

# 2023

## ESG Report

### Executive Summary







## About our 2023 ESG Report

For 50 years, FedEx Corporation (FedEx) has been committed to making a positive impact across the globe by serving our customers, delivering a more sustainable future, supporting our communities, and helping elevate standards of living. The [FedEx 2023 ESG Report](#) details our progress toward our environmental, social, and governance (ESG) strategies, goals, and initiatives and our approach toward industry leadership in ESG to support our strategy and our values. FedEx recognizes sustainability must be a key focus as we grow our business globally. The unparalleled FedEx network and our team members' dedication enable us to carry

out our corporate strategy, providing exceptional value for our stockholders, team members, customers, and other stakeholders.

Unless otherwise noted, this summary reflects our ESG performance for the 2022 fiscal year (FY22) for each FedEx operating company across all geographies. FY22 ended May 31, 2022, and all references to FY denote the 12-month period ending on May 31 of the indicated year. Our [Data appendix](#) details key performance indicators regarding our ESG performance and progress, including year-over-year performance data. Cventure LLC externally verified our Scope 1 and 2 greenhouse gas (GHG) emissions data.

Our ESG Report references indicators from the Global Reporting Initiative (GRI) Standards and aligns with applicable industry standards from the Sustainability Accounting Standards Board (SASB) and recommendations from the Task Force on Climate-related Financial Disclosures (TCFD). Relevant disclosures are included in our [Reporting framework index](#).

Certain statements herein may be considered forward-looking statements. Such statements are subject to risks, uncertainties, and other factors discussed in the FedEx 2023 ESG Report, press releases from FedEx and its subsidiaries, and FedEx filings with the Securities and Exchange Commission (SEC).

# Our planet

## Delivering a sustainable future

Our *Practical Sustainability* philosophy emphasizes strategic and transformational stewardship to mitigate our environmental impacts and add value to our stakeholders. This philosophy, coupled with our regularly conducted materiality assessments, steers our environmental strategy, which aims to increase efficiency, reduce costs, and protect against future risks.



### 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



At FedEx, we are cognizant of the impacts climate change could have on our business operations. The Governance, Safety, and Public Policy Committee of the FedEx Board oversees our corporate social responsibility goals, strategies, and programs, including sustainability- and climate-related risks. To further our commitment to achieving global carbon neutral operations by 2040, in FY22, we joined a diverse coalition of investors in [TPG Rise Climate's](#) \$7.3 billion inaugural fund designed to help entrepreneurs and businesses grow viable climate technologies. In 2022, we also introduced the [FedEx® Sustainability Insights tool](#) to increase accessibility for our customers and suppliers to calculate estimated carbon dioxide-equivalent shipping emissions at package and account levels.

#### For more information, please see:

FedEx sustainability website	→
2022 CDP climate change questionnaire	→
Governance, safety, and public policy committee charter	→
Materiality assessment	→
Environmental Policy	→
Reporting framework index	→

## FY22 by the numbers



# 150 million

gallons of jet fuel avoided through aircraft modernization efforts, reducing our FY22 total jet fuel consumption by 10.76%

# >6,213

alternative fuel vehicles in service



# 48%

of the diesel FedEx Ground sold to service providers consisted of various biodiesel blends

# 29

on- and off-site solar energy facilities globally generated 102 terajoules of clean electricity

# 61%

of reported solid waste sent to recyclers



# 100%

of purchased FedEx Office paper and 64% of FedEx-branded packaging was sourced from certified sustainable sources

## Our path to carbon neutral operations

We have a [goal to achieve carbon neutral operations by 2040](#) across our global operations, which includes Scope 1 and 2 GHG emissions and our Scope 3 contracted transportation emissions. Thanks to our ongoing collective emissions reduction efforts, we decreased carbon dioxide emissions intensity on a revenue basis by **48.9% from FY09 through FY22, a period during which our average daily package volumes grew by 142%**. To reach our target of carbon neutral operations, innovative solutions will be needed to reduce emissions and to remove and store carbon from the atmosphere.



### 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-tailpipe emission electric vehicles

**2030**

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

**2040**

**Goal: 100%** zero-tailpipe emission 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. →



**2022**

**48%** of the diesel FedEx Ground sold to service providers in FY22 consisted of various biodiesel blends

FedEx joined the First Movers Coalition's Aviation Sector working group

**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. →

**2006**

Started the FedEx Fuel Sense jet fuel conservation program

**2022**

Saved **150 million gallons** of jet fuel from initiatives to modernize aircraft

**2023**

Retire entire 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 FedEx Express hub

**2022**

Generated on- and off-site solar energy at a total of **29 global locations** across our operating companies



