sustainability goals. We're improving, but we know we need to do more to increase our speed and accuracy, reduce our dependency on petroleum fuel, pull more waste out of our networks and replace the money we spend on landfill costs with recycling revenue.

## Mail processing and delivery

In 2010, we expanded our focus on energy efficiency and cost reduction by further streamlining the facilities and equipment we use to process mail. And we introduced several information and digital technologies that make mail processing faster and smarter.

### We configure it out

As part of streamlining our transportation networks, the Postal Service made significant changes to our bulk mail center network, transforming these buildings into network distribution centers. We refurbished sorters, improved conveyor systems, deployed high-speed tray sorters and removed unneeded machines.

We also are adding automation capabilities to our small parcel and bundle sorters that will extend their service life another 10 years.



Letter carrier Michael Rounds, Alexandria, VA.

New features include a barcode reader, optical character reader and other modifications. With this configuration, these machines can properly stage packages for scanning.

Ten of the automated parcel and bundle sorters were deployed during fall 2010 and the remaining 180 are scheduled to begin deployment in summer 2011.

We're also increasing use of address recognition software, which reduces the number of facilities needed to process mail that can't be read by automated sorting equipment. And that reduces our energy use and costs.

### Leaner facilities, greener savings

As mail volume falls, we need fewer facilities to process fewer pieces of mail. In FY 2010, we reduced the number of mail processing and distribution centers by eight, to 260.

We also closed all but one of our airport mail centers. Surface mail can be sorted through fewer facilities, allowing us to more efficiently use ground transportation, save facility energy costs and reduce GHG emissions.

**Every day, USPS processes and distributes nearly half of the world's mail. This year, we delivered nearly 171 billion letters and packages.**



The unprecedented volume decline also has affected the number of shipping containers needed to move the mail. So, we have realigned our mail transport equipment service centers. Eight of the 23 were closed, processing operations in the remaining 15 were consolidated and the transportation network was redesigned.

As a result, the number of trips using highway contractors to carry mail transport containers was reduced by 143,780 per year, a significant savings.

### **Reuse, reduce, recycle**

USPS recycles mail transportation equipment when it can't be used anymore. This year, we recycled many, many plastic, cardboard and metal transport containers — an environmental and financial benefit — allowing us to avoid costly landfill fees and earn recycling revenue.

Additionally, worn-out wood and chipboard pallets were recycled or repurposed into new products, including bio-fuels, composting materials and long-life building products, such as decking.

Total FY 2010 revenue from mail transport equipment recycling and repurposing was more than \$1.2 million.

### **CREATIVE ENGINEERING**

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Parts wear out and need to be replaced. That's an accepted fact for employees who maintain our mail processing machinery. But finding ways to extend a part's lifetime also is part of preventive maintenance.

USPS saved \$1.8 million by extending the belt life on sorting machines by creating a custom device to keep correct tension on the belts.

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### **Unplug that machine!**

The most cost-effective ways to reduce energy costs are to improve how we use our machinery and by removing unneeded systems

from service. We also continually evaluate equipment to make sure run times match workloads.

Due to mail volume declines, we eliminated nearly 900 processing machines this year, including cancellers, large envelope sorters, labeling machines and barcode sorters. We also added 100 new systems to automate processing of large envelopes.

And we're on track to deploy more than 500 systems to improve mail flow through our facilities.

In addition, we recycled more than 650,000 pounds of obsolete stamp vending machines, keeping them out of landfills, and generating nearly \$100,000 in revenue.

USPS engineering and maintenance employees chalked up a savings of \$1.8 million a year by extending the life of belts used on one of our large envelope sorting machines by developing a device that keeps proper tension on the belts. That one change increased belt life by a factor of at least three, and in some cases seven. It also reduced jams and missorted mail.

### **Smarter sorting**

One way we're using Lean Six Sigma to improve our sustainability performance is through web-based software that lets us make better use of our sorting programs by consolidating letter mail into fewer trays. That minimizes the number of partially filled trays, and allows us to send more mail on fewer trips, saving fuel, maintenance costs and reducing GHG emissions.

In FY 2010, this software was used for outgoing letters. Future releases will be used for incoming letters, large envelopes and packages.



## Intelligent Mail

Intelligent Mail is a barcode and IT system used to improve mail routing, tracking and service. It lets high-volume mailers track the progress of their mail through processing and delivery.

The first Intelligent Mail offering has been very effective in helping businesses develop highly targeted marketing campaigns that increase customer response rates and reduce marketing costs, time spent and materials wasted.

Intelligent Mail has been recognized by *InformationWeek* as a “Government IT innovator.”

The publication said, “The U.S. Postal Service’s Intelligent Mail service...represents a new era for the 230-year-old mail system,” and is “more efficient while giving mega users, such as banks and retailers, better visibility into their direct mail efforts.”

## Transportation fuel

USPS serves more than 150 million delivery points, along 230,000 routes, six days a week. To collect, transport and dispatch this mail, we operate the world’s largest civilian fleet, more than 215,000 postal vehicles, logging 4 million miles a day. We also use more than 42,000 additional contract vehicles.

In FY 2010, the USPS petroleum fuel bill for all postal-owned and contracted transportation — street, highway and air — totaled \$1.7 billion for more than 650 million gallons.

We closely watch the price of fuel, and continually explore ways to drive our routes in a more fuel- and cost-efficient manner. Less fuel consumption means lower operating costs and less business risk as fuel prices rise.

But reducing our petroleum dependency is more than risk and cost management for the Postal Service. It’s about honoring our social and environmental responsibilities as a leading 21st century business. After all, less fuel

used means less greenhouse gas emissions from vehicle tailpipes, which benefits the environment and makes the air we breathe cleaner.

## Fuel performance goals

The Postal Service is working to reduce petroleum fuel by postal-owned vehicles 20 percent by FY 2015. We also want to increase alternative fuel use 10 percent annually by FY 2015. We’re measuring both goals against FY 2005 baselines.

***The Postal Service is working to reduce petroleum fuel use by postal-owned vehicles 20 percent by FY 2015.***



Washington, DC, Letter Carrier Michael Bryant fueling his delivery vehicle.



**USPS operates the nation's largest fleet of alternative fuel-capable vehicles — more than 44,000 — that can run on electricity, ethanol, compressed natural gas, liquid propane and bio-diesel.**

We pursue these goals as a business sustainability leader and to comply with a federal agency requirement under the 2007 Energy Independence and Security Act.

Our third goal, to reduce our contract vehicle petroleum fuel use 20 percent by FY 2020 against a FY 2008 baseline, is a voluntary effort in collaboration with our supply chain network.

#### **GREENER DELIVERY**

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USPS continues to seek congressional approval to reduce delivery frequency from six to five days a week to align with declining mail volumes. This strategy could help reduce our annual petroleum fuel use by 20 to 25 million GGE.

