FedEx Corporation - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Headquartered in Memphis, Tennessee, FedEx Corporation (FedEx) provides its broad portfolio of services through its operating companies. These operating companies compete collectively, operate independently and are managed collaboratively, under the FedEx brand. Our network of 680 aircraft, more than 200,000 motorized vehicles, and more than 5,000 hubs and facilities help deliver more than 18 million shipments each day. In FY20 we reported $69.2 billion in revenues and a record net income of $1.29 billion.

FedEx Express invented express transportation and remains the industry's global leader, providing rapid, reliable, time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 99% of the world's gross domestic product. Unmatched air route authorities and transportation infrastructure, combined with leading-edge information technologies, make FedEx Express the world's largest express transportation company, providing fast and reliable delivery of more than 6.5 million packages each business day. The FedEx Express business segment also includes TNT Express which operates road transportation networks and delivers documents, parcels and freight to over 200 countries. FedEx Express is comprised of 680 aircraft, more than 89,000 motorized vehicles, and almost 2,000 facilities.

FedEx Ground is a leading North American provider of ground small-package delivery services, providing service to the U.S. and Canada. FedEx Home Delivery®, the industry's first ground service dedicated to residential delivery, is available from FedEx Ground and provides Saturday delivery for no additional charge. FedEx Ground® Economy is a ground service that specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages. FedEx Ground is comprised of more than 85,000 motorized vehicles and more than 600 facilities.

FedEx Freight is a leading U.S. provider of less-than-truckload (LTL) freight services across all lengths of haul. FedEx Freight handles more than 105,000 shipments each day. FedEx Freight is comprised of more than 25,000 motorized vehicles and approximately 370 service centers.

FedEx Office provides reliable service and access to printing and shipping. Services include copying and digital printing, professional finishing, signs, computer rental, and corporate print solutions. FedEx Office is comprised of approximately 2,200 locations within the United States.

FedEx Logistics provides a full suite of supply chain solutions, specialty transportation, cross border e-commerce technology services, customs brokerage, and trade management tools and data.

FedEx Services provides sales, marketing, information technology, communications, customer service, technical support, billing and collections services for U.S. customers of our major business units and certain back-office functions that support our other companies.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	June 1 2019	May 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-TO0.7/C-TS0.7

(C-TO0.7/C-TS0.7) For which transport modes will you be providing data?

Heavy Duty Vehicles (HDV)

Aviation

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Nominating & Governance Committee of the FedEx Board of Directors (board level committee) assists the Board in overseeing our Corporate Social Responsibility (CSR) initiatives, including those related to climate change. At least annually, the Nominating & Governance Committee reviews and discusses CSR and sustainability strategies and programs with senior leadership, including our Chief Sustainability Officer (CSO). The Nominating & Governance Committee has the opportunity to review the annual FedEx ESG Report and progress against sustainability goals. The FedEx Board of Directors and its Nominating & Governance Committee oversaw planning for our recent commitment to a goal to achieve carbon neutral operations globally by 2040. Further, the FedEx Board of Directors, including the directors serving on the Nominating & Governance Committee, approved our ongoing aircraft modernization strategy enabling us to replace our oldest and least efficient aircraft with more efficient aircraft. For example, we are realizing significant improvements in fuel efficiency as we replace our MD-10 aircraft with Boeing 767 Freighters that are about 30% more fuel efficient than the MD-10s they replace. We expect to retire all of our MD-10 fleet by the end of FY23. Additionally, in the second quarter of FY20, we permanently retired 10 Airbus A310-300 aircraft and 12 related engines. On June 22, 2021, FedEx Express exercised options to purchase an additional 20 B767F aircraft, ten of which will be delivered in fiscal 2024 and ten of which will be delivered in fiscal 2025. The modernization of our overall aircraft fleet lowers costs and reduces emissions, including GHG emissions, through enhanced reliability, operational flexibility, reduced maintenance expenses, and improved fuel efficiency. We continue to evaluate whether additional aircraft retirements are warranted.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy	<Not Applicable>	The Nominating & Governance Committee of the FedEx Board of Directors assists the Board in overseeing our CSR initiatives, including those related to climate change. At least annually, the committee reviews and discusses CSR and sustainability strategies and programs with senior leadership, including our Chief Sustainability Officer (CSO). The CSO has the opportunity to review the annual FedEx ESG Report and progress against sustainability goals with the board.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Nominating & Governance Committee of the FedEx Board of Directors assists the Board in overseeing our CSR initiatives. At least annually, the committee reviews and discusses CSR, sustainability strategies, and programs with senior leadership, including our Chief Sustainability Officer (CSO). The CSO reviews with the board our progress against sustainability goals, such as our 44.5% FedEx Express vehicle fuel efficiency improvement achieved. In addition, the FedEx Board of Directors and its Nominating & Governance Committee oversaw planning for our recent goal to achieve carbon neutral operations globally by 2040.

FedEx Enterprise Sustainability Council (FESC), a senior officer council, is responsible for setting and implementing our company-wide sustainability strategy and administering our CSR materiality assessment. Our CSO chairs the FESC and also oversees the company-wide implementation of our environmental management system and reviews performance annually. The CSO position and individual were approved by the FedEx Board of Directors.

Sustainability Impact Teams (SITs) have also been established under the FESC management structure to ensure that our various operating companies can discuss, plan and align with our sustainability strategy. The SITS create opportunities to advance the FedEx sustainability strategy within specific areas such as Vehicles, Facilities, Air Operations and Sourcing, as well as advising on performance measurement. The SITs' primary roles and responsibilities include:

· Identifying opportunities to advance the FedEx sustainability strategy across the enterprise in specific functional areas (e.g., vehicles, facilities, sourcing, air operations, etc.),

· Incorporating sustainability into operational/functional areas and into the annual business planning process,

· Sharing knowledge and coordinating efforts in functional areas across the FedEx operating companies (i.e., "horizontal" communication channels),

· Identifying and developing possible goals and measuring functional area environmental impacts and performance, and

· Monitoring the benefit of sustainability initiatives to FedEx.

In addition, each major FedEx operating company has its own internal environmental sustainability department that actively manages operating company-specific environmental sustainability programs and compliance with applicable environmental regulations and internal policies. Representatives from these departments share best practices and collaborate on sustainability initiatives with other operating companies and other internal departments (e.g., Vehicle Operations, Facilities, Corporate Communications, Sourcing, etc.) through the appropriate SITs.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction project	Payouts to executives under our annual incentive plan are impacted by individual performance goals, which include CSR goals such as those described below. Achievement of targets related to fuel/energy savings (and associated emissions reductions, including greenhouse gases) are factored into performance appraisal of the CSO who oversees teams of those activities.
Corporate executive team	Monetary reward	Emissions reduction project	Payouts to executive officers under our Annual Incentive Compensation (AIC) program are based on the achievement of corporate financial performance objectives. In addition, each executive officer has individual performance objectives established at the beginning of each fiscal year that are designed to further the company's business objectives and strategies. Each executive officer's individual performance objectives include goals related to the company's corporate social responsibility (CSR) programs and activities, including support and advancement of our sustainability/carbon neutrality goals where appropriate.
Management group	Monetary reward	Emissions reduction project	Achievement of targets related to fuel/energy savings (and associated emissions reductions, including greenhouse gases) are factored into performance appraisals of the responsible managers who oversee those activities, and are therefore tied directly to the variable compensation levels of those managers. This includes the managers at our operating companies who directly manage our fuel/energy reduction initiatives such as our Fuel Sense program at FedEx Express or GREEN Site program at FedEx Freight.
Energy manager	Monetary reward	Emissions reduction project	Achievement of targets related to fuel/energy savings (and associated emissions reductions, including greenhouse gases) are factored into performance appraisals of the responsible managers who oversee those activities, and are therefore tied directly to the variable compensation levels of those managers. This includes the managers at our operating companies who directly manage our fuel/energy reduction initiatives such as our Fuel Sense program at FedEx Express or GREEN Site program at FedEx Freight.
Environment/Sustainability manager	Monetary reward	Emissions reduction project	Achievement of targets related to fuel/energy savings (and associated emissions reductions) are factored into performance appraisals of the responsible managers who actively manage those activities.
All employees	Non-monetary reward	Behavior change related indicator	Through our internal sustainability programs, such as "Fuel Sense" and "Eco Drive" at FedEx Express, "GREEN Site" at FedEx Freight, and "EarthSmart Champion" at FedEx Ground, FedEx team members are encouraged to actively contribute to our sustainability strategy through three key focus areas: fuel emissions, energy usage and recycling/waste minimization in the FedEx workplace. Various internal recognition opportunities, including featuring team member stories in enterprise communications, such as our new "Priority Earth" sustainability site (fedex.com/sustainability), are utilized to further incentivize and reward team members who are the foundation for our continued success in making our business environmentally sustainable. Some of our operating companies also have sustainability award programs for team members who demonstrate particular passion for sustainability causes.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	
Medium-term	3	5	
Long-term	5	10	We entered 10 in the "To (years)" field in order to satisfy the requirements of this question. In reality, our long-term risk horizon is typically anything longer than 5 years. In most cases that would typically be less than 10 years, but in some cases it might even be longer, depending on the type of risk being assessed.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our Enterprise Risk Management (ERM) process defines a substantive impact for climate-related risks in the same manner for all business risks assessed through the process; namely by prioritizing those risks based on likely financial impact, the probability of occurrence within the next fiscal year, and the level of current controls in place to manage those risks. FedEx maintains an ERM program to identify and report the top enterprise risks to the Company. These top risks are determined through our annual risk assessment process using industry research, surveys and workshops. The surveys and workshops facilitate discussions focused on identified risks as well as emerging risks that need to be considered. The surveys and workshops are also used to rate the likelihood and impact on a scale of 1 – 5. The results of the surveys and workshops provide an initial ranking of the top enterprise risks. Then, the Risk Committee meets to review the results of the risk assessment process and to finalize the top enterprise risks and trends. Risks that require Board level awareness are shared with the Board and Audit Committee on at least an annual basis, and significant changes to the risk environment are shared quarterly. Climate change related risks and opportunities at FedEx are assessed as part of our annual risk assessment process, and we continue to closely monitor social views, geopolitical concerns, and regulations across the globe.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
FedEx maintains an Enterprise Risk Management (ERM) process to identify and report the top enterprise risks to the Company. The ERM process uses a consultative approach that solicits input from the senior leadership teams at each major operating company to identify and prioritize the main business risks across the enterprise. These risks are classified into five categories (External, Strategic, Operational, Financial and Compliance), and are prioritized based on likely financial impact (across predefined monetary ranges), the probability of occurrence within the next fiscal year, and the level of current controls in place to manage those risks. These top risks are determined through our annual risk assessment process using industry research, surveys and workshops. The surveys and workshops facilitate discussions focused on identified risks as well as emerging risks that need to be considered. The surveys and workshops are also used to rate the likelihood and impact on a scale of 1 – 5. The results of the surveys and workshops provide an initial ranking of the top enterprise risks. Then, the Risk Committee meets to review the results of the risk assessment process and to finalize the top enterprise risks and trends. Risks that require Board level awareness are shared with the Board and Audit Committee on at least an annual basis, and significant changes to the risk environment are shared quarterly. Climate change related risks and opportunities, such as the potential for severe weather disruption or regulatory and reputational risks, are assessed as part of our annual risk assessment process, and we continue to closely monitor social views, geopolitical concerns, and regulations across the globe. Our ERM process is embedded in our strategic financial planning process, and provides a platform to facilitate integration of short, medium, and long-term risk information in business decision-making. This risk assessment includes review by senior level management with oversight from our Board of Directors. Depending on the type of business risks identified through this process, specific contingency plans and strategies are formulated either at the enterprise- or operating company-level to minimize potential adverse impacts to FedEx business operations. The ERM process, which follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, has the flexibility to assess risks at both the company- and asset-level. “Company-level” business risks routinely identified through the ERM process that may be affected by climate change include regulations that could impact our ability to operate in certain markets, and brand reputational risks as public awareness grows around the environmental impacts of transportation logistics services. Our strategies for addressing those risks include proactive public policy and external stakeholder engagement, and implementing our “Reduce, Replace, Revolutionize” strategy to minimize the environmental impacts of our operations. An example of how we are addressing transitional risks such as regulations that could impact our ability to operate in certain markets or the cost to operate is our recently-announced goal to achieve carbon neutrality for our global operations by 2040. On our path to carbon neutrality, we are committing more than $2 billion over the next several years to support initiatives designed to make FedEx operations more sustainable across our aviation and vehicle fleets and at our facilities. For instance, our goal is to transition the entire FedEx parcel pickup and delivery (PUD) fleet to zero emission vehicles by 2040, which will enable us to reduce our emissions and thus minimize transitional risk should there be regulatory change related to carbon emissions. “Asset-level” risks identified and assessed through the ERM process include potential service disruptions arising from physical risks such as severe weather events (or other natural disasters). While we operate several integrated networks with assets distributed throughout the world, there are concentrations of key assets within our networks that are exposed to adverse weather conditions or localized risks from natural disasters such as hurricanes or floods. The loss of a key location such as our Memphis World Hub or one of our information technology centers could cause a significant disruption to our operations and cause us to incur significant costs to reestablish or relocate these functions. FedEx has over 40 years of experience in proactively addressing situations, such as severe weather events, that can occur at any given time anywhere in the world; we are adept at implementing contingency plans at a moment’s notice and we have the flexibility within our system to make the necessary adjustments to minimize the impact to our customers.

