

# 2023 ESG Report

**FedEx**®





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# Introduction

## About this ESG report

We are proud to present the FedEx 2023 ESG Report, detailing 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. Unless otherwise noted, this report 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 indicators regarding our ESG performance and progress, including year-over-year data. Cventure LLC externally verified our Scope 1 and 2 greenhouse gas (GHG) emissions data.

This 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).

### Key links

ESG reporting	→
Reporting framework index	→
Scope 1 and 2 GHG verification statement	→
Corporate social responsibility webpage	→
Investor relations webpage	→

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## About FedEx

FedEx Corporation (FedEx) provides our customers with a broad portfolio of transportation, e-commerce, and business services through our operating companies, which compete collectively, operate collaboratively, and innovate digitally as one FedEx. This approach allows us to continue building a strong network prepared for whatever comes next. For 50 years, we have connected communities, moved goods, and remained steadfast in our commitment to the Purple Promise—to make every FedEx experience outstanding. The unparalleled FedEx network and our team members’ dedication allow us to provide exceptional value for our team members, customers, and other stakeholders.

Our company strategic focus enables us to continue our journey toward industry leadership in sustainability. Our sustainability efforts are driven by our culture and talented team members and guided by our People-Service-Profit culture, detailed in the [Our culture](#) section of this report. These endeavors create opportunities for our long-term success while enabling our customers to reduce their environmental impacts through our portfolio of services and sustainable packaging offerings.

FedEx recognizes sustainability must be a key focus as we grow our business globally. We are 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.

Our extensive global reach, along with our employee base of over half a million people and fleet of over 700 aircraft and 215,000 motorized vehicles, enables us to connect a vast majority of the world’s gross domestic product. We support global, regional, and local economic growth, empower businesses of all sizes, and invest in communities around the world, as demonstrated in our [2022 Global Economic Impact Report](#).

### Key links

About us webpage	<a href="#">→</a>
Investor relations webpage	<a href="#">→</a>
Global Economic Impact Report	<a href="#">→</a>



# Letter from the CEO

This year, FedEx celebrates its 50<sup>th</sup> year of operations—and 50 years of transforming the world by connecting people and possibilities.

I am proud to have been a part of this team for more than three decades and energized by our mission to move FedEx and the world from now to next. We have always been a company of action, and we remain committed to solving problems by finding solutions that go beyond business and benefit all humanity.

In the face of today’s pressing challenges, our purpose—to connect people and possibilities—matters more than ever. Whether collaborating to combat climate change, building teams that reflect the communities we serve, or ensuring integrity in all we do, we are innovating to deliver a more vibrant, inclusive, and sustainable future for all.

The success of our efforts is built on our sound environmental, social, and governance (ESG) practices, which are aligned with our company strategic focus. We have reported on our environmental and social impact since 2009 and remain steadfast in transparently sharing our progress in three areas that are central to everything we do—our principles, our planet, and our people.

## Our principles

We run our business with an absolute commitment to safety, ethics, integrity, and reliability in our global operations, as well as in how we manage supply chain relationships, advocacy, data, and cybersecurity practices. Guided by the FedEx Code of Conduct and reporting channels, we maintain a culture of accountability for team members, suppliers, and customers.

## Our planet

Our commitment to acting responsibly and resourcefully also drives our efforts to reduce our carbon footprint and build a more sustainable future. We are taking bold action to tackle climate change and invest in solutions to achieve our goal of carbon neutral operations globally by 2040. We have reduced our emissions intensity on a revenue basis by nearly 50% over the last 13 years, even as our average daily package volumes grew by 142%. We are determined to make even greater progress as evidenced by our ambitious goal.

Through our *Reduce, Replace, Revolutionize* strategy, our investments in three critical areas—vehicle electrification, sustainable energy, and carbon sequestration—have sparked exciting advancements. We continue to expand our zero-tailpipe emissions fleet in the United States with the first-ever vehicles from General Motors’ BrightDrop, and we doubled the number of electric cargo bikes in use across Europe.

