



At FedEx, our positive impact extends far beyond pallets and parcels. The FedEx 2022 ESG report outlines our commitment to connecting the communities where we live and work in responsible ways.

ESG – environmental, social, and governance – principles have been at the root of these efforts since reporting began 14 years ago. In 2022, we remain steadfast in our philosophy and strategic approach to help deliver a more sustainable and equitable future for all.

This report covers progress and performance on ESG topics in our 2021 fiscal year, which ended May 31, 2021, and references indicators from the Global Reporting Initiative (GRI) Standards, the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). Our Scope 1 & 2 emissions data were externally verified by Cventure LLC.



Environment

At FedEx, we recognize that our business has an impact on the environment, and we remain committed to minimizing these impacts. Thanks to our ongoing collective emissions reduction efforts, we decreased CO₂ emissions intensity – on a revenue basis – by 45% from FY09 through FY21, a period when our average daily package volumes grew by 180%.

To meet our ambitious goal to achieve carbon neutral operations by 2040, we are investing \$2 billion over the next several years to support bold action in three key areas: vehicle electrification, sustainable energy, and carbon sequestration. These efforts underscore our philosophy of Practical Sustainability: we will take credible action that delivers lasting solutions and lead in advocating for next-generation solutions.

Our approach to Practical Sustainability is to...



REDUCE:

Reduce or eliminate impacts from activities or operations



REPLACE:

Use the right solutions in the right applications



REVOLUTIONIZE:

Discover and utilize the technologies and solutions of tomorrow, today

We apply these across our operations, including our...



Aviation Fleet

- Our continuing Fuel Sense and aircraft modernization initiatives have reduced our overall aircraft emissions intensity by 27% on an available-ton-miles-flown basis since 2005.
- However, due to increased demand in 2021 amid the COVID-19 pandemic, our aircraft emissions increased 12% compared to 2020.
- Despite increased flight activity and the significant increase in shipping volume during the COVID-19 pandemic, we remained committed to improving our fuel efficiency and reducing our environmental impact, which led to 65 million gallons of jet fuel savings in FY21 alone.
- Through our aircraft fleet modernization efforts, we saved over 146 million gallons of jet fuel and avoided almost 1.5 million metric tons of CO₂e in FY21.
- Since 2006, we have implemented 70 fuel-saving initiatives, saving 948 million gallons of jet fuel and avoiding 9.3 million metric tons of carbon dioxide equivalent (CO₂e) emissions.



Vehicle Fleet

- FedEx relies on a network of more than 200,000 motorized vehicles across the world. We are actively working to revolutionize and transition the entire FedEx parcel pickup and delivery fleet to zero emission vehicles by 2040.
- Since 2005, FedEx Express has improved its vehicle fuel efficiency by 42%, with the goal to achieve a 50% improvement by 2025. In FY21 alone, these efficiencies helped avoid more than 352,867 metric tons of CO₂e.
- Our global fleet includes more than 4,100 alternative fuel vehicles. Additionally, 50% of the diesel FedEx Ground sold to service providers was comprised of biodiesel blends, resulting in nearly 16,000 metric tons of CO₂e avoided.
- We continue to leverage other approaches to reduce vehicle emissions such as increased intermodal rail usage at FedEx Ground and FedEx Freight, which avoided nearly 600,000 metric tons of CO₂e in FY21 alone.



Facilities and Materials

- FedEx Office finalized its LED lighting retrofit initiative – covering over 1,500 stores – with the final locations completed in 2021. Across all operating companies, our energy management systems and lighting retrofits saved approximately 208 million kilowatt hours of electricity in FY21 alone.
- We are increasing both on- and off-site renewable energy generation and procurement as part of our goal to achieve carbon neutrality. In FY21, we generated solar energy at 26 global locations across our operating companies and avoided nearly 14,000 metric tons of CO₂e from solar electricity generation.
- As of FY21, FedEx Express facilities in 43 countries have achieved the International Organization for Standardization (ISO) 14001 certification, the gold standard for environmental management systems.