And it could potentially reduce our carbon footprint by about 315,000 to 500,000 metric tons of greenhouse gas equivalent per year, similar to taking 60,000 to 95,000 gas-powered passenger cars off the road for a year.

If five-day delivery is approved, USPS could save an estimated \$3 billion in total annual operating costs. Learn more at [usps.com/five-day-delivery](http://usps.com/five-day-delivery).

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#### **Reducing postal vehicle petroleum fuel use**

One particular sustainability challenge we face is our ever-expanding delivery network.

While total mail volume is decreasing each year, the number of addresses we deliver to is increasing by 1 million every year. And that has made reducing our petroleum fuel use difficult.

As of FY 2010, we're not on track to reduce postal-owned vehicle petroleum fuel use 20 percent by FY 2015, and this goal is proving to be more challenging than any other.

We used 145.6 million gasoline gallon equivalent (GGE) of petroleum-based fuels this year. While that represents only a tiny increase from the previous year, the necessity to deliver to a million new addresses each year means we've increased our total use by 3.5 percent since the FY 2005 baseline.

We continue to implement fuel reduction initiatives, including route optimization, network consolidation, carrier engagement and Lean Green team projects.

Our proposal to reduce weekly delivery service by one day to better match reduced mail volume has the largest potential for lowering our fuel use. That, however, will require congressional approval.

#### **Increasing alternative fuel use**

The Postal Service has a longstanding tradition of testing and using more effective methods of transportation, from the Pony Express to airplanes. We introduced the first electric delivery vehicle to our fleet in 1899. In New York City, we've used 30 electric 2-ton vehicles since 2001.

USPS operates the nation's largest fleet of alternative fuel-capable vehicles — more than 44,000 — that can run on electricity, ethanol, compressed natural gas, liquid propane and bio-diesel.

From FY 2009 to FY 2010, we replaced 6,558 older gasoline-powered vehicles with more fuel-efficient ones. We also increased our use of alternative fuels in postal vehicles to 2.2 million GGE, a 9 percent increase from FY 2009. That is a 133 percent increase in use of alternative fuels since our FY 2005 baseline and far exceeds our FY 2015 federal agency target of 10 percent.

Tests are under way on a hybrid electric step van from Azure Dynamics. It joins an existing hybrid electric fleet of 10 Ford Escapes, 533 Chevrolet Malibu and 370 Ford Fusion vehicles.

Five companies are participating in a pilot program to convert USPS gasoline long-life vehicles to battery power. Each company has developed its own electric prototype for testing in summer 2011.



USPS also delivers mail using one of the most energy-efficient ways possible: walking. Our carrier “fleet of feet” delivers mail door-to-door by walking nearly 9,000 mail routes every day. We also have nearly 80,000 “park and loop” routes where carriers deliver mail on foot after driving to neighborhoods.

### ENERGY EFFICIENT MANAGERS

The Postal Service was the first federal agency to include energy and fuel reduction metrics in its managers’ pay-for-performance system. In FY 2010, we added energy and fuel reduction to our national performance assessment, which is used to determine postal managers’ merit pay raises. These indicators measure progress toward USPS facility energy and fuel reduction goals.

### Reducing contract vehicle petroleum fuel

USPS is making progress in our efforts to use 20 percent less contract vehicle petroleum fuel by FY 2020. That includes fuel used by highway contract vehicles, employee-owned vehicles

used to deliver mail and fuel used for mail transportation by rail, ship and air.

This year, contract vehicles consumed more than 550 million GGE of petroleum, a 3.5 percent decrease from the previous year, and a nearly 5 percent decrease from our FY 2008 baseline.

Reducing contract transportation fuel has the potential for significant environmental and financial savings. This year, contract vehicle fuel accounted for nearly 79 percent of our petroleum fuel use, 60 percent of total energy use and 41 percent of our total greenhouse gas emissions. Also this year, the cost of contract fuel went up 18 percent.

Because of the significant cost and environmental impact of contract fuel, we’ve set fuel and greenhouse gas reduction goals for contract transportation.

To help us meet those goals, we’re moving mail from air and rail to ground transport, taking advantage of our logistics network to reduce



*The Philadelphia Processing and Distribution Center.*



***The Postal Service has two aggressive facility energy goals — to reduce our total energy use and our energy intensity 30 percent each by FY 2015 from an FY 2003 baseline.***

routes and total miles driven, and working with suppliers to get contract drivers to adopt cost-effective fuel reduction habits.

Reducing the number of trips and eliminating underused transportation helped us lower our highway contract route travel by 4.5 million miles in FY 2010.

### **Greener facilities**

The Postal Service is committed to reducing waste and energy and water use throughout our facilities network — in our Post Offices, processing plants and administrative offices. Our goal is to deliver the mail with the lowest costs and minimal impact on the environment.

We analyze all aspects of resource management and efficiency. That includes building design and upgrades, energy and water use, and employee efforts to consume less energy and reuse, recycle and conserve materials.

### **Achieving energy goals**

The Postal Service has two aggressive facility energy goals — to reduce our total energy use and our energy intensity 30 percent each by FY 2015 from an FY 2003 baseline.

We are well on our way to achieving these goals.

Since FY 2003, USPS has reduced total facility energy use 9.9 trillion Btu, a 29.4 percent reduction. That's nearly the total energy used by 100,000 average U.S. households in a year.

We've also reduced our energy intensity — our energy use per square foot of building space — by 28.3 percent since FY 2003.

Big energy reductions mean big savings. We've avoided more than \$400 million in energy costs since FY 2007.

### **Secrets to success**

So how does an organization as big as the Postal Service save so much energy? First, we design and construct our facilities with

energy performance and leading international standards in mind. Then, we manage our buildings and equipment using high energy-efficiency policies and guidelines.

We conduct facility audits to evaluate the energy we use and identify opportunities to further reduce energy consumption. Since FY 2007, these audits have helped us identify potential energy reductions of nearly 3 trillion Btu per year, with potential cost savings of more than \$150 million per year.

USPS uses two energy management data systems to identify utility consumption and cost reduction opportunities, increase efficiency and improve energy planning. These systems help increase accuracy in measurement and performance reporting.

We continually search for and invest in facility upgrade projects that significantly reduce our energy bills and pay back that investment quickly. In FY 2010, USPS initiated more than 250 energy conservation projects that averaged a 17 percent return on investment in less than five years.