**2040**  
Carbon neutral



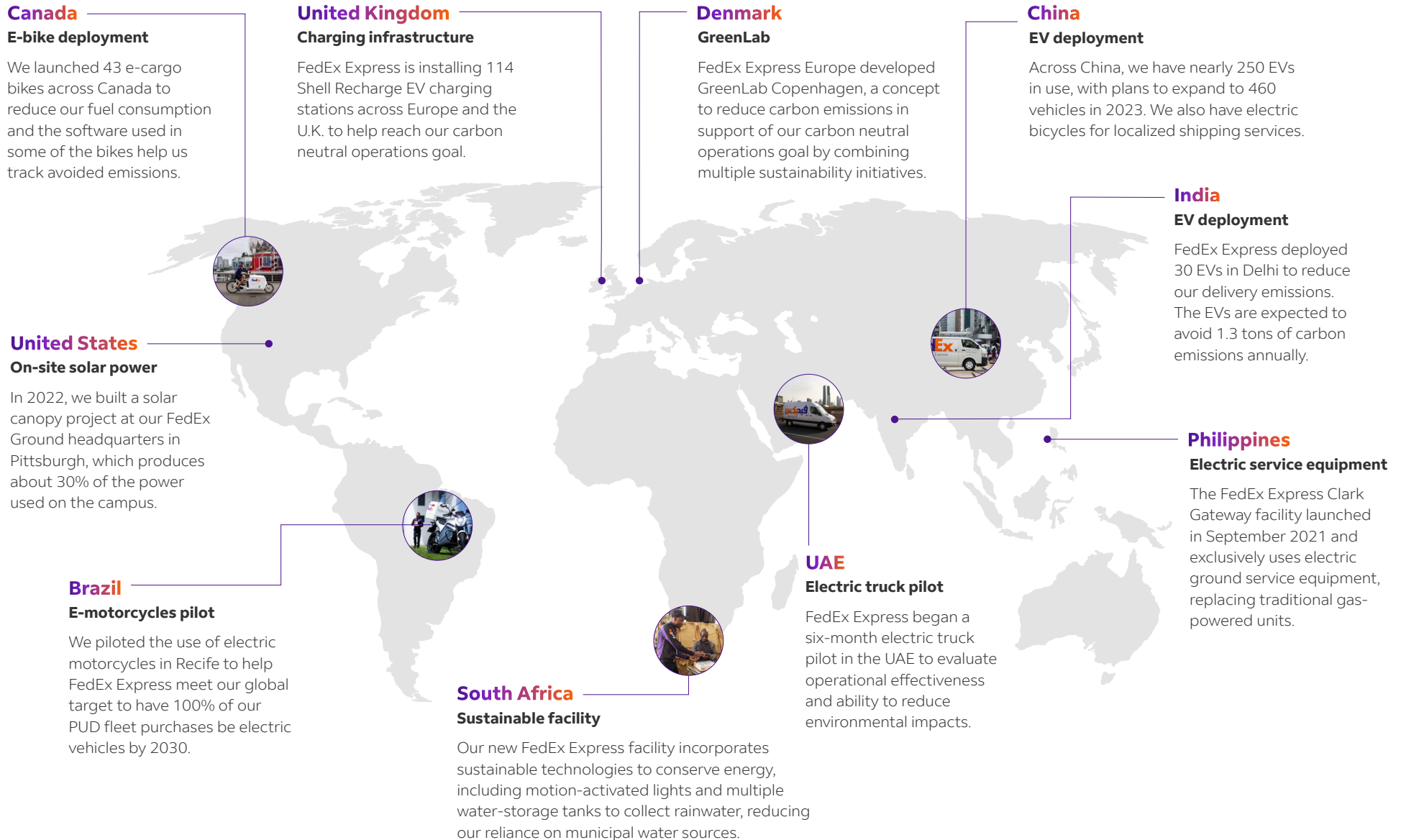
### Natural carbon sequestration

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.



## Spotlight on global sustainability initiatives

Across our global network, FedEx continues to drive initiatives across the business that align and drive our sustainability strategy and *Practical Sustainability* philosophy. Detailed below are a variety of initiatives that our global teams are implementing to increase use of electric vehicles (EVs), generate solar energy on-site, pursue strategic partnerships in alignment with our goals, and more.



## Our five culture values and the behaviors that bring them to life are:



### Take care of each other

- ▶ We put safety above all.
- ▶ We make “safety” a place, a habit, and a mindset.
- ▶ We bring our whole selves to work.
- ▶ We value our differences and believe every voice counts.



### Commit to do good

- ▶ We make connections.
- ▶ We seek ways to protect our planet.
- ▶ We do the right things the right way.
- ▶ We help communities thrive.



### Drive business results

- ▶ We know how our roles support the business.
- ▶ We deliver results aligned to our strategy.
- ▶ We invest wisely to drive profit.
- ▶ We create value for our stockholders.



### Own outstanding

- ▶ We make every experience matter.
- ▶ We simplify and work smarter for our customers.
- ▶ We find ways to stand out from the crowd.
- ▶ We are fast, flexible, and focused.



### Create what's next

- ▶ We anticipate the future.
- ▶ We stay curious.
- ▶ We act now to stay ahead.
- ▶ We provide a path to growth for everyone.