FY21 by the numbers

>3M

metric tons of CO₂e avoided through fuel- and energy-saving initiatives

>4,100

alternative fuel vehicles in service, including more than 3,000 electric vehicles

39

LEED-certified facilities globally across the enterprise

75%

of all packaging materials and 100% of all FedEx Office copy and print paper from **certified sustainable sources**

67%

of all reported **solid waste sent to recyclers**

26

on- and off-site solar energy facilities generated 89 terajoules of clean electricity

Our Path to 2040

Carbon Neutral Operations

Vehicle electrification

We are leveraging various innovative technologies to transition our pickup and delivery and last-mile fleets to electric vehicles. →

2010

FedEx Express introduces the first all-electric parcel delivery truck in the U.S.



2025

Goal: 50% of global FedEx Express pickup and delivery vehicle purchases are zero emission electric vehicles

2030

Goal: 100% of global FedEx Express pickup and delivery vehicle purchases are zero emission electric vehicles

2040

Goal: 100% electric FedEx parcel pickup and delivery vehicle fleet



Sustainable fuels

We support policy measures and incentives to enhance the availability and affordability of low-carbon fuels. →



2021

50% of the diesel FedEx Ground sold to service providers in FY21 consisted of various biodiesel blends



2030

Goal: 30% of jet fuel from alternative fuels

Fuel conservation and aircraft modernization

We continue to modernize our aircraft fleet and implement fuel-saving initiatives while facing challenges due to the COVID-19 pandemic. →

2006

Started the FedEx Fuel Sense jet fuel conservation program

2021

Saved **146 million gallons** of jet fuel from initiatives to modernize aircraft

2022

Retire MD-10 fleet and continue deploying Boeing, ATR, and Cessna SkyCourier aircraft



Facilities

We are improving the efficiency of our facilities and reducing our Scope 2 emissions despite increased energy demand from electric vehicle charging. →

2005

Activated our first on-site solar power system, a **904 kW** rooftop solar array, at our Oakland, California hub

2021

Generated on- and off-site solar energy at a total of **26 global locations** across our operating companies



2040
Carbon neutral



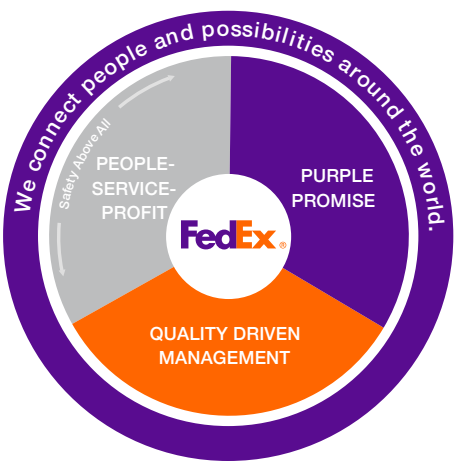
Natural carbon sequestration

In 2021, FedEx pledged \$100 million to help establish the Yale Center for Natural Carbon Capture, which will support and accelerate research across academic disciplines to develop natural solutions for reducing atmospheric carbon.



Social

The FedEx culture enables a resilient workforce that can respond to the challenges of today, do the right thing, and create connections around the world. Our team members are united by our passion to deliver on the Purple Promise – to make every FedEx experience outstanding – beginning with our people-service-profit philosophy and a quality-driven mindset. Together, these three components of our culture continue to be the driving force behind how we think, how we work, and what we deliver. We believe that taking care of our team members results in outstanding service, which allows us to earn a fair profit and reinvest in our team members.



Diversity, equity, and inclusion highlights:

Our People-Service-Profit philosophy, including DEI initiatives, creates unlimited opportunities for FedEx employees.

As a global company, we see exceptional business and community value in the diversity of perspectives and experiences that our team members bring to work every day. We are committed to embracing diversity, equity and inclusion (DEI) so everyone feels appreciated and valued. While we are proud of what we have achieved during our almost 50-year history, we know that DEI must always be at the forefront of our business strategy.