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### **WHAT GETS MEASURED, GETS MANAGED**

Our Enterprise Energy Management System will establish the Postal Service as a leader in the public sector for leveraging technology to encourage responsible, energy conscious behavior. This system will help the Postal Service measure, monitor and manage energy use, including real-time building equipment and system energy performance. Monitoring our energy usage and trends will improve our ability to manage energy, as well as identify and take advantage of future cost-saving opportunities

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### **Renewing an ongoing challenge**

The Postal Service views renewable energy as a part of its sustainable operations, and currently operates energy projects in several states that include solar photovoltaic, fuel cell, geothermal and combined heat and power generation technologies. Although experience





*Replacing seals on dock doors is just one way USPS is reducing energy costs across the country.*

has shown us that energy conservation is often a better investment than site-specific renewable energy projects, we continue to explore and pursue renewable energy solutions throughout the country where it is economically viable and creates an environmental benefit.

### **Turning down the tap on water use**

Overall water use by the Postal Service is quite low, even though we operate thousands of facilities across the country. Most of the water we use is for restrooms, with minimal amounts for irrigation, cooling and maintenance. We use high-efficiency, low-flow plumbing fixtures that are in line with EPA's WaterSense guidelines and our own building design standards.

Our goal is to reduce total water use 10 percent by FY 2015, against an FY 2007 baseline. This year, we estimate that we consumed 4.8 billion gallons of water. That is a 1.3 percent decrease from FY 2009, and a nearly 11 percent decrease since our FY 2007 baseline year.

We added 1,500 additional facilities to our utility management system in FY 2010 and improved the way we calculate water use. We're continuing to add postal facilities to the system, which will increase the accuracy of our

data and our ability to conserve more water — a good environmental and financial return on investment.

Although we've surpassed our 10 percent reduction goal, we know we can improve even more. We're exploring an even more aggressive water reduction goal in FY 2011.

### **COMMON SENSE EFFICIENCY**

A number of the water and energy conservation opportunities in postal facilities are the same good habits many of us practice at home, often at little cost. They are as simple as properly setting thermostats or turning off lights and faucets.

USPS Lean Green teams are implementing more than 40 of these projects, and creating new ones to conserve resources and reduce expenses.

### **Sustainable construction and facility upgrades**

In addition to our ongoing commitment to operate high-performance sustainable facilities, we also want our new spaces to be high performance. From new buildings to significant renovations, our facilities exceed the energy-efficiency requirements of the leading building energy standard set by the American Society of Heating, Refrigerating and Air-Conditioning Engineers.

Our building design standards are updated each year to strengthen energy performance requirements and include environmentally preferable materials and technologies. We require low volatile organic compound paints to improve air quality, recycled-content materials to minimize waste, and low-flow plumbing fixtures and native plants to save water.

***We continued to upgrade lighting in mail processing facilities nationwide this year by installing energy-efficient fluorescent lighting and lighting controls.***



Our facility energy upgrades include replacing older high-energy lights with energy-efficient lighting, as well as heating, ventilation, air conditioning systems and compressed air systems. We also upgrade the system controls necessary to help produce the savings.

In 2010, we continued to upgrade lighting in mail processing facilities nationwide by installing energy-efficient fluorescent lighting and controls. And we continue to use even more efficient light-emitting diode lighting.

### **HOW GREEN IS OUR ROOF? — ONE YEAR LATER**

Our FY 2009 Sustainability report highlighted the green roof installed on the Morgan Processing and Distribution Center in the heart of New York City. The facility also replaced 1,600 windows and deployed other energy-saving enhancements. One year later, the project continues to exceed its targets.



*Our green roof in  
Manhattan.*

The energy-saving measures were projected to save \$30,000 annually in heating and cooling expenses. However, the project has saved more than \$1 million in the first year.

The increased savings are attributed to a 40 percent reduction each month in energy use and an average decrease in energy expenses of 15 percent since the project was completed.

Other environmental goals of the green roof, such as reducing the amount of storm water runoff by as much as 70 percent in summer and 40 percent in winter, also are on track. USPS is pursuing LEED and other high-performance and sustainable building certifications for the Morgan facility.

### **Green building certification**

The U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) certification requires that a facility be constructed or upgraded, and demonstrate

continued operation and management, according to a wide range of green building guidelines.

These include eliminating irrigation, reducing energy consumption and waste generation, developing a green purchasing program, using environmentally preferable cleaning supplies, salvaging and reusing materials, using natural lighting and incorporating a mix of innovative environmental features.

The Postal Service's design standards and criteria for sustainable construction meet and in many cases exceed the requirements for LEED.

Over the past few years, USPS has received LEED green building certifications for several facility expansions. In FY 2010, our Greenville, SC, mail processing facility received LEED Gold certification and the Eagan, MN, mail processing facility received LEED Silver certification.

The Postal Service is now focused on reducing the size and number of its facilities in response to declining mail volumes. However, any new building we construct in the future will conform to LEED guidelines.

### **Waste not, dispose less**

The Postal Service paid about \$38 million this year to dispose of solid waste. We offset nearly \$15 million of those costs through waste prevention efforts and recycling revenue. We're working hard to reverse those statistics — to earn more through recycling and pay less for disposal.

Becoming leaner and greener requires re-thinking waste in all aspects of our business. We want to visualize throwing away waste as throwing away money, and recycling as a way to earn money.

Our goal is ambitious: to reduce the amount of waste we send to landfills by 50 percent by FY 2015, compared to an FY 2008 baseline. There are two ways to do this: generate less



waste and save money or increase recycling and make money. We are committed to both.

But reaching these goals depends on more than our own performance. We are engaging our customers to help us by asking them to discard unwanted mail in Post Office lobby recycling bins instead of our trash cans. This year, our lobby mail recycling program kept 22,000 tons of mail out of landfills and generated more than \$1.75 million in recycling revenue.

We're also asking our suppliers to continue to help by using more sustainable packaging, so we can recycle it instead of adding to our waste stream and landfill costs.

### **Keeping waste out of landfills**

In FY 2010, USPS generated 463,000 tons of solid waste. About 48 percent of our waste stream was undeliverable Standard Mail that couldn't be forwarded or returned. The Postal Service worked hard this year to keep 53 percent of our total solid waste out of landfills, recycling 48 percent of it and diverting 5 percent to be converted to energy.

Our recycling initiatives now extend throughout our network — 20,000 Post Offices have facility recycling programs. And 11,000 are involved in backhauling, which increases recycling revenue. More than 10,000 locations offer customers lobby mail recycling, an 81 percent increase from FY 2009.

These efforts continue to reduce our solid waste costs and our impact on local landfills across America, as well as our global carbon footprint. And while we celebrate our success, we're still searching for better ways to measure the waste we generate, and to track our recycling performance over time and across our 33,000 facilities.

We're also analyzing tough questions. Why did we generate 463,000 tons of waste in FY 2010? How did nearly 218,000 tons make it to

landfills? Is it due to more waste generation or less recycling? This information is important to know for environmental and financial reasons.