Value chain stage(s) covered
Upstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
Annually

Time horizon(s) covered
Short-term

Description of process
Our ERM process also evaluates upstream value chains such as risks for independent service providers for pickup and delivery and line haul transportation at FedEx Ground, FedEx Express, FedEx Freight and FedEx Custom Critical. The vast majority of our reported Scope 3 GHG emissions comes from these suppliers. For instance, the regulatory risks associated with climate change identified above could impact the costs we pay for those services, as well as the ability of those service providers to operate in those markets. Another example relates to the fuel we source for our transportation fleets. We must purchase large quantities of fuel to operate our aircraft and vehicles, and the price and availability of fuel can be unpredictable and beyond our control. Any climate change-related regulatory or physical risks affecting the availability and cost of that fuel supply would have a direct effect on our ability to operate.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	The impact of existing and potential regulations, including those related to climate change, is factored into our standard ERM process. In particular, regulations regarding GHG emissions from our 680 aircraft and more than 200,000 vehicles could impose substantial costs on our ability to ship our customers' packages and freight. Potential costs include an increase in the price of the fuel and other energy we purchase and capital costs associated with updating or replacing our aircraft or vehicles. Regulations could also limit our ability to service our customers, especially in dense urban markets where congestion is an issue. The potential impacts of such risks are analyzed as part of our overall regulatory risk assessment, and are not specifically broken out for climate related regulations. For example, in 2009, the European Commission approved the extension of the European Union Emissions Trading Scheme ("ETS") for GHG emissions to the airline industry. Under this decision, all FedEx Express flights that are wholly within the European Union are now covered by the ETS requirements, and each year we are required to purchase emission allowances in an amount equal to the carbon dioxide emissions from such flights. Also, in 2016, the ICAO passed a resolution adopting the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), which is a global, market-based emissions offset program to encourage carbon-neutral growth beyond 2020. In March 2019 the FAA issued notice of a CORSIA program permitting U.S. carriers to submit emissions data on a voluntary basis. After receiving approval from FAA, FedEx began monitoring emissions for this program. Data reported will be used to set the initial emissions baseline, and beginning in calendar 2021 carriers subject to the requirements of CORSIA will be responsible for purchasing and retiring carbon credits to offset emissions in excess of the initial baseline. In response to the creation of the CORSIA program, in December 2017, the EU adopted a proposal which indefinitely excludes from the Emissions Trading System (ETS) flights operating fully or partly outside the EU and gradually reduces the number of aviation allowances from calendar 2021. ICAO continues to develop details regarding implementation, but compliance with CORSIA will increase FedEx operating costs.
Emerging regulation	Relevant, always included	The impact of existing and potential regulations, including those related to climate change, is factored into our standard ERM process. For example, in July 2016, the U.S. Environmental Protection Agency ("EPA") issued a finding that aircraft engine GHG emissions cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. This finding is a regulatory prerequisite to the EPA's adoption of a new certification standard for aircraft emissions. In the past, the U.S. Congress has also considered bills that would regulate GHG emissions, and some form of federal climate change legislation is possible in the future, which may potentially increase our operating costs. Under the Biden administration, the U.S, has rejoined the Paris climate accord, an agreement among 197 countries to reduce GHG emissions. However, specific legislative outcomes and future U.S. policy regarding GHG emissions, on CORSIA and on other GHG regulation, remain uncertain.
Technology	Relevant, sometimes included	The impact of technological innovations/developments on our operations and on demand for our services is factored into our standard ERM process. However, those impacts are not typically directly correlated with climate change, although in some instances there may be an indirect correlation, e.g. the potential disruption to our operations from the loss of one of our information technology centers due a severe weather event related to climate change. That being said, the potential impacts that other risk categories discussed here have an indirect impact on potential technological improvements or innovations that support the transition to a lower-carbon, energy-efficient economic system. For instance, the regulatory environment we face operating large vehicle fleets in jurisdictions implementing regulations to encourage the use of low emission alternative fuel vehicles could have a significant impact on our ability to operate in those markets.
Legal	Relevant, always included	The impact of legal and regulatory risks, including those related to climate change, is factored into our standard ERM process. These could include lawsuits by regulatory agencies or environmental activists related to the GHG emissions we generate from our 680 aircraft or more than 2000,000 vehicles. The potential impacts of such risks are analyzed as part of our overall regulatory risk assessment, and not specifically broken out for climate-related legal actions.
Market	Relevant, always included	Market-related risks are consistently assessed and prioritized through our ERM and other risk management processes. Our businesses depend on our strong reputation and the value of the FedEx brand. The FedEx brand name and our corporate reputation are powerful sales and marketing tools, and we devote significant resources to promoting and protecting them. These risks could include shifting customer preference for less carbon-intensive shipping services, which could reduce demand for our high-margin services like overnight express shipping that depends on our 680 aircraft. The potential impacts of such risks are analyzed as part of our overall market-related risk assessment, and not specifically broken out for climate-related market risks.
Reputation	Relevant, always included	Our businesses depend on our strong reputation and the value of the FedEx brand. The FedEx brand name and our corporate reputation are powerful sales and marketing tools, and we devote significant resources to promoting and protecting them. Damage to our reputation and loss of brand equity could reduce demand for our services and thus have an adverse effect on our financial condition, liquidity and results of operations, as well as require additional resources to rebuild our reputation and restore the value of our brand. As stated above, increased awareness and any adverse publicity in the global marketplace about the GHGs emitted by companies in the airline and transportation industries could harm our reputation and reduce customer demand for our carbon-intensive transportation logistics services, especially our air express services that rely on our 680 aircraft, but also our ground and freight services that rely on our more than 200,000 diesel and gasoline vehicle fleet. The potential impacts of such risks are analyzed as part of our overall reputational risk assessment, and not specifically broken out for climate-related reputational risks.
Acute physical	Relevant, always included	Given the broad and global scope of our operations and our susceptibility to global macro-economic trends, we are particularly vulnerable to the physical risks of climate change that could affect all of humankind, such as shifts in weather patterns and world ecosystems. These risks could negatively impact our transportation logistics networks by restricting access to our main hub and distribution centers, as well as preventing our 680 aircraft and more than 200,000 vehicles from operating. The potential impacts of such risks are analyzed as part of our overall reputational risk assessment, and not specifically broken out for climate-related reputational risks While we operate several integrated networks with assets distributed throughout the world, there are concentrations of key assets within our networks that are exposed to adverse weather conditions or localized risks from natural disasters such as tornadoes and floods. The loss of a key location such as our Memphis super hub or one of our information technology centers could cause a significant disruption to our operations and cause us to incur significant costs to re-establish or relocate these functions. Moreover, resulting economic dislocations, including supply chain and fuel disruptions, could adversely impact demand for our services.
Chronic physical	Relevant, sometimes included	Given the broad and global scope of our operations and our susceptibility to global macroeconomic trends, we are particularly vulnerable to the physical risks of climate change that could affect all of humankind, such as shifts in weather patterns and world ecosystems. These risks could negatively impact our transportation logistics networks by restricting access to our main hub and distribution centers, as well as preventing our 680 aircraft and more than 200,000 vehicles from operating. While our ERM process solicits input on risks for the following fiscal year's financial planning, most of the high-priority risks assessed through that process are longer-term in nature, and are used for longer-range strategic planning and mitigation purposes. Chronic physical risks such as increased frequency of extreme weather events like heatwaves, wildfires, flooding, and severe tropical and winter storms could cause significant ongoing disruptions to our transportation logistics networks and potentially adversely affect our ability to serve our customers over the long-term.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description
FedEx operates a fleet of 680 aircraft and more than 200,000 owned and contracted vehicles around the world. The fuel used to power this fleet represents a significant operational cost, as well as our most material environmental impact, accounting for around 5% of operating expenses and 89% of our reported emissions footprint in FY20. Increased US and international regulation regarding GHG emissions, especially aircraft or diesel engine emissions, could impose substantial costs on us, especially at FedEx Express. These costs include an increase in the cost of the fuel and other energy we purchase and capital costs associated with updating or replacing our aircraft or vehicles.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Regulations that result in increased fuel costs or restrictions on our ability to operate in certain markets could have significant financial implications for FedEx. While we cannot accurately predict the effect such regulation might have on our costs or operating results, it is reasonably possible that it could impose material costs on us. For instance, transportation fuel represents a significant operational cost, as well as our most material environmental impact, accounting for around 5% of operating expenses and 89% of our reported emissions footprint in FY20. Given the uncertainties related to this risk driver, it is not feasible to estimate what that financial impact would be.

Cost of response to risk
0

Description of response and explanation of cost calculation
Our strategies for addressing this risk include proactive external stakeholder engagement (including with policy influencers and decision-makers), and implementing our "Reduce, Replace, Revolutionize" approach to sustainability. We reduce or eliminate impacts from activities and operations. We replace assets that can be improved, using the right solutions in the right applications. And, we revolutionize operations by discovering and applying new innovative technologies. For instance, our FedEx Fuel Sense and aircraft modernization programs helped us save more than 255 million gallons of jet fuel and avoid more than 2.37 million metric tons of CO_2e emissions in FY20. These types of sustainability initiatives would help to minimize any adverse impacts from increased fuel or carbon pricing that may result from potential future regulations. And in alignment with our ongoing operational efforts to reduce GHG emissions in our transportation activities, we advocate on policies at an individual level and as an industry in support of efforts that we believe will help facilitate the reduction of emissions across modes of transportation, from aviation to surface transportation. We entered 0 in the "Cost of response to risk" field to satisfy CDP's disclosure requirement, as the costs associated with managing this risk driver are embedded in our general public policy engagement initiatives and our overall sustainability strategy, which we do not disclose for competitive reasons.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Given the broad and global scope of our operations and our susceptibility to global macro-economic trends, we are particularly vulnerable to the physical risks of climate change that could affect all of humankind, such as shifts in weather patterns and world ecosystems. While we operate several integrated networks with assets distributed throughout the world, there are concentrations of key assets within our networks that are exposed to adverse weather conditions or localized risks from natural disasters such as tornados and floods. The loss of a key location such as our Indianapolis Hub or one of our information technology centers could cause a significant disruption to our operations and cause us to incur significant costs to re-establish or relocate these functions.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
While we cannot predict the effect such risk might have on our cost structure or our operating results, it is reasonably possible, however, that it could impose material costs on us. For instance, around 2.6 million packages are processed through the Memphis World Hub every day (that volume is significantly higher during peak holiday seasons), representing approximately 40% of total global FedEx Express package volumes. In FY20 our average revenue per FedEx Express package shipped in the US was $18.30. Obviously, a prolonged severe weather disruption at such an important location could have significant impact on our revenues, and on our reputation as a reliable logistics service provider.

Cost of response to risk
0

Description of response and explanation of cost calculation
FedEx has more than 40 years of experience proactively addressing situations such as severe weather events. We are adept at implementing contingency plans at a moment's notice and can make the necessary network adjustments to minimize impacts to our customers. FedEx also employs a staff of 15 meteorologists who help manage risks associated with global weather patterns. They note weather anomalies which could impact operations, and notify leadership at impacted operating companies, who can then activate contingency operating plans. For example, in advance of our "peak" holiday shipping season in the winter of 2020-2021, we undertook pre-season preparation and hosted preparation calls to ensure our people and facilities were prepared ahead of the increased peak season shipping volumes as well as any winter weather disruptions we may face. We conducted daily conference calls to ensure all operational stakeholder teams were engaged and addressed any identified needs ahead of the holiday season. While peak season successfully ended in January 2021, we had to utilize the winter weather operations planning to prepare for Winter Storm Viola which affected large portions of North America in mid-February 2021, and resulted in record snowfall and freezing temperatures in the Southern U.S. The FedEx meteorology team began monitoring this event seven days earlier and continued to refine the forecast as the storm drew closer. The operations teams were notified that the models indicated a possible impact affecting our Memphis, Dallas, and Indianapolis hub locations, and contingency plans were activated to ensure all adequate preparations were in place. The event resulted in 0.3 inches of freezing rain and 10 inches of snow and ice at our Memphis World Hub between February 9 and February 17, and as a result, numerous contingency plans were activated such as adding additional sorting operations and leveraging our FedEx Ground and FedEx Freight operating companies to maintain our customers' critical supply chains. Furthermore, we continued to transport crucial COVID-19 vaccine shipments while during this severe weather event. We entered 0 in the "Cost of response to risk" field to satisfy CDP's disclosure requirement, as the costs associated with managing this risk driver are embedded in our general business resilience contingency planning program, which we do not disclose for competitive reasons.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Increased awareness and any adverse publicity in the global marketplace about the GHGs emitted by companies in the airline and transportation industries could harm our company's reputation and reduce customer demand for our services, especially our air express services. FedEx Express segment contributed over 51% of our annual revenue in FY20 and many of our FedEx Express products use our air express network for long haul shipping. For example, our international priority shipping services, which is heavily dependent on our aircraft transportation fleet, contributed 21% of the FedEx Express total revenue during that fiscal year.

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
While we can't predict the effect such risk might have on our future revenues, it's reasonably possible that it could be significant. More than ever, customers, shareowners and other stakeholders are looking to do business with companies that demonstrate strong sustainability performance and are requesting information on our citizenship programs. For example, in FY20 we provided more than 3,250 Customer Emission Calculator (CEC) reports to over 750 enterprise customers. These reports provide an estimate of the emissions we generated on the behalf FedEx Express, FedEx Ground and FedEx Freight customers in order to transport their packages and freight. These reports inform customers of their carbon footprint resulting from our logistics services and help estimate our enterprise customers' Scope 3 carbon emissions by taking

FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. However we anticipate that this risk would have a relatively low impact on demand for our services, based on customer research that indicates CSR/sustainability ranks relatively low on the list of purchase decision factors.