We are also harnessing the unmatched power of our data insights to increase sustainability throughout the value chain. FedEx® Sustainability Insights is a revolutionary new tool developed by FedEx Dataworks that enables customers to access near real-time emissions data. The tool is designed to provide new levels of transparency to our customers and create a feedback loop for making our own operations more efficient.

## Our people

One of our biggest competitive advantages is our culture. Our team members around the world are committed to the Purple Promise: “I will make every FedEx experience outstanding.”

We are focused on making FedEx an outstanding place to work by fostering a diverse and inclusive team that reflects our operations globally. Our diversity, equity, and inclusion (DEI) commitments are aligned with our shared culture values and guided by the absolute belief that everyone deserves to be themselves and see themselves at FedEx. To highlight one example of this belief in action, FedEx team members who identify with a minority group held 36% of U.S. management roles in FY22.

Additionally, we continue to provide opportunities for all team members to advance in their careers at FedEx. More than 33,000 frontline team members are learning new skills through our Purple Pathways program, which won the American Transportation Association DEI Change Leader Award this year. And thousands of team members are earning certificates and degrees through tuition assistance and access to free online courses.

Our efforts to provide fulfilling employment and advancement opportunities, to build community and allyship through affinity groups and resource teams, and our relentless focus on safety and well-being has consistently earned FedEx recognition as one of the world’s best places to work.

## Where now meets next

This is a pivotal moment for FedEx. We have spent the last 50 years developing solutions that have made the world stronger, smarter, and better. We won’t stop now. As one FedEx, continuing to do our part to build a brighter, more inclusive world will be one of our most important deliveries yet.

**Raj Subramaniam**  
President and CEO

# Our principles

## Delivering on stakeholder expectations

### Governance structure and ESG risk management

#### Board of Directors and global ESG governance

At FedEx, we understand that operating 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, which emphasize delivering lasting, positive value for our business, customers, team members, and stockholders. ESG is integrated throughout our culture, and we align our sustainability approach with our mission, values, and long-term strategy. See the [Our planet](#) and [Our people](#) sections for more information on our environmental and social governance approach.

The FedEx Board of Directors is committed to the highest quality of corporate governance. We seek to maintain a Board that reflects a wide breadth of experiences, perspectives, and knowledge in addition to a diversity of gender, race, ethnicity, and age. Of the 15 members currently comprising our Board, 33% are female, and 20% are racially or ethnically diverse. Further, 13 of the 15 directors are independent in accordance with the requirements of the New York Stock Exchange and the Board’s more stringent director independence standards.

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The Board has four standing committees, each delegated specific aspects of ESG oversight.

- ▶ **The Governance, Safety, and Public Policy Committee** oversees our Corporate Social Responsibility (CSR) goals, strategies, and programs, including the management of sustainability- and climate-related risks. The committee is also responsible for overseeing our safety programs and political activities and expenditures.
- ▶ **The Compensation and Human Resources Committee** oversees our diversity, equity, and inclusion (DEI), culture, workforce demographics, enterprise health care, and other key human resource management strategies and initiatives.

- ▶ **The Audit and Finance Committee** evaluates the execution and effectiveness of our corporate integrity and compliance programs and regularly discusses with management other developments regarding ESG reporting, including the alignment of financial reporting and ESG disclosures and internal controls and procedures related to ESG disclosures.
- ▶ **The Cyber and Technology Oversight Committee** assesses the company’s cyber and technology-related risks and the mechanisms for managing and mitigating these risks. The committee is responsible for overseeing business continuity and emergency preparedness plans.

In 2022, the Board continued to monitor and discuss key ESG priorities, including our goal to achieve carbon neutral operations by 2040. Additionally, the Board renamed three of its committees to better reflect their respective oversight responsibilities relating to ESG. Our Audit and Finance and Governance, Safety, and Public Policy Committees have reviewed this ESG report and discussed its contents with management.

**Risk management**

Our Enterprise Risk Management (ERM) program provides a common framework to ensure consistency when identifying, reporting, and managing key risks across our business, including key ESG risks. Our ERM process uses a consultative approach to solicit input from

senior leadership teams at each operating company to identify and prioritize core business risks. We then classify these risks into five categories—External, Strategic, Operational, Financial, and Compliance—and prioritize risks based on potential financial impact, the likelihood of occurrence within the upcoming fiscal year, and amount of residual risk to the enterprise. Risks that require Board-level awareness are shared with the Board and its Audit and Finance Committee at least annually, and significant risks are shared quarterly. We understand risks to our business are continuously evolving, and we routinely review our risk management processes to ensure effectiveness and mitigate future risks.