While we've made progress, with a 6 percent reduction in waste to landfill from our FY 2008 baseline, achieving our goal of an additional 44 percent reduction in five years will be very challenging.

We're going to focus on waste prevention instead of waste management, and on doing more with fewer resources. We will continue to expand our lobby mail recycling programs and engage our customers in our recycling efforts.

### **MATCHING ADDRESSES REDUCES WASTE**

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When customers move their home or business, they complete a change-of-address form at [usps.com](http://usps.com) or their local Post Office. And their First-Class Mail follows them.

When it can't be forwarded, it's returned to the senders and becomes part of their waste stream. But processing this undeliverable-as-addressed mail still uses extra fuel and energy.

To reduce this mail and the resources and costs of dispensing of it, USPS created the "move update" standard, which requires large mailers to match their address records with USPS change-of-address records more frequently. Updating mailing lists with a customer's current address stops it from becoming part of our undeliverable-as-addressed volume.

*Standard Mail* that can't be delivered as addressed works differently. It becomes a part of our waste stream and adds to our costs. This year, about 220,000 tons of undeliverable Standard Mail added significantly to the waste produced by our operations.

In FY 2008, there were 6 billion pieces of mail treated as waste. That same year, USPS expanded the "move update" program to include Standard Mail. In FY 2010, mail waste decreased by more than 2 billion pieces, a 33 percent decrease.

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***Becoming leaner and greener requires re-thinking waste in all aspects of our business. Throwing away waste is throwing away money. Recycling is making money.***



***Our long-term waste management goal is this: become a zero-waste organization and help our business customers and suppliers do the same.***

### **We've been recycling a long time**

The Postal Service was recycling long before there was a universal symbol for it.

Instead of paying to dispose of used materials as solid waste, USPS districts across the country use innovative ways to recycle more, share their best practices and generate recycling revenue for the Postal Service.

Better waste management progress requires more than just hard work. It requires leaner and greener thinking that enables us to act faster and smarter.

It takes figuring out how to match our efforts to the enormous size of our operations and number of facilities. And it requires creative ideas from our employees and Lean Green teams.

### **Backhauling to the future**

Backhauling means taking advantage of the available space on postal vehicles during their daily return trips to a central USPS facility to transport materials, such as mixed paper, old corrugated cardboard and plastic wrap, which will be recycled from the central facility.

Sometimes, the vehicles can take them directly to a paper mill that purchases recyclables.

This enables facilities that are geographically spread out and don't have recycling facilities near them to participate cost-effectively in our efforts to increase recycling organization wide.

In FY 2010, more than 11,000 USPS facilities across the country used backhauling to reduce the volume, frequency and costs of solid waste disposal and hauling.

They are keeping valuable recycled materials from being sent to landfills, and generating revenue. These facilities also are avoiding the transportation fees usually subtracted from that revenue. And they are doing it without adding costs to the Postal Service.

Looking to the future, USPS is exploring a wide range of other materials we could backhaul. We are also asking our customers for ideas. Given our broad reach, visiting every U.S. address, the sustainability possibilities are significant.

### **BURRPING BOOSTS REVENUE**

Postal employees have been recycling long before it was fashionable or profitable, helping USPS send less waste to landfills.

But an effort under way in one of our Florida districts has employees not only recycling paper at work — but bringing it in from home as well.

The program is called "Bring UR Recycled Paper," BURRP for short. Employees receive BURRP bags to help them carry newspapers and other recyclable paper from home to work. It's then collected and sold to a recycler. Employees get to contribute to the recycling effort, and USPS generates revenue.

### **Zero waste is our goal**

Our long-term waste management goal is this: become a zero-waste organization and help our business customers and suppliers do the same.

We want to not only generates less waste, but divert the waste we do have out of landfills. In addition to recycling, we're working to turn more waste into energy.

We also intend to consider waste *before* we purchase supplies, and choose *only* supplies that can be fully consumed, reused or recycled.



## Working with suppliers

A key element of our sustainability effort is to help our customers and suppliers adopt more sustainable practices. The size of our supplier network and our purchasing power allows us to influence our supply chain partners to use more sustainable products and services.

### GREENER AND KLEEN-ER

In our ongoing effort to minimize waste generation and reduce our carbon footprint, USPS worked with Safety-Kleen, a provider of environmental services, oil re-refining and cleaning solutions, to help us recycle used oil and solvents at our vehicle maintenance facilities.

In FY 2010, these efforts helped us recycle 2.7 million gallons of used oil, 2.6 million gallons of oily water, more than 227,000 oil filters and nearly 20,000 gallons of solvent — an amount equivalent to preventing 22,396 metric tons of greenhouse gas from entering the atmosphere.

## Using sustainable suppliers

USPS uses a Lean Six Sigma approach to continuously improve our supply chain integration. We're rightsizing our supplier base, as well as focusing on collaborating and doing more business with suppliers who share our commitment to operating eco-responsibly and improving long-term sustainability performance.

Our collaborative efforts include sharing knowledge, data, resources and goals across activities ranging from product design, sourcing, purchasing, reuse and recycling, and public reporting.

## Sharing performance goals

We have established two goals to reinforce sustainability as an increasing expectation for doing business with us. Baselines for both goals will be established in FY 2011.

First, we want our suppliers who have contracts for more than \$500,000 to provide their sustainability data by FY 2015. This data will guide us as we purchase more sustainable products and materials, and improve our visibility into the performance of our suppliers' sustainability business practices.

This year, we launched a Postal Supplier Council sustainability task force to develop measurements and policies to help us capture and report this data.

The second goal is to include standard sustainability clauses in all new contracts by FY 2015. Although these clauses will not mandate sustainability practices, they will encourage suppliers to provide innovative supply chain practices that help the Postal Service become leaner, greener, faster, smarter.

## Pushing the envelope with Cradle-to-Cradle certification

Cradle-to-Cradle<sup>CM</sup> is a globally recognized scientific certification. It grades the materials and processes used to design and manufacture products against comprehensive sustainability criteria. They include impact on human and environmental health, renewable energy use, water stewardship, recycled/renewable content, toxicity and social responsibility.

The Postal Service is the only mailing and shipping company worldwide to earn Cradle-to-Cradle certification for our postage and shipping products — meaning they are safer for human health and the environment.



***The Postal Service is the only mailing and shipping company worldwide to earn Cradle-to-Cradle certification for our postage and shipping products — meaning they are safer for human health and the environment.***



***We go to every U.S. address, so FedEx and UPS often use our “last-mile” network. That eliminates the necessity of three delivery vehicles driving around neighborhoods, reducing total fuel requirements and lowering greenhouse gas emissions.***

In FY 2009, USPS achieved silver Cradle-to-Cradle certifications for more than 800 million USPS-branded products. This year, we certified more than 26.3 billion total products across 114 lines, including Priority Mail, Express Mail, ReadyPost packaging, postage stamps and all stamped products.