Cost of response to risk
0

Description of response and explanation of cost calculation
Our strategies for addressing this risk include proactive external stakeholder engagement (especially customer-facing), and implementing our “Reduce, Replace, Revolutionize” strategy. We reduce or eliminate impacts from activities and operations. We replace assets that can be improved. And, we revolutionize operations by applying new innovative technologies. An example of a customer offering is our CEC tool, which creates a report with the customer’s total shipping emissions and weight. The report offers emissions data broken out by operating company, transportation mode and scope classification, and which provides ton-miles or kg-kilometers by operating company. The methodology for our calculator is consistent with the World Resources Institute Greenhouse Gas Protocol. Emissions are calculated based on the weight, distance, service type and routing associated with the shipment. This information helps customers better address their sustainability concerns, improve reporting, and optimize their shipping habits. In FY20 we provided more than 3,250 CEC reports to over 750 enterprise customers We also have resources for customers to reduce their environmental footprints through service selection, packaging, etc. We entered 0 in the “Cost of response to risk” field to satisfy CDP’s disclosure requirement. The costs associated with managing this risk driver are embedded in our general customer engagement initiatives and our overall sustainability strategy, which we do not disclose for competitive reasons.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient modes of transport

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
FedEx operates a fleet of more than 200,000 owned and contracted vehicles around the world, most of which are in the USA. These vehicles consume a significant amount of fuel each year, e.g. more than $800M in FY20 alone. This fuel cost was calculated using the total amount of diesel and gasoline consumed by our vehicles in FY20 multiplied by the average cost of vehicle fuel reported in our 2020 Annual Report. It doesn’t include other vehicle fuel sources such as propane, CNG or LNG, which comprise a very small percentage of our overall vehicle fuel use at this time. FedEx therefore envisioned and first called for fuel efficiency/greenhouse gas legislation and regulation which help it accomplish two endeavors: (1) improve the fuel economy of FedEx fleet vehicles while also reducing the GHGs emitted; and, (2) create an environment in which manufacturers would be encouraged to produce new, clean technology vehicles for FedEx, including hybrid-electric, all-electric, alternative fuel, fuel cells, etc. In addition, it would improve and benefit all commercial vehicle operators in the U.S. This legislation passed with FedEx support. Subsequently, the U.S. Environmental Protection Agency and the Department of Transportation’s National Highway Traffic Safety Administration jointly finalized standards for medium- and heavy-duty vehicles that would improve fuel efficiency and cut carbon pollution to reduce the impacts of climate change, while bolstering energy security and spurring manufacturing innovation. The final phase two program promotes a new generation of cleaner, more fuel-efficient trucks by encouraging the development and deployment of new and advanced cost-effective technologies. The product of four years of extensive testing and research, the vehicle and engine performance standards would cover model years 2018-2027 for certain trailers and model years 2021-2027 for semi-trucks, large pickup trucks, vans, and all types and sizes of buses and work trucks. The final standards are expected to lower CO2 emissions by approximately 1.1 billion metric tons, save vehicle owners fuel costs of about $170 billion, and reduce oil consumption by up to two billion barrels over the lifetime of the vehicles sold under the program.

Time horizon
Long-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
48000000

Potential financial impact figure – maximum (currency)
82000000

Explanation of financial impact figure
While we can't accurately predict the effect this opportunity might have on future cost savings, given the significant variables, it's possible that it could be significant. The potential financial impact figures provided above are based on estimated fuel savings (in gallons) that we have realized through the FedEx Express "Reduce, Replace, Revolutionize" approach to vehicle fuel efficiency over the last five fiscal years. These saving are primarily driven by the "Replace" component of that strategy, and estimated using the average vehicle fuel cost per gallon as reported in the respective Annual Reports. The minimum figure was based on the estimated fuel savings from FY16 (2017 Global Citizenship Report) using the amount of fuel saved in FY16 from the FedEx Express Reduce, Replace, Revolutionize vehicle fuel efficiency program (21,433,384 gallons) multiplied by the average vehicle fuel cost ($2.24/gallon) as reported in our 2016 Annual Report. The maximum figure was based on the estimate for FY20 (2021 ESG Report) by multiplying the FY20 fuel savings from the FedEx Express Reduce, Replace, Revolutionize vehicle fuel efficiency program (30,549,665 gallons) by the average vehicle fuel cost across the enterprise ($2.69/gallon) as reported in our 2020 Annual Report. In lieu of any reliable way to estimate the future financial impacts related to this opportunity, we believe this is the best proxy to satisfy CDP's disclosure requirement.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
FedEx actively participates in the political process to promote and protect the economic future of the company, our stockholders, and employees. We ethically promote legislative and regulatory actions that further business objectives and attempt to protect FedEx from unreasonable, unnecessary or burdensome legislative or regulatory actions. FedEx was actively involved in the EPA's stakeholder engagement process, providing comments to the proposed GHG Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles. The legislation passed with FedEx support and finalized standards were introduced to improve fuel efficiency. The most recent phase two program promoted a new generation of cleaner fuel-efficient trucks and presented an opportunity to improve the national fleet. FedEx was the first transportation logistics company to call upon the development of these standards. We are also advocating with U.S. regulators to allow 33-foot trailers in a twin-configuration which will increase freight capacity by 18%, and reduce truck traffic by 1.3 billion miles per year. This topic was referenced in testimony delivered by our Chairman and CEO Frederick W. Smith in a March 2021 appearance in front of the U.S. House Committee on Transportation & Infrastructure for the hearing, "The Business Case for Climate Solutions" (https://transportation.house.gov/imo/media/doc/Smith%20Testimony2.pdf). We entered 0 in the "Cost to realize opportunity" field to satisfy CDP's disclosure requirement, as the costs associated with advocating for this opportunity are embedded in our general public policy engagement initiatives and our overall sustainability strategy, which we do not disclose for competitive reasons.

Comment

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resilience

Primary climate-related opportunity driver
Other, please specify (Increased reliability and potential reputational benefits)

Primary potential financial impact
Other, please specify (Increased reliability of supply chain and ability to operate under various conditions)

Company-specific description
Given the broad and global scope of our operations across more than 220 countries and territories and our susceptibility to global macro-economic trends, we are particularly vulnerable to the physical risks of climate change that could affect all of humankind, such as shifts in weather patterns and world ecosystems. While we operate several integrated networks with assets distributed throughout the world, there are concentrations of key assets within our networks that are exposed to adverse weather conditions or localized risks from natural disasters such as tornadoes and floods. The loss of a key location such as our Indianapolis Hub or one of our information technology centers could cause a significant disruption to our operations and cause us to incur significant costs to re-establish or relocate these functions. Moreover, resulting economic dislocations, including supply chain and fuel disruptions, could adversely impact demand for our services. Consequently, FedEx has over 40 years of experience in proactively addressing situations, such as severe weather events, that can occur at any given time anywhere in the world; we are adept at implementing contingency plans at a moment's notice and we have the flexibility within our system to make the necessary adjustments to minimize the impact to our customers. The outcome of this contingency planning capability means that FedEx is in the position to restore operations and resume services promptly following natural disaster situations like severe weather events. This in turn allows us to serve our customers as quickly as possible while ensuring the security for their shipments, thereby enhancing our brand reputation. Furthermore, our skill in responding quickly, efficiently and on a global scale makes FedEx one of the companies called upon to deliver disaster or emergency relief and medical supplies during times of crisis. This in turn enhances our brand reputation among other key stakeholders like NGOs and government agencies. During FY20, FedEx Cares, our community giving and volunteering platform provided humanitarian relief for several weather events including Hurricane Barry, Hurricane Dorian, Typhoon Phanfone, and the California wildfires.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
While we cannot quantify the effect this opportunity might have on our revenues, it is reasonably possible, however, that it could be material, in particular as it relates to protecting our revenues from a severe weather event disruption. For instance, around 2.6 million packages are processed through the Memphis World Hub every day (that volume is significantly higher during peak holiday seasons), representing approximately 40% of total global FedEx Express package volumes. In FY20 our average revenue per FedEx Express package shipped in the US was $18.30.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
FedEx employs a staff of 15 meteorologists who help manage risks associated with global weather patterns. They note weather anomalies which could impact operations, and notify leadership at impacted operating companies, who can then activate contingency operating plans. This forward posture helps us sustain safe and reliable operations through weather events and quickly resume operations. For example, in advance of our “peak” holiday shipping season in the winter of 2020-2021, we undertook pre-season preparation and hosted preparation calls to ensure our people and facilities were prepared ahead of the increased peak season shipping volumes as well as any winter weather disruptions we may face. We conducted daily conference calls to ensure all operational stakeholder teams were engaged and addressed any identified needs ahead of the holiday season. While peak season successfully ended in January 2021, we had to utilize the winter weather operations planning to prepare for Winter Storm Viola which affected large portions of North America in mid-February 2021, and resulted in record snowfall and freezing temperatures in the Southern U.S. The FedEx meteorology team began monitoring this event seven days earlier and continued to refine the forecast as the storm drew closer. The operations teams were notified that the models indicated a possible impact affecting our Memphis, Dallas, and Indianapolis hub locations, and contingency plans were activated to ensure all adequate preparations were in place. The event resulted in 0.3 inches of freezing rain and 10 inches of snow and ice at our Memphis World Hub between February 9 and February 17, and as a result, numerous contingency plans were activated such as adding additional sorting operations and leveraging our FedEx Ground and FedEx Freight operating companies to maintain our customers’ critical supply chains. Furthermore, we continued to transport crucial COVID-19 vaccine shipments while during this severe weather event. We entered 0 in the “Cost to realize opportunity” field to satisfy CDP’s disclosure requirement, as the costs associated with this opportunity are embedded in our business resilience contingency planning program, which we do not disclose for competitive reasons.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
More than ever, customers and investors are looking to do business with companies that demonstrate strong sustainability performance. Increasingly, customers, shareowners and other stakeholders are requesting information and data on our citizenship programs. For example, in FY20 we provided more than 3,250 Customer Emission Calculator reports to over 750 enterprise customers. These reports inform customers of the carbon footprint resulting from our logistics services and help estimate our enterprise customers' Scope 3 carbon emissions by taking FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. In 2020, we also responded to 36 customer requests for the CDP Supply Chain questionnaire.

Time horizon
Long-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
While we cannot predict the effect opportunity might have on our future revenues, it is reasonably possible, however, that it could be material. While it is difficult to quantify the financial impact of such an intangible opportunity, we would anticipate that it would have a relatively low impact on demand for our services, based on customer research that indicates CSR/sustainability ranks relatively low on the list of purchase decision factors for shipping services.

Cost to realize opportunity
0

Strategy to realize opportunity and explanation of cost calculation
Our strategies for addressing this opportunity include proactive external stakeholder engagement (especially customer-facing), and implementing our “Reduce, Replace, Revolutionize” strategy. We reduce or eliminate impacts from activities and operations. We replace assets that can be improved. And, we revolutionize operations by applying new innovative technologies. An example of a customer offering is our Customer Emissions Calculator (CEC) tool, which creates a report with the customer’s total shipping emissions and weight. The report offers emissions data broken out by operating company, transportation mode and scope classification, and which provides ton-miles or kg-kilometers by operating company. The methodology for our calculator is consistent with the World Resources Institute Greenhouse Gas Protocol. Emissions are calculated based on the weight, distance, service type and routing associated with the shipment. This information helps customers better address their sustainability concerns, improve reporting, and optimize their shipping habits. In FY20 we provided more than 3,250 CEC reports to over 750 enterprise customers. We also have resources for customers to reduce their environmental footprints through service selection, packaging, etc. We entered 0 in the “Cost to realize opportunity” field to satisfy CDP’s disclosure requirement. The costs associated with managing this risk driver are embedded in our general customer engagement initiatives and our overall sustainability strategy, which we do not disclose for competitive reasons.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

No, but we anticipate using qualitative and/or quantitative analysis in the next two years

C3.2b

(C3.2b) Why does your organization not use climate-related scenario analysis to inform its strategy?

We acknowledge that there is a need to start modeling the potential impacts of climate change on future planning decisions related to optimizing our transportation logistics networks. Such impacts could influence future shipping volume flows and the geographic location of transportation hubs and distribution centers, to name a few. We are currently investigating the potential to expand our scenario analysis planning tools to incorporate such climate-related factors in the near future. FedEx has not yet used a climate-related scenario analysis in our operations as we are in the process of implementing several new network planning models based on advanced analytics such as simulation, optimization, statistics and machine learning.

These models are based on learning algorithms and get better with feedback loops and as more data is recorded over time. These models include a new network scenario analysis and planning tool that uses simulation, machine learning and optimization models to analyze the impact of flight and truck arrival patterns and available resources on flight and truck delays which ultimately impact package delivery commitments. This model has been implemented at the Memphis, Indianapolis, Greensboro, and Fort Worth hubs. Due to the pandemic, our plans for expansion to our Newark and Oakland hubs have been delayed but we do plan on developing the model for our LAX facility before the end of calendar year 2021. We are also working on a generalized model which will allow us to deploy it to more facilities (including major sort locations and airport ramps) across the Express domestic network. We are also implementing a machine learning model which will predict risk of delivery delays and the impact of various factors on each individual package. This model will take factors like historical flight times, traffic, weather, and other factors into consideration. For instance, we are currently incorporating weather-related criteria into the model in order to predict how adverse weather conditions might impact the delivery commitment date for packages.

Therefore, while climate-related factors have not been considered in these models to date, there may be future opportunity to incorporate it into these models once these models have been implemented and in use for a period of time. In addition to these models, there are pre-existing network planning teams at our operating companies that utilize sophisticated computational business analytical tools to model potential future scenarios that could affect our business operations, in order to develop robust strategies to ensure the resilience of our networks. These tools incorporate a variety of factors including potential population growth/declines, congestion, and demand for our shipping and retail service offerings, among others.