Regularly scheduled ESG materiality assessments help us continue delivering value to our business and stakeholders. Our most recent assessment in 2019 allowed us to identify priority topics to inform our global ESG approach, define and prioritize risks, and set robust goals. We plan to conduct our next materiality assessment in 2024 to update our priority topics, align with best practice, and adjust our strategy as needed.

**Key links**

Board of Directors	→
Corporate governance guidelines	→
ESG   Investor relations webpage	→
Our most recent materiality assessment	→
2022 Proxy Statement	→



## Corporate integrity and compliance

Our business is built on ethics, integrity, and reliability. Customers trust us with their shipments, and we work to earn this trust by delivering on the Purple Promise. The Audit and Finance Committee oversees the company's integrity and compliance programs, including the Code of Conduct (Code), global compliance policies, and the FedEx Alert Line. The Corporate Integrity and Compliance department, led by our Chief Compliance Officer, provides program oversight and strategic direction to team members across the enterprise. Our cross-functional Compliance Council meets quarterly to review our governance around integrity and compliance programs and discuss new compliance initiatives, emerging risks, and best practices. As we work within many unique regulatory environments, each FedEx operating company is responsible for maintaining compliance with their regional and sector-specific requirements.

In 2023, we are proud to have been recognized by Ethisphere, a global leader in defining and advancing the standards of ethical business practices, as one of the World's Most Ethical Companies®. FedEx was the only honoree in the Transportation, Trucking, or Railroad industry category in 2023.

### FedEx Code of Conduct and global compliance policies

The FedEx Code guides our day-to-day work and sets forth principles that enable us to deliver on the Purple Promise. In FY24, we plan to update and redesign our Code as part of our commitment to continuous improvement. The Code applies to every FedEx officer, director, and employee, and certain sections also apply to third parties performing services on behalf of FedEx.

The Code covers a breadth of topics, including workplace health, safety, and security; human rights, including human trafficking; equal opportunity and anti-harassment; conflicts of interest; antitrust and competition; environment and sustainability; political activities and contributions; and data security and privacy, among others.

Additional global policies, outlined on our public-facing [Corporate Integrity & Compliance](#) website, specify our requirements and expectations related to ethics and compliance matters. We strive to ensure the accuracy and comprehensibility of these policies through periodic reviews and we update them when we identify the need for clarification of policies or when new laws and regulations emerge.

We are committed to protecting and advancing human rights in all our operations worldwide. We prohibit the use of child, compulsory, or forced labor and have zero tolerance for slavery and human trafficking within our operations. Our third parties and suppliers are required to uphold these important principles.

Education and training

To live up to our principles of ethics, integrity, and reliability, we provide our new and existing team members with interactive education on the Code and other policies. Team members may receive more targeted and detailed education depending on their responsibilities and the associated risks they face.

98% annual completion rate



We consistently achieve a 98% annual completion rate, on average, for employees’ assigned compliance training courses.

We constantly reinforce our Code principles with targeted communications, including emails, newsletters, videos, and digital signage. We conduct an annual enterprise-wide survey with officers, directors, and senior managers to gauge awareness of and compliance with the Code. In FY23, we created a compliance toolkit for managers, which includes an Ethical Leadership Guide and resources for managers to use with their teams.

Speaking up

Acting with integrity includes speaking up when we believe someone engaged in conduct that violates the law or the Code. Our open-door policy promotes accountability by encouraging team members to report concerns or questions to their manager or the operating company’s Human Resources (HR), Legal, or Security department. The confidential FedEx Alert Line call center and web portal are available 24/7 in more than 35 languages. FedEx prohibits retaliation against anyone who reports a known or suspected violation in good faith.

In FY22, we received more than 17,000 reports from team members, customers, and the public on issues such as employee relations, safety, conflicts of interest, business ethics, and fraud. Over 56% of the reporters identified themselves, which is 17% higher than the standard industry benchmark. We closed over 16,500 reports, and the resulting actions included team member discipline, coaching, training, termination, and contract termination for vendors and contractors.