To do this, we have collaborated with more than 200 suppliers to obtain independent, third-party verification against the Cradle-to-Cradle certification requirements — including analysis of more than 250 materials and 1,400 individual ingredients. Maintaining these high supplier sustainability standards is now an integral part of their doing business with the Postal Service.

USPS provides customers with many Cradle-to-Cradle certified products and mailing supplies free. They include Priority Mail and Express Mail Flat Rate boxes and Flat Rate envelopes. They are available in your local Post Office and online at [usps.com/shop](http://usps.com/shop).

To learn more, check out our Cradle-to-Cradle video at: [usps.com/green/video](http://usps.com/green/video).

### **Competitors, but also collaborators**

Most people think of FedEx and UPS as Postal Service competitors. However, they also are strategic collaborators, and together, we are reducing the time it takes, the costs we all incur and the carbon footprints we create to deliver our products. In the process, we are saving our customers money and adding convenience for them.

The Postal Service already goes to every U.S. address, so FedEx and UPS often use our “last-mile” network to reduce having three delivery vehicles driving around all those neighborhoods. This partnership lowers the total fuel required to make these deliveries and lowers all of three of our greenhouse gas emissions.

And you may not know this, but our collaboration includes the Postal Service using FedEx planes to fly some of our packages across the country and around the world.

Also this year, the Postal Service and UPS completed a successful pilot program that lets UPS customers return merchandise to participating merchants using USPS mailboxes and Post Offices. UPS drivers then pick up these specially labeled packages at Post Offices and transport them back to the retailer.

Collaborative efforts like these could significantly increase business-to-customer and business-to-business product recycling programs — the sustainability wave of the future.

How about this for a customer convenience: What if the Postal Service collaborated with FedEx and UPS to enable their customers to use local Post Offices as alternate addresses when they can't be home to sign for packages?

This would save their customers time and fuel by not having to retrieve their packages from FedEx or UPS locations. It also would reduce their carbon footprints, and provide the Postal Service with needed revenue.



### Encouraging a diverse supply chain

USPS continues to use a diverse supplier base, and is committed to working with small, minority- and women-owned businesses.

We were chosen as one of America's top organizations for multicultural businesses for 2010 by *DiversityBusiness.com*, the nation's leading multicultural business-to-business website.

Fortune 500 companies and government agencies were selected based on the business opportunities they provide to minority-owned businesses.

More than 600,000 women- and minority-owned businesses voted in the online election. USPS was ranked as the second leading government agency for providing exceptional multicultural business opportunities.

This recognition marks the sixth consecutive year the Postal Service has been named as one of the two top government agencies, and its 10th consecutive year in the top 10 list.

### Honoring supplier sustainability performance

Each year, USPS honors supplier achievements that have enabled us to become leaner, greener, faster, smarter. The Postal Service recognized 13 companies this year for helping to reduce our costs, enhance our performance and provide us with innovative and sustainable business solutions.

The Supplier Sustainability Excellence award recognizes suppliers specifically for their measurable achievements in helping the Postal Service improve its sustainability performance and reduce its carbon footprint.

Marriott Hotel Services was the recipient of the 2010 award for their work on greening the Postal Service's National Employee Center for Development in Norman, OK.

Marriott used extensive green purchasing and operational practices at the center, and made innovative use of recycled materials. The company's efforts to reduce waste at the center saved USPS nearly \$1.5 million in costs.

***USPS was selected as one of America's top organizations for multicultural business for 2010 by DiversityBusiness.com, the nation's leading multicultural business-to-business website.***





*Morgan green roof in  
New York City.*



# OUR COMMITMENT

For more than 235 years, the Postal Service has provided trusted, dependable mail delivery to America, and has helped bind the nation together through some of its most challenging times.

Today, from the Eastern seaboard to Hawaii, from the far reaches of Alaska in the north to the bottom of the Grand Canyon in the southwest, the Postal Service is building on our commitment to the American people.

And we're increasing our efforts to deliver the mail in an environmentally and socially responsible way.

We are using our resources wisely and more efficiently by buying green products and services and offering them to our customers. We are collaborating with our stakeholders so that all of us are greener. And we're working hard to achieve our sustainability goals and reduce our carbon footprint, while helping our customers do the same.

Learn more about our progress in the performance summary in this report and online at [usps.com/green](http://usps.com/green).

## Product stewardship

The Postal Service is committed to providing sustainable products and services to our customers to help them save money and time, and to help them lower their carbon footprint.

We have two goals to extend our product stewardship commitment throughout our operations: purchase more sustainable products and use fewer consumable materials.

To advance this green plan, we will collaborate with our suppliers to improve the sustainability of the products and services they provide us, and we will increase our own efforts to have leaner and greener supply management systems and sustainable purchasing behavior.

## Expanding our green purchasing program

The Postal Service purchases a wide range of sustainable materials and products. We use water-based inks to print stamps, buy soy-based inks and use recycled paper from sustainably managed forests to make our expedited shipping products.

For our vehicles, we use refined bio-based oil, alternative fuels and retread tires. We buy green cleaning products for our Post Offices and plants. And we print on both sides of post-consumer recycled paper.

Sustainable purchasing isn't a new concept for us. We developed a "buy green" policy more than 14 years ago, and publicly released a green purchasing plan in FY 2008 that provides guidelines and tools to help us implement green purchasing at the national and local levels.

USPS continually searches for opportunities to purchase more sustainably, and where possible, reduce the amount we purchase. This year, we established two goals to make our purchasing leaner, greener, faster and smarter.

## Greening supply management systems

The first goal is to make our supply management systems greener.

We worked with 3,200 suppliers to fully implement eSourcing, reverse auctions that allow us to get the best deals for products and services. This automated system greatly reduces the amount of paper we use, and improves the speed and accuracy of our supply management processes.

Also in FY 2010, we completed deployment of eBuy2, our online supplies ordering system. It averages 7,000 invoices a day and \$12 million in invoices a week. eBuy2 helps us manage the quantity of goods and services we purchase, and provides us a comparative shopping



***In addition to purchasing more sustainable materials and products, the Postal Service is reducing our use of consumables — office, custodial and maintenance supplies.***

tool that ensures the lowest price. We intend to reduce the consumables we use, and balance a product's cost-effectiveness with its environmental attributes.

Another way USPS is saving green is by adding “environmental product indicators” to many eBuy2 catalog items to encourage use of these environmentally preferable purchasing options. These indicators signal that a product is energy or water efficient, toxic free, bio-based, “eco-labeled,” third-party green certified or contains recycled/reused content.