In FY21, our operating companies collaboratively participated in five enterprise-wide recruitment events, partnering with the National Black MBA Association, the Society for Women Engineers, Hiring Our Heroes, the Society of Hispanic Professional Engineers, and the Society of Asian Scientists and Engineers to diversify our external talent pool. We are evaluating how to expand and connect with even more groups at an enterprise level.

FedEx also continued our longstanding support for historically black colleges and universities (HBCUs) by providing \$5 million to select HBCUs across the country to help prepare students for the workforce. In 2022, we launched the FedEx-HBCU Student Ambassador Program, with the goal to prepare HBCU students for future leadership by interacting with FedEx executives and building career-ready skills.

Established in 2020, our four consistent, strategic pillars across our enterprise frame our DEI work and how we share our progress (see diagram at right).



FY21 by the numbers

| | | | | |
|---|--|--|--|--|
| 366,973 | \$17M | 27% | 41% | \$7M |
| full- and part-time team members hired globally | provided in tuition assistance to nearly 11,000 employees to further their education | of FedEx management employees globally are women | of FedEx management employees in the U.S. are minorities | contributed to nonprofits working on DEI in business and the community |

Governance

FedEx is committed to the highest levels of ethics, integrity, and reliability. A strong governance framework, starting with the FedEx Board of Directors and its committees, supports all priorities across the enterprise. The oversight provided by the Board and its committees, which includes our corporate social responsibility and human resource management strategies and programs, is guided by the FedEx Code of Conduct, which applies to every officer, director, and employee globally.

Risk Management

Our Enterprise Risk Management (ERM) program identifies and evaluates top risks—including ESG risks—across the company. We continually review our risk management processes to further strengthen our business against future risks and are exploring how to further integrate ESG risks—including climate- and diversity-related risks—into our ERM process.

Cybersecurity and Data Privacy

We recognize the importance of protecting the privacy of our customers, vendors, and team members, and we deliver on this commitment by proactively ensuring a safe and secure online environment. This prompted us to assemble a cross-functional leadership team co-led by members of our Information Security and Physical Security departments to review and evaluate our enterprise-wide cybersecurity efforts and risks. The FedEx Trust Center highlights our Global Privacy Policy, along with information about how we protect customer privacy and resources to help our customers identify, report, and mitigate risks.

Corporate Integrity and Compliance

The FedEx Corporate Integrity and Compliance department—led by our Chief Compliance Officer—provides best practices, tools, guidance, communications, and training to team members across the enterprise. In addition, our Compliance Council meets quarterly to discuss new compliance initiatives, emerging risks, and best practices to enhance governance around integrity and compliance programs.

In 2021, we received the Compliance Leader Verification designation from Ethisphere in recognition of our best-in-class ethics and compliance programs.

Certain statements herein may be considered forward-looking statements. Such statements are subject to risks, uncertainties, and other factors discussed in the FedEx 2022 ESG Report, FedEx's and its subsidiaries press releases, and FedEx's filings with the Securities and Exchange Commission.

Public Policy and Advocacy

We have a strong interest in public policy and issues that affect the global economy, our business, and our customers. At the global, federal, and state levels, we advocate for public policies that encourage free trade and improve the overall safety and sustainability of the transportation sector. FedEx ethically and responsibly supports policies that promote the economic future of our customers, team members, investors, and businesses. The Board has delegated responsibility to its Governance, Safety, and Public Policy Committee for reviewing and discussing these activities with management. Learn more at [FedEx Policy Perspectives](#).

Our Supply Chain

Our FedEx Services Supplier Relationship Management (SRM) group is responsible for advancing supplier diversity and sustainability through a consolidated set of policies, tools, and governance practices. In FY21, we procured \$18.7 billion in goods and services from diverse and small-business suppliers in the U.S.

In 2021, we launched the FedEx E-Commerce Learning Lab in collaboration with Accion Opportunity Fund to help women- and minority-owned businesses develop and grow their e-commerce operations, providing grants, hands-on learning, and digital learning opportunities to support more than 2,000 small business owners.

More information

- [FedEx sustainability website](#)
- [FedEx 2022 ESG Report](#)
- [FedEx Cares](#)

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