FedEx also has an in-house 15-staff meteorology division located in its Global Operations Control Center in Memphis, Tennessee, that utilizes state of-the-art weather monitoring tools including real-time and historical data from the National Oceanic and Atmospheric Administration (NOAA) in the U.S. All FedEx employees with a climate or weather inquiry can take advantage of the team's expertise. For example, in the winter months the meteorology team often receives inquiries from the trucking units regarding snowfall forecasts to transit routes in the northeast or through the mountainous areas of the western United States. The meteorology division staff also helps manage risks associated with global weather patterns. When they note a weather anomaly which could impact or pose a threat to FedEx operations, that information is relayed to the operational leadership at each impacted FedEx operating company, who in turn use this information to activate contingency operating plans. We anticipate leveraging the expertise of this division as we explore incorporating climate-related factors into our future scenario analysis planning tools.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate related risks and opportunities, such as emerging regulations that can result in increased fuel costs or restrictions on our ability to operate in certain markets, could have significant financial implications for FedEx, and has influenced our strategy in short, medium, and long-term time horizons. One of the key steps we announced toward reaching our goal of achieving carbon neutrality for our global operations by 2040 includes working with customers to offer end-to-end sustainability for their supply chains through carbon-neutral shipping offerings and sustainable packaging solutions. Recognizing the need for sustainable products and services, we created the Customer Emissions Calculator (CEC) tool. The creation of this tool is our most substantial strategic decision related to the ability of our customers to manage the sustainability impacts of our products and services, as it provides customer emissions information resulting from our logistics services, helping customers better address their sustainability concerns, improve reporting, and analyze and optimize their shipping habits. In FY20 we provided more than 3,250 CEC reports to over 750 enterprise customers. The methodology for the CEC tool is consistent with the World Resources Institute Greenhouse Gas Protocol, and emissions associated with shipments are calculated based on the weight, distance, service type and routing associated with the shipment. The impact of these opportunities has influenced FedEx in the short, medium, and long term time horizon as we are testing and applying innovative solutions to reduce the use of traditional vehicles and expand electric vehicles, autonomous devices, and other last mile delivery options. Roxo™, the FedEx SameDay Bot®, and use of drone technology, both tested during FY20, are two examples that hold promise for helping to address climate related risks and opportunities. Neither the drone nor Roxo produce any localized emissions. Another example is the launch in FY20 of a new carbon offset option in the redemption catalog for My FedEx Rewards that provides customers the ability to redeem rewards points for carbon offsets used to fund projects that reduce GHGs and produce renewable energy through Terrapass.
Supply chain and/or value chain	Yes	Risks and opportunities related to the growing customer interest in sustainability has influenced our supply chain and value chain strategy in the short-term time horizon. Across our global business, we work to identify and manage critical supply chain risks through robust, enterprise-wide policies and procedures. Our Sourcing organization's Supplier Relationship Management (SRM) team leads efforts to improve the sustainability practices of those suppliers critically dependent to our business success. For instance, our Sourcing team conducts regular supplier screenings to evaluate sustainability performance and work with suppliers on any necessary improvements. Our most substantial decision is the inclusion of sustainability-related questionnaires in our requests for qualifications and proposals in core categories, sustainability-related contract language in our key supplier contracts, and sustainability criteria in our key supplier scorecards. During FY20, we screened 92.6% of potential and current Sourcing-managed suppliers with sustainability RFx questions, an increase of 6.8% over the previous year. To further our supplier sustainability efforts, we include sustainability-related contract language in our new or amended contracts and the expectation to uphold the FedEx Code of Conduct. This language addresses supplier performance in environmental, social, labor, and human rights areas. Our SRM team also requires that all our Sourcing-managed suppliers provide their full business continuity and disaster recovery plans. These plans are evaluated through a robust process which the FedEx Vendor Risk Management team helped to design. Through this process, FedEx is able to mitigate those supply chain risks as it relates to climate change, cybersecurity, financials, and many other identified factors. The suppliers are scored at least annually on what they have provided to ensure the plans have been provided, discussed, and tested. Another area that could be impacted is the ability of our aircraft and vehicle suppliers to help us comply with future climate-related regulations. We work with those suppliers through our "Reduce, Replace, Revolutionize" approach to sustainability to develop and implement aircraft and vehicle innovations to address those risks.
Investment in R&D	Yes	Climate related risks and opportunities from a potential shift in customer preferences that could affect revenues resulting from increased or decreased demand for products and services have influenced our "Investment in R&D". In addition, regulatory risks associated with emerging climate regulations could impact the costs we pay for those services, as well as our ability to operate in certain markets around the world. The most substantial decision made due to opportunities presented in reducing our CO2e emissions and fuel cost has been the increased focus on last mile delivery innovation. An example of an investment in R&D influenced by climate related risks and opportunities include the creation of RoxoTM, the FedEx SameDay Bot® in collaboration with DEKA Development and Research Corp. Roxo has 100 pounds of payload capacity and the ability to navigate rough terrain. The all-electric Roxo produces no localized emissions. Another example of an investment in R&D that has been influenced by climate related risks and opportunities is our City Logistics pilot program in Europe, which seeks to identify the best mobility solutions for different types of urban centers found across the region. We are testing a variety of solutions to create a toolbox that can be tailored to meet each city's circumstances and needs. Our urban solutions include electric vehicles, autonomous devices, bicycles, and potentially public transit systems. Our approach allows us to demonstrate the business case of our mobility solutions and our ability to effectively deploy these solutions. We also consider the collaboration we undertake with our aircraft and vehicle suppliers through the "Revolutionize" component of our sustainability strategy as our "Investments in R&D", even though the R&D investments are undertaken by those suppliers. Examples here include the development, field-testing and adoption of alternative-fuel and advanced technologies in both our aviation and vehicle fleets, which we believe will play a critical part in reducing global GHG emissions in the transportation sector. These initiatives have been spurred on by the long-term risks/opportunities identified related to regulations and reputation identified through our ERM process.
Operations	Yes	Climate related risks and opportunities from a potential shift in customer preferences that could affect revenues resulting from increased or decreased demand for products and services have influenced our operations strategy. In addition, regulatory risks associated with emerging climate regulations could impact the costs we pay for those services, as well as our ability to operate in certain markets around the world. To that end, we announced a goal to achieve carbon neutrality for our global operations by 2040. To achieve that goal, we are committing more than $2 billion over the next several years to support initiatives designed to make FedEx operations more sustainable. For instance, by 2040, we have a goal that the entire FedEx parcel pickup and delivery (PUD) fleet will be zero-emission electric vehicles. This will be accomplished through phased programs to replace existing vehicles. For example, by 2025, we would like 50% of FedEx Express global PUD vehicle purchases will be electric, rising to 100% of all purchases by 2030. Our strategies for achieving this goal include implementing our "Reduce, Replace, Revolutionize" approach to sustainability. We reduce or eliminate impacts from activities and operations. We replace assets that can be improved. And, we revolutionize operations by applying new innovative technologies. As a part of the "Reduce" component of our approach, we also have operational programs that help reduce fuel and energy use such as more efficient aircraft and vehicle routing. In particular, our FedEx Fuel Sense program identifies efficiencies across our aviation operations, saving an estimated 118.5 million gallons of jet fuel in FY20, avoiding more than 1 million metric tons of CO2e. The "Replace" component includes upgrading our aircraft to more efficient models - such as the Boeing 767 Freighters, which are about 30% more fuel efficient than the MD10s they replace. In FY20 alone, the aircraft fleet modernization program saved more than 137 million gallons of fuel, avoiding more than 1.3 million metric tons of CO2e emissions, which is 11% of the emissions generated by our aircraft in FY20. The "Revolutionize" aspect of our strategy is heavily influenced by long-term considerations. Included here is our goal to transition our global PUD fleet to electric vehicles by 2040.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures Capital allocation	Climate related risks and opportunities have influenced our capital expenditures and capital allocation financial planning. To that end, our most impactful business decision has been to commit more than $2 billion over the next several years to support initiatives designed to make FedEx operations more sustainable across our aviation and vehicle fleets and at our facilities, in support of our goal to achieve carbon neutrality for our global operations by 2040. For instance, by 2040, we have a goal that the entire FedEx parcel pickup and delivery (PUD) fleet will be zero-emission electric vehicles. This will be accomplished through phased programs to replace existing vehicles. For example, by 2025, we would like 50% of FedEx Express global PUD vehicle purchases will be electric, rising to 100% of all purchases by 2030. We maintain a comprehensive capital authorization process that involves our Board of Directors and includes reviewing capital requests from our operating companies and allocating available capital across the enterprise based on needs and acceptable investment returns. Climate-related risks and opportunities prioritized through our ERM process influence the degree to which those capital expenditures are allocated for specific items, e.g. aircraft and vehicle fleet modernization. The need to reduce carbon or other greenhouse gas emissions have influenced our capital expenditures and capital allocation financial planning. For instance, our aircraft fleet modernization program, which was accelerated in 2013, has enabled us to avoid significant GHG emissions by replacing less fuel-efficient aircraft with more efficient models. In FY20 alone, the aircraft fleet modernization program saved more than 137 million gallons of fuel and avoided more than 1 million metric tons of CO2e emissions. The impact of savings from aircraft fleet modernization driven by the potential risk of increased operating costs applies towards the short and medium-term time horizon. In the short-term time horizon, FedEx Express took delivery of 18 new aircraft (13 Boeing 767Fs and five Boeing 777Fs) and permanently retired the last of eight MD-10-10s and we remain on track to retire our entire MD-10 fleet by fiscal year-end 2023. Although events of last year delayed our fleet modernization timeline, we have pending orders for 13 Boeing 777F aircraft and 35 Boeing 767F aircraft, scheduled to arrive between 2021 and 2024. On June 22, 2021, FedEx Express exercised options to purchase an additional 20 B767F aircraft, ten of which will be delivered in fiscal 2024 and ten of which will be delivered in fiscal 2025.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

In May 2021, we announced the completion of the offerings of $1.75 billion of USD-denominated notes and €1.25 billion of euro-denominated notes. A portion of the proceeds of the debt offerings, which received strong market support, were used with existing cash to redeem $5.8 billion of the company's existing debt. An additional portion carries historical significance for the company and the industry, representing the first sustainability bond ever issued by a North American transportation and logistics company. The offerings include an eight-year, €600M sustainability bond tranche in Europe. This is the first sustainability bond issued by a North American transportation and logistics company and is one of the ways FedEx will fund its efforts to achieve its goal of carbon neutral operations by 2040. Additional information is available on the company's sustainability website (https://www.fedex.com/en-us/sustainability/financing.html).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Year target was set
2011

Target coverage
Business division

Scope(s) (or Scope 3 category)
Scope 1

Intensity metric
Other, please specify (Pounds of CO2 per available-ton-mile)

Base year
2005

Intensity figure in base year (metric tons CO2e per unit of activity)
0.00068

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure
82

Target year
2020

Targeted reduction from base year (%)
30

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]
0.000476

% change anticipated in absolute Scope 1+2 emissions
29

% change anticipated in absolute Scope 3 emissions
0

Intensity figure in reporting year (metric tons CO2e per unit of activity)
0.0005

% of target achieved [auto-calculated]
88.2352941176471

Target status in reporting year
Expired

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
In 2008, we announced an ambitious goal to reduce aircraft emissions intensity on an available-ton-mile flown by 20% from a 2005 baseline by 2020, and we revised this target upwards to a 30% reduction in 2011. While we made significant progress toward this goal over the last decade, a global increase in volume—exacerbated by the COVID-19 pandemic—caused some older aircraft, which were planned for retirement, to remain in service longer than planned and has led us to fall short of our target to date. In addition to delays in the planned retirement of older aircraft, we have also experienced delays in our access to sustainable aviation fuel and have had to put on hold several new Fuel Sense projects to help our team members remain focused on safety during the pandemic. Despite these challenges, we have still reduced our aircraft emissions intensity by 27% since 2005. Our aircraft modernization and FedEx Fuel Sense programs saved more than 255 million gallons of fuel and have avoided more than 2 million metric tons of carbon dioxide equivalent (CO2e) emissions in FY20 alone. Please Note: In prior years, we reported the values in the “Intensity figure in base year...”, the “Intensity figure in target year…”, and the “and the “Intensity figure in reporting year…” fields in lbs of CO2 per available-ton-mile flown, which is how this goal is reported elsewhere. To comply with CDP’s reporting requirements, we are converting these intensity metrics into metric tons of CO2 per available-ton-mile flown in this year’s response.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Target(s) to increase low-carbon energy consumption or production
Net-zero target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number
Low 1

Year target was set
2009

Target coverage
Business activity

Target type: absolute or intensity
Absolute

Target type: energy carrier
Other, please specify (Jet fuel)

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2020

Figure or percentage in base year
0

Target year
2030

Figure or percentage in target year
30

Figure or percentage in reporting year
0

% of target achieved [auto-calculated]
0

Target status in reporting year
Underway

Is this target part of an emissions target?
Our target to obtain 30% of jet fuel from alternative fuels by 2030 supports our overall "Reduce, Replace, Revolutionize" approach to sustainability however is not part of the previously reported aircraft emissions intensity target in 4.1b.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
As the impacts of climate change continue to increase, we understand that we must do more to reduce our emissions than is possible through our Fuel Sense and aircraft fleet modernization programs. Our investments in alternative fuel sources underscore our commitment to reduce our emissions further. As part of our climate commitments, we are collaborating with our industry, government agencies, academia, and alternative fuel suppliers to seek development of viable, cost-effective alternative fuels that reduce our own emissions and support the uptake of alternative fuels throughout the aviation industry. One such effort is the construction of a biofuel refinery by Red Rock Biofuels, which will supply low-carbon renewable jet fuel to FedEx Express by converting wood waste from the logging industry into fuel. The biofuel refinery faced delays during the COVID-19 pandemic, but intends to start production in the first half of 2022. Based in Lakeview, Oregon, Red Rock will transport the sustainable aviation fuel through existing infrastructure to support our Bay Area, California, operations.