Our goal is to increase the number of environmentally preferable products by 50 percent by FY 2015. This is compared to a FY 2010 baseline of 11,000 products.

We believe increasing the availability of these environment preferable products will increase our sustainability-focused purchasing behavior.

We ask our employees to buy environmentally preferable products when price and quality are comparable to products that don't meet this standard. The Postal Service spent nearly \$239 million in FY 2010 on these environmentally preferable products and services.

In FY 2011, we'll continue making the eBuy2 catalog leaner and greener by reducing the total number of items available and removing those that don't align with our sustainability focus.

## **Buy less, consume less**

In addition to purchasing more sustainable materials and products, the Postal Service is focusing on using fewer products overall, and particularly on reducing our use of consumables — office, custodial and maintenance supplies.

Our goal is to reduce spending on consumables 30 percent by FY 2020 from the \$508 million we spent in FY 2008. Not only are we on track to achieve this goal, postal employees are knocking it out of the park!

USPS has reduced consumables spending nearly 33 percent since the FY 2008 baseline, about \$167 million in avoided costs.

Our challenge is to improve this performance each year. In FY 2011, USPS will explore setting a higher reduction target for consumables spending.



USPS is the only mailing and shipping company to offer Cradle-to-Cradle certified packaging.



### Extending our green efforts to customers

USPS environmental efforts include giving our customers an opportunity to be green by using our sustainable shipping products and services.

Across all channels, the Postal Service is committed to providing products that are convenient, offer cost savings and have a reduced environmental footprint. And we are designing more sustainable services that help our customers green their own shipping and mailing operations.

Our goal is to increase our range of sustainable products and services by FY 2012 by providing at least two new customer offerings against an FY 2009 baseline.

This year, we greatly expanded our Cradle-to-Cradle offerings to 26.3 billion shipping supplies and postage products across 114 product types, up from 800 million the previous year. All postage stamps now are Cradle-to-Cradle certified, as are all menu boards in Post Offices.

To learn how you can improve your sustainability performance by using USPS Cradle-to-Cradle certified products, check out our video at [www.usps.com/green/video](http://www.usps.com/green/video).



Nearly 80 percent of greeting cards sold in Post Offices are made from post-consumer recycled paper.

### Our Post Offices sell sustainable products too!

About 80 percent of the greeting cards sold in Post Offices are made from post-consumer recycled paper, and our corrugated cardboard promotional displays are reused each season to reduce environmental impact and disposal costs.

Our popular tote bags are made entirely from recycled material, and our photo stamp packaging is 60 percent recycled material. Customers can “read, respond and recycle” their mail in more than 10,000 lobby recycling containers across the country.

### Save green, be green online

USPS online services save customers green and help them be greener by skipping the trip to the Post Office.

Our website, *usps.com*, receives an average of 1.3 million visitors a day. Online transactions have increased more than 5 percent per year since FY 2007, with more than 54 percent of all postal transactions conducted online this year.

Click-N-Ship enables customers to mail and ship from their computers and skip the trip to the Post Office. With Carrier Pickup, they can have packages picked up at their homes or businesses.

Our customers also can order mailing supplies and postage online, and have their carrier deliver them right to their doorsteps. Now, they can rent a Post Office Box online — more than 600,000 customers did this year, a 44 percent increase from last year.

***Our website, [usps.com](http://usps.com), receives an average of 1.3 million visitors a day. In FY 2010, more than 54 percent of all postal transactions were conducted online.***





***Because of our size and reach, the Postal Service has a significant opportunity to make a positive impact on the environment by reducing its carbon footprint and greenhouse gas emissions.***

### **Need instant access? Try USPS Mobile**

The Postal Service is continuing its 235-year tradition of serving America, whether it's with a mobile device, online or in a Post Office.

It's a fast-paced world. Customers who want instant access to postal services like Track and Confirm, Schedule-a-Pickup or Find a ZIP Code can do that on their Apple mobile devices, anywhere, anytime.

In FY 2010, USPS Mobile attracted more than 2 million visitors each month, and consistently ranked in the top five most-popular free iTunes® apps.

USPS Mobile uses GPS to help on-the-go customers find a nearby Post Office, Automated Postal Center, collection location and their business hours. The app has maps and directions for customers traveling by car, walking or using public transit.

Using Track and Confirm, customers can easily see the progress of their mail. Status checks are only a click away. And users can save the addresses they ship to and from in their device's address book.

In FY 2011, USPS plans to expand its free mobile applications to the Android operating system and include a postage rate calculator. Subsequent releases will target other Internet-enabled mobile devices.

### **A secure and sustainable solution**

Security and privacy rules require mailers and USPS to ensure that information in First-Class Mail is protected as it travels to recipients. But undelivered-as-addressed First-Class Mail is returned to the sender and becomes part of their waste stream.



The transportation and processing of these nearly 1.2 billion undeliverable-as-addressed First-Class Mail pieces each year is costly to the mailer and USPS. This mail represents significant fuel used and the greenhouse gas emissions that go with them.

To offset these environmental and cost concerns, USPS this year began designing a secure destruction program with the participation of several large mailers.

Instead of returning this mail to the original sender, who would then forward the mail for secure destruction, USPS will capture the mail, securely destroy it and then recycle it. Only First-Class Mail that would be returned to senders would be destroyed. However, if it can't be delivered to the customer's current address because the customer has moved and filed a change of address, it will continue to be forwarded to the customer's new address, not destroyed.

We developed this secure destruction service in response to mailers' cost and environmental concerns.

### **Greenhouse gas**

The Postal Service delivers nearly 40 percent of the world's mail, which requires a large operational footprint — more than 215,000 vehicles and 33,000 Post Offices and plants.

Because of our size and reach, the Postal Service has a significant opportunity to make a positive impact on the environment by reducing our carbon footprint.

We're making significant progress. In addition to reducing our scope 1 greenhouse gas emissions, which are direct emissions from USPS vehicles and facilities, and scope 2 emissions, which are indirect emissions from electricity and steam used at our Post Offices and plants, we are working to reduce scope 3 greenhouse emissions.



These are indirect emissions from electricity transmission and distribution losses, employee business travel and commuting, contracted waste and wastewater disposal, and contracted mail transport vehicles — planes, trucks, cars, trains and ships.

Continuous improvement toward reaching all of the sustainability performance goals discussed in this report will help us reduce our carbon footprint.

### Reducing greenhouse gas

Our efforts to reduce greenhouse gas emissions date back to 1999 when we collaborated with the World Resources Institute and the World Business Center for Sustainable Development to pilot test the now global standard for corporate greenhouse gas accounting.

In FY 2007, we helped pioneer greenhouse gas reporting as a founding reporting member of the California Climate Action Registry.