# Our people

## Delivering on our culture

Throughout our 50-year history, the FedEx culture has driven our success. Today, our culture values and behaviors unify all our operating companies and empower us to support our strategy and our values. They are grounded in three components—our People-Service-Profit philosophy, the Purple Promise, and our Quality Driven Management system—directly aligned with our strategic operating principles of compete collectively, operative collaboratively, and innovate digitally as one FedEx.



As a global business, we value and recognize diversity, equity, and inclusion (DEI) as essential to our success. In 2022, all FedEx Office leaders and key human resources employees completed a year-long Inclusive Leadership program to address critical DEI topics. We also continued our support for historically black colleges and universities (HBCUs) through a \$5 million multi-year contribution to select HBCUs and launched the FedEx-HBCU Student Ambassador Program, providing empowerment, engagement, and education to help prepare students for the workforce. In 2022, we were named one of the Best-of-the-Best Corporations for Inclusion by the National Business Inclusion Consortium.



We work hard to maintain the loyalty of our team members by creating a workplace culture that supports their health and wellbeing and provides opportunities for career development. In FY22, almost 4,500 participants enrolled in the Learning inspired by FedEx (LiFE) program, a partnership between multiple FedEx operating companies and The University of Memphis.

Our *Safety Above All* philosophy is the first and foremost value in every aspect of our business and is key to maintaining a successful and safe business. Our safety management systems help reduce work-related injuries and illnesses, and our operating companies are responsible for implementing policies and practices that adhere to all applicable international standards.

#### For more information, please see:

Our people and culture webpage	→
Global Economic Impact Report	→
FedEx Cares	→
EEO-1 Reports	→
Diversity, equity, and inclusion webpage	→

#### FY22 by the numbers



**518,249**

full- and part-time  
team members globally

**36%**

of FedEx management employees in  
the U.S. are minorities

**>\$5 million**



contributed to various non-profits  
aligned with our DEI commitment

**27%**

of FedEx management  
employees globally are women



**>\$23 million**

provided in tuition assistance  
to more than 12,000 employees

**28%**

decrease in lost time injury rate,  
compared to FY21<sup>[1]</sup>

1 Per 200,000 hours worked; lost time injury means a nonfatal traumatic injury that causes any loss of time from work beyond the day or shift it occurred; or a nonfatal nontraumatic illness/disease that causes disability at any time. Global lost time injury rate data is based on definitions from the U.S. Occupational Safety and Health Administration (OSHA).

# Our principles

## Delivering on stakeholder expectations

At FedEx, we understand that a successful global business is tied to our ESG commitments, strategies, and goals. The FedEx Board of Directors and its committees oversee our enterprise ESG initiatives and programs, to deliver lasting, positive value for our business, customers, team members, and stockholders.

Customers trust us with their shipments, and we work to earn this trust by delivering on the Purple Promise—to make every FedEx experience outstanding. The [FedEx Code of Conduct](#) sets forth principles—ethics, integrity, and reliability—that guide our day-to-day work. In 2023, we are proud to have been recognized by Ethisphere as one of the World's Most Ethical Companies®.

### Cybersecurity

With the growing presence and sophistication of online threats, it is more important than ever for us to proactively ensure a safe and secure online environment. In October, we hosted Cyber Smart 2022 to help FedEx team members better understand how to responsibly safeguard our data whether at work or at home.

### Public policy and advocacy

Our participation in the political process is designed to promote and protect the economic future of FedEx, our stockholders, and employees, and we maintain memberships with a variety of trade associations and industry organizations expressly for that purpose. FedEx works with

various government and industry organizations to advocate for policies that enable us to connect the world in resourceful and responsible ways, including policies related to climate change.

### Our supply chain

Our global supply chain creates significant economic activity and FedEx operations and business activity indirectly contributed to net economic output worth an estimated \$22.6 billion across the global economy in FY22. We work closely with our suppliers and collaborate with internal stakeholders to advance our ESG goals throughout the value chain, with a focus on diversity and sustainability. In 2023, we received the Women's Business Enterprise National Council's Top Corporations for Women's Business Enterprises award for our sustained commitment to the inclusion of women-owned businesses in our supply chain.

#### For more information, please see:

FedEx investor relations website	→
Global Economic Impact Report	→
FedEx Cares	→
Corporate governance guidelines	→
Board of Directors	→
2022 Proxy Statement	→

## FY22 by the numbers



# 33%

of the FedEx Board are women

# 20%

of the FedEx Board are racially or ethnically diverse

# 98%

completion rate for employees' assigned compliance training courses



# \$22.6 billion

contributed indirectly to net economic output across the global economy in FY22



# >6,500

team members, representing 81 countries registered to attend our Cyber Smart event

# \$18.8 billion

in goods and services acquired from diverse and small business suppliers in our U.S. operations



## **FedEx Corporation**

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Please visit [fedex.com/sustainability](https://www.fedex.com/sustainability).