Target reference number
Low 2

Year target was set
2013

Target coverage
Business division

Target type: absolute or intensity
Absolute

Target type: energy carrier
Electricity

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2013

Figure or percentage in base year
0.3

Target year
2020

Figure or percentage in target year
5

Figure or percentage in reporting year
5.4

% of target achieved [auto-calculated]
108.510638297872

Target status in reporting year
Achieved

Is this target part of an emissions target?
Our FedEx Ground goal to obtain 5% of renewable energy by 2020 supports our overall "Reduce, Replace, Revolutionize" approach to sustainability however is not part of the previously reported aircraft emissions intensity target in 4.1b.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
In 2013, FedEx Ground unveiled an ambitious set of sustainability goals focused on renewable energy, alternative fuels, energy efficiency, and waste diversion. This includes a 5% renewable energy goal by 2020. FedEx Ground surpassed this goal by growing its renewable energy infrastructure. Today, the company has 15 locations using solar energy in their operations. These include on-site solar installations, along with one facility in Spokane, Washington that receives all of its electricity from energy produced by a nearby solar farm, and the Maui, Hawaii facility that features a solar-plus-storage system.

Target reference number
Low 3

Year target was set
2013

Target coverage
Business division

Target type: absolute or intensity
Absolute

Target type: energy carrier
Other, please specify (Diesel)

Target type: activity
Consumption

Target type: energy source
Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)
Percentage

Target denominator (intensity targets only)
<Not Applicable>

Base year
2013

Figure or percentage in base year
3

Target year
2020

Figure or percentage in target year
10

Figure or percentage in reporting year
12.3

% of target achieved [auto-calculated]
132.857142857143

Target status in reporting year
Achieved

Is this target part of an emissions target?
Our FedEx Ground goal to replace 10% of diesel with alternative fuels by 2020 supports our overall "Reduce, Replace, Revolutionize" approach to sustainability however is not part of the previously reported aircraft emissions intensity target in 4.1b.

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
In 2013, FedEx Ground unveiled an ambitious set of sustainability goals focused on renewable energy, alternative fuels, energy efficiency, and waste diversion. This includes the alternative fuels goal to replace 10% of diesel with alternative fuels by 2020. FedEx Ground has achieved and surpassed this goal with over 12.3% of diesel displaced with alternative fuels. FedEx Ground helps to increase alternative fuel accessibility for our service providers through fuel islands. Our fuel island network has enabled our service providers to maintain a network of more than 180 alternative fuel vehicles.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Not applicable

Target year for achieving net zero
2040

Is this a science-based target?
No, but we anticipate setting one in the next 2 years

Please explain (including target coverage)
Building on our longstanding commitment to sustainability, in early 2021 we set a goal to achieve carbon neutrality for our global operations by 2040. On our path to carbon neutrality, we are committing more than $2 billion over the next several years to support initiatives designed to make FedEx operations more sustainable across our aviation and vehicle fleets and at our facilities. For instance, across our aviation fleet, we will continue to invest in our Fuel Sense initiatives, modernize our aircraft, and utilize alternative fuels to reduce emissions. Our goal is to transition the entire FedEx parcel pickup and delivery (PUD) fleet to zero emission vehicles by 2040. We will use a phased approach to replace existing vehicles. For example, by 2025, we would like 50% of FedEx Express global PUD vehicle purchases to be electric, rising to 100% of all purchases by 2030, subject to availability. In addition to low and zero emissions upgrades across our operations, we will continue to innovate toward new climate-friendly solutions and to invest in long-term transformational solutions for FedEx and the entire industry. We have pledged $100 million to help establish the Yale Center for Natural Carbon Capture and its research into methods of carbon sequestration at scale, with an initial focus to help offset GHG emissions equivalent to current airline emissions.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	0
To be implemented*	3	95854
Implementation commenced*	2	2119
Implemented*	4	35801
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)
25157

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
2700000

Investment required (unit currency – as specified in C0.4)
8000000

Payback period
1-3 years

Estimated lifetime of the initiative
Ongoing

Comment
Our FedEx Office operating company has installed an Energy Management System (EMS) in over 1,500 of its retail stores. This allows us to set temperature controls to adjust for vacant building times, diagnose HVAC performance issues, and pinpoint energy-saving opportunities. We saved more than 35 million kWh of electricity in FY20, allowing us to avoid more than 25,000 metric tons of CO2e emissions.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
1387

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
259844

Investment required (unit currency – as specified in C0.4)
2636842

Payback period
4-10 years

Estimated lifetime of the initiative
11-15 years

Comment
Lighting systems at 26 FedEx Freight Service Centers in the U.S. were fully or partially upgraded to LED during FY20.

Initiative category & Initiative type

Transportation	Company fleet vehicle replacement

Estimated annual CO2e savings (metric tonnes CO2e)
7796

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
0

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
11-15 years

Comment
In FY20, FedEx Freight deployed 135 electric-powered forklifts at five Service Centers in the U.S. We entered 0 in the “Annual monetary savings” and “Investment required” fields, and selected the “No payback” option from the “Payback period” drop-down as we’re unable to determine this information at this time

Initiative category & Initiative type

Low-carbon energy generation	Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)
1461

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
142092

Investment required (unit currency – as specified in C0.4)
0

Payback period
<1 year

Estimated lifetime of the initiative
11-15 years

Comment
This is for a new on-site solar energy system at a FedEx Ground facility in Robbinsville, NJ.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	As part of our standard financial investment decision making processes, we factor in the cost savings and other financial benefits (e.g. tax incentives) associated with investing in more fuel/energy efficient technologies in our aircraft and vehicle fleet and operations.
Compliance with regulatory requirements/standards	Active and potential regulations such as the EU ETS and pending regulations such as the U.S. EPA / Department of Transportation's action to promulgate greenhouse gas emission / fuel economy regulations for commercial vehicles could help drive our investments in more fuel-efficient aircraft and vehicles in order to comply with regulatory obligations and take advantage of the associated fuel cost savings from operating more efficient transportation assets. This can also drive investments in carbon offsets. For example, in accordance with the inclusion of aviation in the obligations of the intra-EU/European Economic Area (EEA) scope of the EU ETS, FedEx monitors fuel usage and emissions for applicable flights. Each year, relevant data has been 3rd party verified to demonstrate continued compliance. As required, our compliance efforts include purchasing and surrendering allowances, when necessary. FedEx also implemented an emissions monitoring plan to meet the requirements of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) program developed by the International Civil Aviation Organization (ICAO), a specialized agency of the United Nations. Like a number of U.S. airlines, FedEx actively supported our industry association in helping FAA implement CORSIA. In light of CORSIA's objective to complement technology, operations, infrastructure and sustainable aviation fuel efforts and assist global airlines in meeting the goal of carbon-neutral growth after 2020, FedEx submitted its first monitoring report and is preparing for the carbon offsetting obligations of CORSIA. FedEx recognizes the EU ETS, CORSIA and other carbon related regional or local taxes & fees as both opportunities and liabilities given our global growth plans. FedEx will continue to deploy methods to continually improve our fleet efficiencies, make advances in our operations and use of technology as well as support global aviation infrastructure improvements to mitigate any potentially adverse impacts.
Other	Occasionally we explore opportunities to invest in emissions reduction initiatives if a significant customer service enhancement, reputational or brand recognition benefit can be gained.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
June 1 2008

Base year end
May 31 2009

Base year emissions (metric tons CO2e)
14101552

Comment

Scope 2 (location-based)

Base year start
June 1 2008

Base year end
May 31 2009

Base year emissions (metric tons CO2e)
1065689

Comment

Scope 2 (market-based)

Base year start
June 1 2016

Base year end
May 31 2017

Base year emissions (metric tons CO2e)
1094867

Comment
We first started reporting a "Market-based" Scope 2 emissions number in our 2018 Global Citizenship Report for our 2017 fiscal year.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

15235320

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

948280

Scope 2, market-based (if applicable)

948280

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Based on a comprehensive assessment performed for FY17, we determined the difference between Location- and Market-based Scope 2 emissions is de minimis at the present time. Therefore, we are reporting the same value in the "Scope 2, location-based" and "Scope 2, market-based" fields here.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
Fuel use from emergency back-up generators and a few forklifts at non-hub locations.

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why this source is excluded
The emissions from these sources have not been reported as they contribute to less 1% of our overall Scope 1 emissions.

Source
FedEx Office stores where electricity usage is bundled with the facility leases, and at some international subsidiaries that have been recently acquired.

Relevance of Scope 1 emissions from this source
No emissions from this source

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why this source is excluded
The emissions from these sources have not been reported as they contributed to less than 1% of our overall Scope 2 emissions.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Given the variety of goods and services that we purchase for our business and the complexity associated with estimating the embedded carbon for those items, we have not had the opportunity to estimate these emissions yet.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Given the variety of capital goods that we purchase for our business and the complexity associated with estimating the embedded carbon for those items, we have not had the opportunity to estimate these emissions yet.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Given the variety of fuel and energy-related inputs that we purchase for our business and the complexity associated with estimating the embedded carbon for those items, we have not had the opportunity to estimate these emissions yet.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
2971319

Emissions calculation methodology
Our Scope 3 contracted transportation emissions include those from (1) fuel used by FedEx Ground independent contractors, (2) fuel used by FedEx Freight contractors in Canada, (3) allocated portion of fuel burned by commercial interline aircraft carriers in support of FedEx Express international shipping, and (4) contracted intermodal rail. For (1) and (2), the emissions calculations are based on fuel we provide directly to those suppliers or which we track through the use of fuel purchase credit cards, and apply the same emissions calculation methodology we described for Scope 1 above. The emissions data for (3) is provided to us by our commercial interline aircraft carriers using an allocation methodology developed by the International Air Transport Association (IATA). For (4), the emissions calculations are based on information provided by our suppliers.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Waste generated in operations

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Given the variety of waste materials generated and the complexity associated with estimating the associated carbon for those materials, we have not had the opportunity to estimate these emissions yet.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
64380

Emissions calculation methodology
Our third-party business travel service provider estimated Scope 3 emissions associated with commercial air travel undertaken by our team members in FY20.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Given the scale and geographic diversity of our workforce and the complexity associated with estimating the carbon associated with their commuting, we have not had the opportunity to estimate these emissions yet.

Upstream leased assets

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Given the scale and variety of upstream leased assets we use for our business and the complexity associated with estimating the embedded carbon for those items, we have not had the opportunity to estimate these emissions yet.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Our main services - delivering customers' packages and freight - do not result in any significant emissions by our customers. However, we aim to inform customers of the carbon footprint resulting from our transportation logistics services through the FedEx Carbon Calculator tool, which can estimate our enterprise customers' Scope 3 carbon emissions by taking FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. As a result, customers are empowered with the knowledge necessary to decrease their shipping-related emissions and to pay for associated carbon offsets through their preferred organizations.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Our main services - delivering customers' packages and freight - do not result in any significant emissions by our customers. However, we aim to inform customers of the carbon footprint resulting from our transportation logistics services through the FedEx Carbon Calculator tool, which can estimate our enterprise customers' Scope 3 carbon emissions by taking FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. As a result, customers are empowered with the knowledge necessary to decrease their shipping-related emissions and to pay for associated carbon offsets through their preferred organizations.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Our main services - delivering customers' packages and freight - do not result in any significant emissions by our customers. However, we aim to inform customers of the carbon footprint resulting from our transportation logistics services through the FedEx Carbon Calculator tool, which can estimate our enterprise customers' Scope 3 carbon emissions by taking FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. As a result, customers are empowered with the knowledge necessary to decrease their shipping-related emissions and to pay for associated carbon offsets through their preferred organizations.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Our main services - delivering customers' packages and freight - do not result in any significant emissions by our customers. However, we aim to inform customers of the carbon footprint resulting from our transportation logistics services through the FedEx Carbon Calculator tool, which can estimate our enterprise customers' Scope 3 carbon emissions by taking FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. As a result, customers are empowered with the knowledge necessary to decrease their shipping-related emissions and to pay for associated carbon offsets through their preferred organizations.

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
194873

Emissions calculation methodology
This includes the emissions from the FedEx Express feeder aircraft contract operators who lease aircraft from FedEx Express. The emissions calculations are based on the fuel we provide directly to those operators, and apply the same emissions calculation methodology we described for Scope 1 above.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
FedEx does not operate a franchised business model.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
FedEx is not a financial institution and therefore does not have any relevant emissions related to investments in the reporting year that are not already included in Scope 1 or 2.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	232157	

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.00023381

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
16183600

Metric denominator
unit total revenue

Metric denominator: Unit total
69217000000

Scope 2 figure used
Location-based

% change from previous year
0.65

Direction of change
Decreased

Reason for change
Our reported absolute Scope 1 & 2 emissions deceased by 1.3% in FY20, while our consolidated revenues, expressed in USD, also decreased by 0.7% during that same period. Our intensity metric for FY20 decreased by 0.65% compared to the previous year. Our emission reduction activities include: i) Aircraft Efficiency Initiatives: Implemented efficiencies in flight operations through our global FedEx® Fuel Sense program and replaced many of our older airplanes with more fuel-efficient models. These initiatives alone saved more than 255 million gallons of fuel and avoided almost 2.4 million metric tons of CO2e emissions in FY20. This is equivalent to 20% of aircraft CO2e emissions in FY20. ii) Vehicle Efficiency Initiatives: Through the FedEx Express Reduce, Replace, Revolutionize vehicle strategy has avoided more than 315,500 metric tons CO2e. This is a 23% increase in emissions avoided as compared to FY19. iii) Intermodal Rail Shipping: Use of intermodal rail transport at FedEx Freight is 70% more efficient than transport by road. In FY20, our continued use of intermodal rail shipping at FedEx Freight has avoided 232,557 metric tons CO2e.