In 2009, USPS became the first federal agency to publish a third-party-verified greenhouse gas emissions inventory, and the first to publicly commit to a 20 percent absolute reduction for our scope 1 and 2 emissions.

Our greenhouse gas reduction performance, and our efforts to engage and shape public response to climate change, earned us the Climate Action Registry's 2009 Climate Champion award.

Also in 2009, we collaborated with 20 international post operators to become the first service industry to commit to a 20 percent carbon emissions reduction by 2020, compared to 2008 levels.

### USPS climate change goals

Our corporate climate change goals are to reduce scope 1, 2 and 3 greenhouse gas emissions 20 percent by FY 2020 against an FY 2008 baseline, and to outperform the international postal sector's average annual carbon management performance score.

Over the next three years, we will focus on reducing petroleum use and electricity purchases by better matching our employee work hours, mail processing plants and equipment, and delivery routes to decreased mail volumes.

Because of our financial challenges, we are not scheduled to make large capital investments in new equipment or facilities over the next three to five years.

Our most cost-effective initiatives will continue to be those that involve simple ways we can conserve resources and change behavior.

These include encouraging our employees to work on low- and no-cost Lean Green team projects, engaging customers to "skip-the-trip" to the Post Office by using our online services and mobile apps, and collaborating with our suppliers to share data and best practices.

These efforts have huge potential to reduce *all* of our carbon footprints.

### Our recent performance

From FY 2008 through FY 2010, the Postal Service reduced its total scope 1, 2, and 3 greenhouse gas emissions by 8 percent, the equivalent of taking more than 204,000 passenger vehicles off the road or the electricity use of nearly 130,000 U.S. homes for an entire year.

Specifically, we've reduced our scope 1 and 2 greenhouse gas emissions by 9.5 percent, which equals more than 500,000 metric tons of carbon dioxide equivalent, and we've reduced our scope 3 greenhouse gas emissions by 7 percent, more than 566,000 metric tons of carbon dioxide equivalent.

***In three years, USPS reduced its total greenhouse gas emissions by 8 percent. That's the same as taking more than 204,000 cars off the road.***



***We report third-party verified greenhouse gas emissions each calendar year to The Climate Registry, the world's most recognized GHG corporate reporting registry.***

Since FY 2008, we've reduced our facility energy-related GHG emissions 12 percent — enough to power 39,000 average American households for a year.

### **Transparent public reporting**

The Postal Service is unique in that we voluntarily and publically report our annual progress toward reducing our carbon footprint in three ways.

In our role as a responsible 21st century business, we report third-party verified greenhouse gas emissions each calendar year to The Climate Registry, the world's most recognized greenhouse gas corporate reporting registry.

As the largest member of the international postal community, we also report third-party verified carbon emissions each calendar year to the International Post Corporation, the mailing industry's global partner.

And in our role as a sustainability leader in the federal government, we voluntarily report our fiscal year GHG emissions to the White House Council on Environmental Quality. The Postal Service is not subject to the federal agency reporting requirement required by Executive Order 13514 because of our unique mission and status as a non-appropriated federal agency.

See our GHG and carbon emissions inventories and related reports at [usps.com/green](http://usps.com/green).

### **Benchmarking our performance**

Given our size and service mandate, it's been challenging to identify appropriate peers for benchmarking our sustainability performance.

Based on employee headcount, Wal-Mart is among the Postal Service's closest corporate peers.

Customers usually view UPS and FedEx as our primary mailing industry peers. It isn't appropriate to compare USPS to other federal agencies because we charge customers for our products and services and don't receive tax dollars to fund our operations.

In 2008, USPS worked with the International Post Corporation and 16 other international Posts to develop the Environmental Measurement and Monitoring System, a transparent, scientifically carbon measurement and monitoring system. It's based on international best practice standards such as the Greenhouse Gas Protocol, Dow Jones Sustainability Index, FTSE4Good and ISO 14001 and 14064 standards.

The monitoring system enables postal operators to measure and benchmark their carbon management proficiency across 10 areas:

- Principles and standards
- Policies and procedures
- Management
- Strategies
- Targets
- Activities and programs
- Employee engagement
- Measurement and verification
- Disclosure and reporting
- Value chain management

Our goals are to outperform both the sector-wide average carbon management proficiency score from the preceding calendar year, and to improve our goal each calendar year.



In 2009, we significantly improved our 2008 proficiency score, jumping from 53 percent to 73 percent. And we outperformed the 2009 industry average proficiency score of 61 percent. Our 2010 scores will be reported in fall 2011 and made available at: [usps.com/green](http://usps.com/green).

### Looking ahead

We are committed to continuing to reduce our carbon footprint, and to establishing robust, automated and auditable corporate GHG accounting processes and information systems.

We will improve data quality, including enhancements to the USPS corporate energy information system and related data warehouses that contain facility energy use data, and postal vehicle and contract mail transport fuel data.

Beginning in FY 2012, we will obtain third-party verifications for our fiscal year GHG data that is submitted annually in our federal agency GHG inventory.

We'll continue to develop innovative products and services that use more sustainable materials and reduce GHG emissions. Beyond the product-level carbon accounting and offset options we're planning to offer large mailers, we'll be continuing to pilot a reusable mailing box that will enable customers to track carbon footprint reductions.

### The wave of the future — product carbon accounting and offsets

Postal Service business customers are increasingly requesting information about the GHG emissions associated with using USPS for shipping and mailing services, including shipping to their end-use customers.

In summer 2011, USPS will pilot a carbon accounting service that will enable large mailers to determine the GHG emissions generated by their shipments and transactions.

For the past two years, USPS has worked with leaders from logistics mailing, industry, academia, government and non-governmental organizations to develop this proprietary shipping and mailing carbon allocation service.

The methods used in this carbon accounting take into consideration the specific type of shipping or mailing service, size and weight of an item, how it's processed and transported, as well as the distance it travels.

The service also will provide business customers with accurate GHG data they can use in calculating their own GHG emissions inventories.

There is a trend among these shippers to offer a carbon-offset option to their customers.

To accommodate these business customers, USPS is evaluating options to offer them the opportunity to invest in verified GHG emission reduction and renewable energy projects in the U.S. that would save an equivalent amount of carbon dioxide, help reduce our dependence on foreign oil and support the creation of domestic green jobs.