C-TS6.15

(C-TS6.15) What are your primary intensity (activity-based) metrics that are appropriate to your emissions from transport activities in Scope 1, 2, and 3?

HDV

Scopes used for calculation of intensities
Report just Scope 1

Intensity figure
0.000446

Metric numerator: emissions in metric tons CO2e
1478343

Metric denominator: unit
t.mile

Metric denominator: unit total
3310928216

% change from previous year
39

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
This intensity figure is based on 2020 U.S. EPA Smart Way data for FedEx Express in US and Canada and only includes CO2 information due to data availability. FedEx Express represents the majority of our total enterprise CO2 emissions. Emissions from other operating companies such as FedEx Ground was excluded due to the use of contractor fleets and data availability. FedEx Express saw a 39% increase in the HDV intensity figure. This can be attributed to the unprecedented growth in e-commerce shipping volumes during the COVID-19 pandemic in 2020, which resulted in increased deliveries to residential addresses during that year. In addition, the increased utilization of larger pickup and delivery vehicles to accommodate this growth in e-commerce shipping volumes also contributed to the increase in this intensity metric.

Aviation

Scopes used for calculation of intensities
Report just Scope 1

Intensity figure
0.000502

Metric numerator: emissions in metric tons CO2e
11588107

Metric denominator: unit
t.mile

Metric denominator: unit total
23073257707

% change from previous year
4

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
The intensity figure reported only included FedEx Express as it is the only operating company with aircraft. The Metric denominator value is actually available-ton-miles flown, however that is not a drop-down option in the CDP online system, so we are selecting the “t.mile” option. FedEx Express saw a 4% decrease in aviation intensity figure. This can be largely attributed to aircraft modernization and fuel efficiency efforts under our “Reduce, Replace, Revolutionize” approach to sustainability. These efforts helped save more than 255m gallons of fuel and more than 2.37 metric tons of c2e emissions in FY20.

ALL

Scopes used for calculation of intensities
Report just Scope 1

Intensity figure
0

Metric numerator: emissions in metric tons CO2e
0

Metric denominator: unit
t.mile

Metric denominator: unit total
0

% change from previous year
0

Please explain any exclusions in your coverage of transport emissions in selected category, and reasons for change in emissions intensity.
Zero was provided in response to intensity figure, metric numerator: emissions in metric tons CO2e, metric denominator: unit total, and in % change from previous year in order to meet CDP disclosure requirements. An overall intensity metric is not feasible at this time due to the various intensity metrics used internally across the enterprise.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	15084540	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	5587	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	145191	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	9638452
Other, please specify (Rest of World)	5596869

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Air	11753275
Road	3134416
Facilities (nat gas and heating oil)	347630

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	15235320	<Not Applicable>	FedEx is purely a transportation company and all of our activities are in support of transportation services and related activities. Therefore, our gross global Scope 1 emissions by transport services are the same as our overall Scope 1 emissions.

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United States of America	835255	835255	1891397	0
Other, please specify (Rest of the World)	113024	113024	411399	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Total Facility Energy Use	948280	948280

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	948280	948280	As a transport service provider, all of our gross global scope 2 emissions are in support of transport services and related activities.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	As we are reporting the same value for our Location-based and Market-based Scope 2 emissions, the actual CO2e emission reductions resulting from our on-site solar electricity generation are not reflected in our reported FY20 Scope 2 emissions data. In reality, our on-site solar electricity generation (see the Data Appendix section of our 2021 ESG Report at https://www.fedex.com/en-us/sustainability/reports.html) helped avoid 13,225 metric tons CO2e. Across our operating companies, 26 FedEx locations generate on-site renewable energy, and we are evaluating additional opportunities to purchase off-site renewable energy.
Other emissions reduction activities	3118688	Decreased	19	Collectively, our most impactful sustainability initiatives, not including renewable energy or fuel cell energy, helped us avoid more than 3.1 million metric tons of greenhouse gas emissions in FY20 (see the Data Appendix section of our 2021 ESG Report at https://www.fedex.com/en-us/sustainability/reports.html). This represents approximately 19.0% of our FY19 Scope 1 & 2 emissions. The calculation for this is (3,118,688/16,402,161)*100= 19.0%. For example, our long-standing FedEx Fuel Sense program identifies efficiencies across aviation operations by drawing on the insights and ideas of front-line team members and experts who contribute to a culture of fuel-saving behavior. A total of 70 projects have been identified since the program began in 2006, and 883.2 million gallons of jet fuel have been saved since then as well. Collectively, FedEx Fuel Sense programs saved almost 118.5 million gallons of jet fuel in FY20, and avoided more than 1,055,690 metric tons of CO2e emissions. This is a slight increase from FY19 when Fuel Sense Programs saved 109.5 million gallons and avoided more than 1 million metric tons of CO2e emissions.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	61950	62604641	62666591
Consumption of purchased or acquired electricity	<Not Applicable>	737161	1594227	2285227
Consumption of purchased or acquired heat	<Not Applicable>	0	17569	17569
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	94	94
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	24512	<Not Applicable>	24512
Total energy consumption	<Not Applicable>	823623	64170369	64993993

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Jet Kerosene

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
48103509

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
9.57

Unit
kg CO2 per gallon

Emissions factor source
US Energy Information Administration Carbon Dioxide Emissions Coefficients

Comment

Fuels (excluding feedstocks)

Diesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
11305846

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
10.16

Unit
kg CO2 per gallon

Emissions factor source
US Energy Information Administration Carbon Dioxide Emissions Coefficients

Comment

Fuels (excluding feedstocks)
Motor Gasoline

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
841721

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
8.89

Unit
kg CO2 per gallon

Emissions factor source
US Energy Information Administration Carbon Dioxide Emissions Coefficients

Comment

Fuels (excluding feedstocks)
Propane Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
309905

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor
5.76

Unit
kg CO2 per gallon

Emissions factor source
US Energy Information Administration Carbon Dioxide Emissions Coefficients

Comment

Fuels (excluding feedstocks)
Compressed Natural Gas (CNG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
36467

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
4.5

Unit
kg CO2 per gallon

Emissions factor source
EPA Climate Leadership GHG Emission Factors Hub

Comment

Fuels (excluding feedstocks)
Liquefied Natural Gas (LNG)

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
25700

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
4.46

Unit
kg CO2 per gallon

Emissions factor source
EPA Climate Leadership GHG Emission Factors Hub

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization

1976084

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
117.1

Unit
lb CO2 per 1000 cubic ft3

Emissions factor source
US Energy Information Administration Carbon Dioxide Emissions Coefficients

Comment

Fuels (excluding feedstocks)
Heavy Gas Oil

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
4892

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
11.09

Unit
kg CO2 per gallon

Emissions factor source
EPA Climate Leadership GHG Emission Factors Hub

Comment

Fuels (excluding feedstocks)
Biodiesel

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
61950

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
9.51

Unit

kg CO2 per gallon

Emissions factor source
US Energy Information Administration Carbon Dioxide Emissions Coefficients

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	37150	37150	24512	24512
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type
<Not Applicable>

Country/area of consumption of low-carbon electricity, heat, steam or cooling
<Not Applicable>

MWh consumed accounted for at a zero emission factor
<Not Applicable>

Comment
We selected the “None (no purchases of low-carbon electricity, heat, steam or cooling)” drop-down option in the “Sourcing method” field to satisfy CDP’s reporting requirement as we are reporting the same value for Location-based and Market-based Scope 2 emissions in C6.3. Based on a comprehensive assessment performed for FY17, we determined the difference between Location- and Market-based Scope 2 emissions is de minimis at the present time. Therefore, we are reporting the same value for both metrics in this response. However in reality some of our North American and European locations utilize a mixture of low carbon electricity from a range of sources including on-site/off-site solar (both with and without energy attribute certificates, Guarantees of Origin, and Renewable Energy Certificates). In FY20, 23,023MWh of solar electricity was obtained through Power Purchase Agreements, however, these initiatives have not impacted our reported Scope 2 emissions which are based on average grid emissions. As noted previously, we determined the difference between Location- and Market based Scope 2 emissions is de minimis at the present time and therefore are reporting the same value for both metrics in FY20.

C-TS8.5

(C-TS8.5) Provide any efficiency metrics that are appropriate for your organization's transport products and/or services.

Activity
Heavy Duty Vehicles (HDV)

Metric figure
0.289722

Metric numerator
Liters of fuel

Metric denominator
Other, please specify (Miles driven)

Metric numerator: Unit total
280817544

Metric denominator: Unit total
969264104

% change from last year
-2.54

Please explain
HDV energy efficiency metric reported in this question is based on vehicle data from FedEx Express operating company. The -2.54% change from last year was calculated using the following FY19 figures: 291,683,121liters of fuel and 981,147,528 miles driven. Dividing 291,683,121 liters of fuel by 981,147,528 miles driven is 0.297288 liters per mile driven.

Activity
Aviation

Metric figure
0.198654

Metric numerator
Liters of fuel

Metric denominator
Other, please specify (Available ton miles)

Metric numerator: Unit total
4583588493

Metric denominator: Unit total
23073257707

% change from last year
-0.72

Please explain
Aviation energy efficiency metric is based on data from FedEx Express which is the operating company responsible for our aviation fleet and air operations. The percentage change metric -0.72%% is calculated using the following FY19 figures: 4,560,338,921 liters of fuel used and 22,149,421,604 available-ton-miles flown. Dividing 4,560,338,921 liters of fuel by 22,149,421,604 available-ton-miles is 0.205890 liters of fuel per available-ton-mile flown.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-TO9.3/C-TS9.3

(C-TO9.3/C-TS9.3) Provide tracking metrics for the implementation of low-carbon transport technology over the reporting year.

Activity
Heavy Duty Vehicles (HDV)

Metric
Fleet adoption

Technology
Battery electric vehicle (BEV)

Metric figure
134

Metric unit
Units

Explanation
Across FedEx, 134 electric vehicles were added (net) to the global fleet in FY20 when including forklifts, airport ground service equipment, and delivery trucks for a total global fleet of more than 3,078 electric vehicles. On our path to carbon neutrality, we are committing more than $2 billion over the next several years to support initiatives designed to make FedEx operations more sustainable across our aviation and vehicle fleets and at our facilities. Our goal is to transition the entire FedEx parcel pickup and delivery (PUD) fleet to zero emission vehicles by 2040. We will use a phased approach to replace existing vehicles. For example, by 2025, we would like 50% of FedEx Express global PUD vehicle purchases will be electric, rising to 100% of all purchases by 2030, subject to availability. We strive to employ the most advanced vehicle technologies to efficiently and safely move packages across our networks. By leveraging advancements in the zero emission vehicle market, we have created a long-term strategy to transition our pickup, delivery, and support vehicle fleets to zero emission technologies. While the impacts of COVID-19 slowed our procurement of electric vehicles and construction of charging infrastructure in FY20, FedEx Express is continuing its acquisition of zero emission vehicles with our agreement to purchase 500 electric vehicles from General Motors' BrightDrop, and we remain committed to our goal for a zero emission vehicle future for our parcel PUD fleet. Recently, we conducted several successful initiatives involving electric vehicles in our operations. In California, we built out an electric vehicle infrastructure of 515 chargers supporting over 1,000 electric vehicles. In Europe, we have demonstrated the value proposition of electric vehicles and we are now prioritizing key cities and routes for electrification. Across our operating companies, we continue to electrify our forklift, airport ground service equipment, and other non-road vehicles as existing equipment reaches the end of its usable life. In addition, we are moving to scale these programs in support of our goal to be carbon neutral by 2040. By advancing electrification, we can reduce fuel and maintenance costs and contribute to global efforts to mitigate climate change.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	Climate related risks and opportunities have influenced our "Investment in R&D" of low-carbon products and services related to our sector. An example of an investment in R&D influenced by climate related risks and opportunities include the creation RoxoTM the FedEx SameDay Bot® in collaboration with DEKA Development and Research Corp. Roxo has 100 pounds of payload capacity and the ability to navigate rough terrain, including hills and small flights of stairs. Roxo uses cameras and sensors to detect surroundings and navigate safely, efficiently, and in compliance with road rules, whether operating on a road, bike lane, or sidewalk. The all-electric Roxo consumes no fossil fuel and produces no localized emissions. We also consider the collaboration we undertake with our aircraft and vehicle suppliers through the "Revolutionize" component of our sustainability strategy as our "Investments in R&D", even though the R&D investments are undertaken by those suppliers. Examples here include the development, field-testing and adoption of alternative-fuel and advanced technologies in both our aviation and vehicle fleets, which we believe will play a critical part in reducing global GHG emissions in the transportation sector. The impact of our investment in alternative jet fuels is in support of our goal to obtain 30% of jet fuel from alternative fuels by 2030. These initiatives are all part of our "Revolutionize" approach to sustainability.

C-TO9.6a/C-TS9.6a

(C-TO9.6a/C-TS9.6a) Provide details of your organization's investments in low-carbon R&D for transport-related activities over the last three years.