***In 2011, USPS will pilot a carbon accounting service that will enable large mailers to determine the greenhouse gas emissions generated by their shipments and transactions.***



## Key Performance Indicators

	UNITS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	CHANGE FY 09-10
<b>OUR BUSINESS</b>								
Revenues	\$ Million	\$69,907	\$72,650	\$74,778	\$74,932	\$68,090*	\$67,052	-1.5%
Net profit (loss)	\$ Million	\$1,445	\$900	(\$5,142)*	(\$2,806)	(\$3,794)*	(\$8,505)	124.2%
Mail volume	Million pieces	211,742	213,138	212,234	202,703	176,744*	170,574	-3.5%
Mail weight	Million pounds	25,842	25,932	25,643	24,237	20,784*	20,659	-0.6%
Delivery points	Million points	144.33	146.17	147.99	149.19	150.12	150.86	0.5%
Postal-owned miles traveled	Million miles	1,206	1,237	1,235	1,269*	1,249	1,258	-0.7%
Contract vehicle miles traveled	Million miles	n/d	n/d	n/d	5,669*	5,155	5,127	-0.5%
Post Offices, Plants and Administrative <sup>1</sup>	# of facilities	34,588	34,412	34,318	34,175	33,264	33,620	1.1%
<b>OUR PEOPLE</b>								
Career employees	# of employees	704,716	696,138	684,762	663,238	623,128	581,775	-6.6%
Non-career employees (full time equivalent)	# F/T equivalents	98,284	100,061	101,167	101,850	88,954	87,779	-1.3%
Active employee Lean Green Teams	% of districts	n/a	n/a	n/a	n/a	13%	25%	12.0%
Voice of Employee survey	% approving	63.7%	63.4%	63.5%	63.7%	64.0%	62.3%	-1.7%
Formal EEO complaints	Per 100 employees	n/d	n/d	0.80	0.80	0.76	0.85	11.8%
Employees registered in unions	% of total	90%	85%	85%	85%	85%	85%	0%
OSHA illness and injury rate	Per 100 employees	5.74	5.60	5.51	5.74	5.62	5.49	-2.3%
Customer experience surveys: residential	% very and mostly satisfied	n/a	n/a	n/a	n/a	n/a	86.4%	n/a
Customer experience surveys: small and medium businesses	% very and mostly satisfied	n/a	n/a	n/a	n/a	n/a	81.8%	n/a
Breast cancer research support	\$ Million raised	\$7.7	\$5.2	\$5.0	\$7.0	\$3.8	\$3.0	-21.1%
Combined Federal Campaign support	\$ Million raised	\$38.7	\$39.0	\$40.2	\$37.2	\$32.5	\$32.1	-1.2%
<b>OUR NETWORK</b>								
Total energy and fuel use	Million GJ	136.35*	134.44*	131.25*	123.65*	117.16*	112.72	-3.8%
Per million mail pieces	GJ	644*	631*	618*	610*	663*	661	-0.3%
Total facility energy use <sup>2</sup>	Billion Btu (BBtu)	37,298	36,372	30,072	30,732	25,659	23,790	-7.3%
Per million mail pieces	BBtu	0.18	0.17	0.14	0.15	0.15	0.14	-3.9%
Goal-subject facility energy use <sup>3</sup>	BBtu	35,237	33,999	27,938	27,058	22,761	21,086	-7.4%
Per million square foot	BBtu	115.5	110.2	89.8	86.7	81.6	74.4	-8.8%
Total transportation fuel use	Million GGE	776.0	768.5	796.2	729.8*	720.7*	700.9	-2.7%
Postal-owned vehicles: petroleum	Million GGE	140.67	142.35	144.77	146.77	145.38*	145.58	0.1%
Postal-owned vehicles: alternative fuels <sup>4</sup>	Million GGE	0.94	0.76	0.80	1.52*	2.01*	2.19	8.7%
Contract transportation and leased vehicles	Million GGE	634.42	625.43	650.67	581.53	573.32*	553.20	-3.4%
Alternative Fuel Capable Vehicle Fleet	# of vehicles	37,618	39,816	43,573	46,125	45,866	44,539	-2.9%
Municipal solid waste sent to landfill	Short tons	n/d	n/d	n/d	231,661*	198,675*	218,225	9.8%
Municipal solid waste recycled	Short tons	n/d	n/d	n/d	288,211*	219,649*	221,655	0.9%
Lobby Recycling program for customers	# of Post Offices	3,250	3,344	3,626	3,984	5,579	10,098	81.0%
Total water use	Million gallons	5,126*	4,731*	5,479*	5,508*	4,949*	4,883	-1.3%
<b>OUR COMMITMENT</b>								
GHG emissions: scope 1 and 2 sources <sup>5</sup>	Million MTCO <sub>2</sub> e	n/d	n/d	n/d	5.28*	5.03*	4.78	-4.9%
Per million mail pieces	MTCO <sub>2</sub> e	n/d	n/d	n/d	26.1*	28.4*	28.0	-1.4%
GHG emissions: scope 3 sources <sup>5</sup>	Million MTCO <sub>2</sub> e	n/d	n/d	n/d	8.09*	8.01*	7.52	-6.0%
Online transactions at usps.com	% of total	30.0%	33.4%	37.9%	44.1%	49.8%	54.3%	4.5%
Environmentally Preferable Products available in USPS purchasing system	# products	n/a	n/a	n/a	n/a	n/a	11,131	n/a
Consumables spending	\$ Million	\$520.2*	\$522.7*	\$521.3*	\$508.4*	\$391.8*	\$341.5	-12.9%
USPS Cradle-to-Cradle <sup>CM</sup> certified products	Million products	n/a	n/a	758	893	799	26,308 <sup>6</sup>	3,191%

### Notes:

n/d: no historical data available.

n/a: not applicable or comparable — new sustainability initiative and/or performance metric.

\* Restated data due to more accurate measurement system or estimation methodology.

<sup>1</sup> USPS facilities include Post Offices, Plants and Administrative offices and range in size from 83 square feet to 46.5 acres under one roof.

<sup>2</sup> USPS voluntarily reports total facility energy use to the public.

<sup>3</sup> Goal-subject facilities are those included in federally mandated targets set by EPAAct 2005 and EISA 2007, but exclude mail processing equipment.

<sup>4</sup> Alternative fuels include biodiesel, CNG, E-85, electric, and propane.

<sup>5</sup> Greenhouse gas emissions are recalculated and restated as fiscal year (FY) — consistent with the U.S. Federal Agency GHG reporting guidelines.

<sup>6</sup> In FY 2010, USPS added 25.46 billion stamps and stamp products to its total Cradle-to-Cradle<sup>CM</sup> certified product offerings.





Cover:  
 Sun City, AZ, Letter Carrier Paul Tarazon delivering mail on his route. Tarazon is one of nearly 70 letter carriers across the country who deliver mail by bicycle.

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U.S. Postal Service  
2010 Sustainability Report  
is published by:

United States Postal Service  
Office of Sustainability  
475 L'Enfant Plaza SW  
Washington, DC 20260-4232

Read our annual sustainability report on the Web at:  
[usps.com/green](http://usps.com/green)

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Morgan processing facility in New York City  
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