Activity
Aviation

Technology area
Alternative fuels

Stage of development in the reporting year
Small scale commercial deployment

Average % of total R&D investment over the last 3 years
0%

R&D investment figure in the reporting year (optional)

Comment
As the impacts of climate change continue to increase, we understand that we must do more to reduce our emissions than is possible through our Fuel Sense and fleet modernization programs. Our investments in alternative fuel sources underscore our commitment to reduce our emissions further. As part of our climate commitments, we are collaborating with our industry, government agencies, academia, and alternative fuel suppliers to seek development of viable, cost-effective alternative fuels that reduce our own emissions and support the uptake of alternative fuels throughout the aviation industry. One such effort is the construction of a biofuel refinery by Red Rock Biofuels, which will supply low-carbon renewable jet fuel to FedEx Express by converting wood waste from the logging industry into fuel. The biofuel refinery faced delays during the COVID-19 pandemic, but intends to start production in the first half of 2022. Based in Lakeview, Oregon, Red Rock will transport the sustainable aviation fuel through existing infrastructure to support our Bay Area, California, operations. We entered 0 in the "Average % of total R&D investment over the last 3 years" column to satisfy CDP's disclosure requirement, as FedEx does not disclose this information for competitive reasons.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
FedEx_FY20_Emissions_Verification_Statement.pdf

Page/ section reference
1

Relevant standard
Corporate GHG verification guidelines from ERT

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
FedEx_FY20_Emissions_Verification_Statement.pdf

Page/ section reference
1

Relevant standard
Corporate GHG verification guidelines from ERT

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C11. Carbon pricing	Other, please specify (Carbon credit purchase)	VCS (Verified Carbon Standard) and Gold Standard	We have established an internal process to monitor our annual ETS emissions and participate in voluntary offsetting. We purchase carbon offset credits that are verified through Verified Carbon Standard (VCS) and Gold Standard.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

1.26

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2020

Period end date

December 31 2020

Allowances allocated

81244

Allowances purchased

110324

Verified Scope 1 emissions in metric tons CO2e

191568

Verified Scope 2 emissions in metric tons CO2e

0

Details of ownership

Other, please specify (FedEx-operated aircraft within the EU (i.e. intra-EU))

Comment

The CO2 emissions data discussed here refers only to FedEx-operated aircraft within the EU (i.e. intra-EU).

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

FedEx has implemented a multi-faceted strategy to reduce the impact of our aviation emissions. Tactics include an extensive investment strategy to upgrade to newer, more fuel-efficient aircraft, operational controls, and comprehensive fuel use tracking system to employ the most efficient procedures and collaboration with agencies to improve flight procedures and support air traffic modernization. This is supplemented by FedEx participation in initiatives to bring additional sustainable aviation fuel to market and pursue opportunities to advance FedEx use of alternative fuel. These voluntary efforts support FedEx progress towards its aviation-specific emissions reduction target. Additionally, FedEx fully complies with applicable systems. For example, in accordance with the inclusion of aviation in the obligations of the intra-EU/European Economic Area (EEA) scope of the EU ETS, FedEx monitors fuel usage and emissions for applicable flights. Each year, relevant data has been 3rd party verified to demonstrate continued compliance. As required, our compliance efforts include purchasing and surrendering allowances, when necessary. FedEx also implemented an emissions monitoring plan to meet the requirements of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) program developed by the International Civil Aviation Organization (ICAO), a specialized agency of the United Nations. Like a number of U.S. airlines, FedEx actively supported our industry association in helping FAA implement CORSIA. In light of CORSIA's objective to complement technology, operations, infrastructure and sustainable aviation fuel efforts and assist global airlines in meeting the goal of carbon-neutral growth after 2020, FedEx submitted its first monitoring report and is preparing for the carbon offsetting obligations of CORSIA. FedEx recognizes the EU ETS, CORSIA and other carbon related regional or local taxes & fees as both opportunities and liabilities given our global growth plans. FedEx will continue to deploy methods to continually improve our fleet efficiencies, make advances in our operations and use of technology as well as support global aviation infrastructure improvements to mitigate any potentially adverse impacts.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Information collection (understanding supplier behavior)

Details of engagement
Other, please specify (We include sustainability criteria (including climate related) on 100% of our annual scorecards used to evaluate our key managed suppliers.)

% of suppliers by number
100

% total procurement spend (direct and indirect)
44

% of supplier-related Scope 3 emissions as reported in C6.5
0

Rationale for the coverage of your engagement
The response in the "% of suppliers by number" field refers to 100% of our key managed suppliers. Similar to many other companies, we segment our supplier base so our Sourcing & Procurement (S&P) team can provide an appropriate level of engagement with specific key managed critical suppliers that drive material impact for S&P spend categories and FedEx operations. We engage with these suppliers in strategic areas including environmental sustainability (which covers a variety of sustainability issues including climate change) to ensure alignment and support of our enterprise values and goals. With this approach, we are able to focus our efforts with key suppliers that yield the most impactful results and value in our supply chain. All of our key S&P-managed suppliers are asked questions involving environmental sustainability using our supplier scorecard. Our supplier scorecard metrics contain environmental sustainability questions (which cover a variety of sustainability issues including climate change) that evaluate our suppliers' performance.

Impact of engagement, including measures of success
Measures of success include increased engagement and collaboration between category managers and key managed suppliers that generate robust discussions and ideation to help meet enterprise sustainability goals. As a result, there is greater alignment and focus on meeting corporate goals, such as our goal to achieve carbon neutrality for our global operations by 2040. These goals are incorporated in categories strategies and reviewed during supplier annual business reviews. In addition to our supplier scorecards, as a part of our engagement efforts, we include sustainability related language in key supplier contracts (new and renewals), and 92.6% of potential and current sourcing managed suppliers were screened with sustainability related questions, a 7% increase over FY19.

Comment
We entered 0 in the "% Scope 3 emissions as reported in C6.5" field to satisfy CDP's disclosure requirement. We did not report any Scope 3 emissions data in the "Purchased goods and services" row in C6.5. Given the variety of goods and services that we purchase for our business and the complexity associated with estimating the embedded carbon for those items, we have not had the opportunity to estimate these emissions yet. The response in the "% total procurement spend (direct and indirect)" field refers to the percentage of all S&P-managed supplier spend that these key managed suppliers generated in FY20.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to education customers about your climate change performance and strategy

% of customers by number
100

% of customer - related Scope 3 emissions as reported in C6.5
0

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
We entered 0 in the "% Scope 3 emissions as reported in C6.5" field to satisfy CDP's disclosure requirement. Our main services - delivering customers' packages and freight - do not result in any significant emissions by our customers, and therefore we did not report any Scope 3 emissions related to our customers' use of our products/services in that question. We engage with 100% of our customers in order to understand and incorporate climate-related values that our customers find into our sustainability program. The Scope of this engagement includes, but is not limited to, through the annual ESG Report and our fedex.com/sustainability website. We also inform customers of our overall sustainability strategy guided by our "Reduce, Replace, Revolutionize" approach and our efforts to reduce our carbon emissions. The report documents our progress against our goals including aircraft emissions intensity, vehicle fuel efficiency, alternative fuel, renewable energy, and LEED certified facilities goal. The scope of this engagement includes all customers of FedEx Express, FedEx Ground, FedEx Freight and FedEx Services as corporate social responsibility is at the heart of our business and as such we aim to engage with all of our customers on how we embed these considerations into our business. In addition to the information we provide our customers in the ESG Report and fedex.com/sustainability website, we also provide customized Customer Emission Calculator (CEC) reports to specific customers that request for this information. The scope for the CEC reports is customers of FedEx Express, FedEx Ground and FedEx Freight who use the tool. We inform customers of the carbon footprint resulting from our logistics services through the FedEx CEC tool, which can estimate our enterprise customers' Scope 3 carbon emissions by taking FedEx-specific package routing, facilities, aircraft fleet, and surface vehicles and applying industry standard CO2 fuel burn factors. As a result, customers are empowered with the knowledge necessary to decrease their shipping-related emissions and to pay for associated carbon offsets through their preferred organizations.

Impact of engagement, including measures of success
Customers wish to do business with companies that share their values and demonstrate good practice in managing environmental and social impacts. We can see that our efforts with our customers have been paying off as our reputation with large enterprise customers is increasingly impacted by our corporate citizenship performance, as the impact of these engagements has allowed FedEx to deploy additional sustainability services such as those provided by the FedEx Packaging Lab. The FedEx Packaging Lab allows FedEx to marry our knowledge of environmentally preferable packaging materials and operational efficiencies based on dimensional weight to reduce the overall footprint of our customers. The Packaging Lab works with customers to evaluate their packaging and provide recommendations on opportunities for customers to improve on their existing packaging. Learnings from customer packaging issues are then applied to the next customer problem. FedEx also actively benchmarks with large, likeminded corporations to leverage information and make informed decisions around sustainable investments, such as fleet, alternative fuels and renewable energy. The fact that these companies seek out FedEx to partner with is a testament to our CSR performance and provides us with opportunities to pilot new programs to reduce the environmental footprint of both of our organizations.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

An example of climate-related engagement strategy is FedEx's global retail service network with key partners such as Albertsons, Kroger, Mondial Relay, Walgreens, Walmart and 7-Eleven. We work with these partners to provide additional access to our services while reducing the emissions from the "last mile driven". Streamlining our last-mile delivery capabilities improves environmental efficiency. Just eliminating the "last mile driven" - the difference between delivering packages to multiple addresses compared to a central location- could help us avoid emissions by an estimated 18,000 metric tons of CO2e emissions each year. This is equivalent to the emissions generated by more than 3,800 passenger cars driven for a year.

To further support the influx of e-commerce volume, we continue to invest in our extensive retail convenience network, which includes more than 60,000 locations in the U.S. alone. This includes more than 27,000 staffed retail locations, such as FedEx Office and well-known retailers. These locations were strategically chosen to fit seamlessly into busy "to do" list routes. More than 92% of the U.S. population lives within five miles of a FedEx-staffed FedEx location.

Our global retail service network continues to expand, strengthening our customer connections, and leveraging our collaborations. These initiatives also ensure FedEx and its partners maintain strong channels for engagement and have led to additional opportunities for collaboration around sustainability, last mile, and e-commerce solutions.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Reduced GHG emissions and increased fuel efficiency) *Reduced GHG emissions and increased fuel efficiency*	Support	From 2007 through 2018, we successfully advocated for legislation and regulation on the US EPA's Phase 2 fuel efficiency and greenhouse gas standards. The standards incentivize the production of clean technology vehicles such as hybrid- electric, all-electric, alternative fuel, fuel cell, and other advanced technology vehicles needed by FedEx. FedEx has been actively involved through the EPA's stakeholder engagement process and provided comments to the proposed GHG Emissions and Fuel Efficiency Standards for Medium and Heavy-Duty Engines and Vehicles —Phase 2 regulation. We believe this presents an opportunity to further improve fuel efficiencies and lower GHG emissions from the national fleet using a comprehensive and harmonized approach.	EPA finalized the Phase 2 Heavy-duty vehicle fuel efficiency and greenhouse gas standards, which will reduce GHGs from commercial vehicles through 2027.
Other, please specify (Reduced GHG emissions and increased fuel efficiency) *Reduced GHG emissions and increased fuel efficiency*	Support	FedEx Freight, FedEx Express, FedEx Ground and FedEx Custom Critical are longstanding members of the EPA SmartWay Transport Partnership, which incentivizes carriers and shippers to improve environmental performance, operational efficiency and supply-chain sustainability. Other members include alternative fuel manufacturers and suppliers whose resources we can use to inform ourselves and our independent contractors about vehicle, fuel and grant options.	There has not been a legislative outcome from this engagement. However, the program continues.
Other, please specify (Reduced GHG emissions and increased fuel efficiency) *Reduced GHG emissions and increased fuel efficiency*	Support	Through American Trucking Associations (AMT), we are also advocating with U.S. legislators to allow 33-foot trailers in a twin configuration to reduce the number of trucks on the road. We estimate that extending twin 28-foot trailers to 33 feet would increase freight capacity by 18% while reducing truck trips by 6.6 million a year and truck traffic by 1.3 billion miles per year. This in turn would prevent an estimated 900 accidents a year while reducing annual carbon emissions by 3 million tons. Our Chairman and CEO referenced our position on this topic in a March 2021 hearing before the U.S. House Committee on Transportation & Infrastructure.	There has not been a legislative outcome from this engagement to date. However, we are actively working to bring this legislation to fruition.
Other, please specify (Reduced GHG emissions and increased fuel efficiency)	Support	Though our membership in Airlines for America, as well as independently, we have advocated in support of efforts that would increase the availability of, and strengthen the infrastructure for, sustainable aviation fuels (SAFs). This includes support of legislation like the 2021 Sustainable Skies Act, which would establish a blender's tax credit for SAFs. Our Chairman and CEO referenced our position on SAFs in a March 2021 hearing before the U.S. House Committee on Transportation & Infrastructure. We believe that, to see the full benefit of SAFs, we need to invest in a manner that will facilitate development and create a sufficient supply of SAFs that can meet and adjust to operator demand.	There has not been a legislative outcome from this engagement to date.
Other, please specify (Reduced GHG emissions and increased fuel efficiency)	Support	We advocate for policy measures that would help support our vehicle fleet electrification goals. Such policies include manufacturer tax credits for electric vehicles, expansion of charging infrastructure, and other electrification incentives. Our Chairman and CEO referenced our support for fleet electrification efforts in a March 2021 hearing before the U.S. House Committee on Transportation & Infrastructure.	There has not been a legislative outcome from this engagement to date. However, we are actively working to bring relevant legislation to fruition as well as working to incorporate more electric vehicles into our global pickup and delivery fleet.
Other, please specify (Supporting agriculture-based carbon markets)	Support	We have expressed our support for Growing Climate Solutions Act of 2021 among policy makers, which would help farmers and foresters participate in carbon markets and reward them for using climate-smart practices in their work. This legislation has broad bipartisan support from policy makers as well as support from the private sector and leading agricultural and environmental organizations.	There has not been a legislative outcome from this engagement to date.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Airlines for America

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position
FedEx Express is an active member of Airlines for America (A4A), the principal U.S. airline trade association. A4A advocates for a "global sectoral approach" for aviation GHG emissions and sets aggressive measures and emissions targets. Under this approach, the framework for both international and domestic aviation emissions would be established internationally. All airline emissions would be subject to emissions targets requiring industry and governments to: • Annual average fuel-efficiency improvement of 1.5% through 2020 • Carbon-neutral growth from 2020 (CNG2020), subject to critical government infrastructure and technology investments such as air traffic control modernization • Goal of 50% reduction in CO2 by 2050 relative to 2005 levels The International Civil Aviation Organization (ICAO), the United Nations body charged with setting standards for international aviation, has adopted much of the U.S. airline industry's framework. In FY16, the ICAO began the approval process for new global aircraft CO2 emissions standards focused on large aircraft weighing over 60MT, which account for >90% of international aviation emissions. In 2016, ICAO passed a resolution adopting the Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"), which is a global, market-based measure intended to aid in meeting the ICAO goal of carbon-neutral growth beyond 2020 by complementing industry efforts in technology, operations, infrastructure and sustainable aviation fuels. CORSIA was supported by IATA (International Air Transport Association) and the board of A4A with active efforts by FedEx and other airlines. In June 2018, ICAO adopted country-by-country implementation standards including the reporting of information on international aviation emissions beginning in 2019. In March 2019, the FAA issued a notice of a CORSIA program permitting U.S. carriers to submit emissions data on a voluntary basis. After receiving approval from FAA, FedEx began monitoring emissions for this program. CORSIA is expected to be implemented in phases by ICAO member States in lieu of other similar measures to avoid a patchwork of country or region based regulatory measures with costly, inconsistent application to international aviation.

How have you influenced, or are you attempting to influence their position?
FedEx actively participates in the relevant committees of A4A. We are proactively working on the efforts to reduce GHGs from aviation at both the national A4A and International Air Transport Association. Through our participation in A4A, FedEx supported the development of a CO2 emissions standard, the ICAO Committee on Aviation Environmental Protection's recommended standard, and its adoption by the U.S. EPA into national law. FedEx has also publicly supported A4A-led advocacy efforts advancing the commercialization and deployment of SAFs in the aviation industry.

Trade association
American Trucking Associations

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
FedEx is also an active member of the American Trucking Associations (ATA), whose mission is to serve and represent the U.S. trucking industry with a single, united voice to influence policies beneficial to the industry; promote safety on America's highways; improve the industry's image, efficiency, and competitiveness; educate the public about the critical role trucking plays in the economy; research significant industry issues all while striving for a healthy business environment. ATA advocates for science based laws and regulations to maintain and protect the environment, and to the greatest extent possible, ensure uniformity across all levels of government. In particular, the ATA is committed to a series of measures designed to further reduce the carbon emissions of trucks in the United States, and outlined in a 2008 report named "Strategies for Further Reduction of the Trucking Industry's Carbon Footprint": • Enacting a national 65 mph speed limit and governing truck speeds to 65 mph for trucks manufactured after 1992. • Decreasing idling. • Increasing fuel efficiency. • Reducing congestion through highway improvements, if necessary by raising the fuels tax. • Supporting national fuel economy standards for medium- and heavy-duty trucks.

How have you influenced, or are you attempting to influence their position?
We actively advocated for the ATA to support our push for commercial-vehicle fuel-economy legislation, which was enacted in the Energy Independence & Security Act of 2007. We also actively advocated for the ATA to support both Phase 1 and Phase 2 of the Heavy Duty fuel efficiencies and greenhouse gas standards that have been approved by EPA.. We also actively participate in ATA's Environment and Energy Policy Committee, and on its Board of Directors.

Trade association
Securing America's Future Energy (SAFE)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Our Chairman and CEO, Frederick W. Smith, serves as co-chair of Securing America's Future Energy (SAFE) Energy Security Leadership Council, Through SAFE's Energy Security Leadership Council (ESLC), we've worked with business and military leaders to support a comprehensive, long-term policy to reduce U.S. oil dependence and improve energy security.

How have you influenced, or are you attempting to influence their position?
Through his role as co-chair of SAFE's ESLC, Mr. Smith has actively called for reduced energy consumption and increased efficiency, increasing alternative fuel vehicles, and increasing energy security by diversifying the U.S. transportation network away from an over-reliance on imported oil.

Trade association
Electrification Coalition

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Our Chairman and CEO, Frederick W. Smith, also serves on the Electrification Coalition, a nonpartisan, not-for-profit group of business leaders committed to promoting policies and actions that facilitate the deployment of electric vehicles on a mass scale. The Coalition's position is that oil dependence threatens the nation's economic, environmental, and national security, and that the only long-term solution is electrification of transportation. Advances in battery technology for the first time truly make possible an electrified transportation sector that is powered by a wide variety of domestic sources: natural gas, nuclear, coal, hydroelectric, wind, solar, and geothermal. The electrical generation system in the U.S. uses virtually no oil. Moreover, because an electrified transportation system is one that has the benefits of relying on a diverse set of fuels, no one fuel source—or producer—would be able to hold our transportation system and our economy hostage the way a single nation can disrupt the flow of petroleum today. Electricity prices are far more stable than oil prices, there is substantial spare generation capacity, and the backbone of the infrastructure already largely exists. No other alternative has all of these advantages.

How have you influenced, or are you attempting to influence their position?
Mr. Smith has actively advocated for transportation electrification through the Electrification Coalition by championing the development of the Coalition's Fleet Electrification Roadmap, a comprehensive analysis of the business case for electric-drive technology adoption among the more than 16 million commercial, corporate, and government fleet vehicles in the United States, in November 2009. Mr. Smith has also represented the Coalition's position on Capitol Hill and during a CNBC TV interview in June 2010. In January 2021, FedEx became a founding member of the Electrification Coalition Business Council (ECBC), which connects industry leaders with the Electrification Coalition's nationwide network of policy experts, advocates and programs to collaborate on the development of pragmatic policies and actions that will expedite the transition to an electrified transportation future. The ECBC will work with the Electrification Coalition to advance the policies and programs that support the deployment of electric vehicles and charging infrastructure on a mass scale. The ECBC includes leading companies in vehicle manufacturing, charging equipment manufacturing,

transportation systems, rideshare technologies and systems, logistics, fleet transition and consumer adoption.

Trade association
Business Roundtable

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
In 2020, the Business Roundtable (BRT) released a new set of guiding principles on climate change, calling on corporations to lead by example in endorsing sound policies to encourage innovation and significantly reduce GHG emissions in support of the objectives of the Paris Agreement. BRT supports the scientific consensus around climate change and that human activity is contributing to this change.

How have you influenced, or are you attempting to influence their position?
The FedEx Chief Sustainability Officer consulted in the development of the organization's 2020 sustainability report and policy principles alongside representatives from other BRT member companies.

Trade association
U.S. Chamber of Commerce

Is your position on climate change consistent with theirs?
Mixed

Please explain the trade association's position
Over the past year, the U.S. Chamber of Commerce has undergone a major shift in its approach to climate change and related policy. In January 2021, the organization announced an update to its "Position on Climate Change," which included support for a market-based approach to accelerate GHG emissions reductions across the U.S. economy and support for climate-related R&D amid an urgent need for action. FedEx views this shift favorably as a step in the right direction.

How have you influenced, or are you attempting to influence their position?
FedEx engages with the Chamber on different policy issues, of which climate change and related policy is just one example. FedEx holds a seat on the U.S. Chamber of Commerce Board of Directors.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

In addition to low and zero emissions upgrades across our operations in order to meet our recently-announced goal to achieve carbon neutrality for our global operations by 2040, we will continue to innovate toward new climate-friendly solutions and to invest in long-term transformational solutions for FedEx and the entire industry. We have pledged $100 million to help establish the Yale Center for Natural Carbon Capture and its research into methods of carbon sequestration at scale, with an initial focus to help offset GHG emissions equivalent to current airline emissions. We recognize the necessity in exploring many paths as we work to achieve our 2040 carbon neutrality goal, including innovations in carbon capture and storage. To support carbon sequestration developments, we have committed $100 million to establish the Yale Center for Natural Carbon Capture. The interdisciplinary Center will focus on developing solutions to sequester CO2 from our atmosphere to help improve the health of our planet. The Center will help identify methods that can be used to scale sequestration at the rate needed to offset the impact of airline emissions. It is our hope that these short-term, medium-term, and ongoing strategies for reducing net GHG emissions will transform the entire industry by deploying ecosystem management, geological sequestration, and technologies that use nature as a model.

Around the world, FedEx is working with communities to help them grow responsibly by drawing on our expertise in transportation and logistics, as well as forging long-term alliances with organizations that design cities for a better future. Working with the World Resources Institute's Ross Center for Sustainable Cities (WRI Ross Center) through grant funding, knowledge sharing, research and assessment, pilot projects and skills-based volunteering, FedEx is supporting sustainable, safe and innovative transportation solutions for 50 cities in four countries – Brazil, India, China, and Mexico. Since 2010, more than 10 million people have benefited from FedEx support of Mobility and Access programs focused on sustainable transportation. In that same time, our projects trained over 11,000 drivers and pedestrians, and helped avoid over 104,000 tons of CO2 emissions from transportation-related activities. Specific country outcomes for WRI include:

Brazil: Through the OualiOnibus network, a group of cities sharing best practices and standards in public transportation, a low-cost safety solution was deployed in Fortaleza and shared with Belo Horizante. Stickers were placed on the sides of buses indicating driver "blind spots." The year following, collisions at Fortaleza bus terminals dropped by 60%.

India: As an extension of FedEx routing expertise projects under the Bus Karo program, WRI India optimized 17 new bus routes in a Delhi suburb that resulted in a 17% increase in ridership and a 19% increase in the bus operators' earnings per kilometer, a vital metric for continued and improved bus operations.

China: WRI China published a national framework showcasing the operational efficiency of systems for e-buses to support e-bus adoption among transport operators. The framework showed that e-bus adoption can improve operational efficiency by 70% above diesel buses, supporting e-bus adoption for overall fleet management.

Mexico: In response to the September 2017 earthquake in Mexico City measuring a 7.1 on the Richter scale, WRI Mexico and FedEx worked with the city's Risk Management Ministry and queried over 4,000 public transport users about their experience on the day of the earthquake. The final input was a Disaster Action Protocol utilizing public transport infrastructure and bus-rapid transit (BRT) lanes for emergency response and goods movement within the city.

In addition to our work with WRI Ross Center, we have expanded our support to drive improvements to urban mobility and clean technology availability. For example, with Rocky Mountain Institute's Third Derivative climate innovation accelerator, our team members are supporting clean technology start-ups in the transportation, packaging, and energy sectors as they scale the business or product for widespread market adoption. We also began research with CALSTART on best practices in curb space management for dense urban markets to boost mobility, reduce pollution, and optimize curb space usage that will add value to communities.

Finally, we are collaborating with Natuur & Milieu, a Netherlands-based NGO, to research and develop transport mechanisms for small businesses in response to zero emission zone and city policies. Natuur & Milieu are also leading work around community charging infrastructure through distribution center locations and advocacy on sustainable aviation fuel (SAF) research. These three projects are lighthouse projects in the Netherlands with potential to scale across Europe.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

FedEx actively participates in the political process with the ultimate goal of promoting and protecting the economic future of the company and our stockholders and employees. Through our participation and that of our employees, we ethically and constructively promote legislative and regulatory actions that further the business objectives of FedEx, including our sustainability objectives, and are related to issues with which we have involvement, possible impact and expertise.

The FedEx Enterprise Sustainability Council (FESC) oversees our environmental sustainability, including operations, services, marketing, and communications. The Council, chaired by our Chief Sustainability Officer (CSO), includes senior management representatives from the operating companies and staff functions that intersect with sustainability, such as Marketing, Legal, Finance, and Human Resources (HR). The Council is responsible for setting, implementing, and reviewing our sustainability strategy. Additionally, we have several enterprise-wide Sustainable Impact Teams (SITs) that help us advance our sustainability strategy across functional areas, including air operations, vehicles, facilities, and sourcing. Each SIT shares knowledge and coordinates efforts across the company to advance toward our environmental goals. The SITs and the senior sustainability leaders from the operating companies report to our CSO.

In addition, when potential environmental regulations are being considered, our Government Affairs department consults with the relevant internal departments at FedEx and through the CSO and Sustainability Impact Teams (SITs) governance structure described above, to ensure that our public policy efforts are consistent with our relevant policies and strategies.

For example, discussions concerning any possible impacts to the Phase 2 Fuel Efficiency and Greenhouse Gas regulation for all U.S. commercial vehicles were recently vetted with the CSO to ensure consistency with our past advocacy and support of said greenhouse gas regulation.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports

Status
Complete

Attach the document
FY 20 10K.pdf

Page/Section reference
8-9:The Environment; 21-22:Regulation and Environmental; 97-98: Risk Factors

Content elements
Governance
Strategy
Risks & opportunities

Comment

Publication
In mainstream reports

Status
Complete

Attach the document
FY20 Proxy.pdf

Page/Section reference
8: Our Corporate Social Responsibility Focus Areas > Environment

Content elements
Governance
Strategy

Comment

Publication
In voluntary sustainability report

Status
Complete

Attach the document
FedEx_2021_ESG_Report.pdf

Page/Section reference
6: Environmental governance; 10-16: Environment; 32-37: Data Appendix

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
Priority Earth Homepage.pdf

Page/Section reference
Our approach Taking action Get Inspired Reports Financing

Content elements
Strategy
Emissions figures
Emission targets
Other metrics
Other, please specify (information on sustainable products and services; case studies on sustainability initiatives at FedEx.)

Comment
See our Priority Earth website at fedex.com/sustainability for more information on our sustainability strategy and goals.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Sustainability Officer	Chief Sustainability Officer (CSO)