Assessing our compliance programs

We proactively assess compliance at each operating company through comprehensive risk assessments focusing on core compliance risks. During these risks assessments, we engage with our operating companies, vendors, suppliers, and contractors to develop detailed mitigation plans for any identified risks. The findings are reported to our Audit and Finance Committee and are

included in our ERM process. We distribute integrity surveys to all FedEx team members to routinely measure the effectiveness of our compliance programs and ethical culture.

Approach to tax

Our global tax function works closely with our business groups and with external consultants to achieve our tax objectives and ensure compliance with tax obligations in accordance with applicable laws and regulations. Our world-class tax professionals are guided by the FedEx Code and keep our brand reputation top of mind. We believe transparency is critical to our tax approach and seek to continuously improve our approach by fostering open and constructive relationships with tax authorities.

Key links

Corporate Integrity & Compliance website	➔
Code of Conduct	➔
Global Antitrust & Competition Law Policy	➔
Policy Prohibiting Trafficking in Persons	➔
Global Conflicts of Interest Policy	➔
Global Gifts and Entertainment Policy	➔
Global Anti-Corruption Policy	➔
FedEx Alert Line	➔
Global Privacy Policy	➔
Social Media Guidelines	➔



# Cybersecurity and data privacy

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. By safeguarding our systems and protecting personal information, we maintain the trust of our customers, vendors, and team members and ensure the reliability of our services.



The Board’s Cyber and Technology Oversight Committee reviews and discusses with leadership best practices to manage and mitigate cyber and technology-related risks. Our Internal Audit team periodically reviews our Privacy Compliance Program to ensure our controls are effective. The Global Privacy Office routinely reviews FedEx practices and policies so all operating companies maintain compliance with applicable laws and regulations.

We provide annual information security and data privacy training for our team members. These courses address a range of topics, including awareness regarding social engineering, cybercrimes, and data protection. Periodically, we conduct tests to train team members to recognize and appropriately respond to malicious phishing messages.

The [FedEx Trust Center](#) website provides more information on how we protect customer privacy along with resources to assist our customers to protect themselves in an increasingly digital world. We provide tools to help customers submit data subject access requests and identify, report, and mitigate risks in the e-commerce market.

### Key links

<a href="#">Global Privacy Policy</a>	➔
<a href="#">FedEx Privacy Notice</a>	➔
<a href="#">Cyber and Technology Oversight Committee Charter</a>	➔



# Cyber Smart

In October, we hosted Cyber Smart 2022 to help FedEx team members better understand how to responsibly safeguard our company, our network, our customers, and our data whether at work or at home. The global event featured talks from our CEO, Chief Information Officer, Chief Information Security Officer, senior leaders, and industry experts. Over 6,500 team members registered to attend, representing 81 countries. Through this event, team members learned how to be alert and intentional in their cyber interactions to keep FedEx information and IT systems secure.

We continue to host cybersecurity and data security training and awareness events to make sure every FedEx team member understands the importance of protecting company and customer data and what actions and behaviors help keep FedEx secure.

# Public policy and advocacy

FedEx actively participates in the political process to promote and protect an economic future full of opportunity for all our stakeholders. For many years, we have engaged with regulators and associations to advocate on many policy issues, including aviation, trade, transportation, technology, innovation, and sustainability.

The Governance, Safety, and Public Policy Committee of the FedEx Board reviews and discusses with management (i) public policy, political, and legislative trends and matters that affect or may affect the company, including our reputation and strategies; (ii) the company’s political activities, including participation in the political process, direct and indirect political spending, and lobbying activities and expenditures; (iii) contributions to trade associations and other tax-exempt organizations that engage in political activities; (iv) steps taken to identify, assess, and manage risks relating to political activities and expenditures; and (v) political activity and expenditure reporting.

Our global Government and Regulatory Affairs department is committed to responsible engagement with policymakers around the world. Annually, the department reviews long-term strategic priorities, identifies associated public policy risks and opportunities, and develops prioritized action plans with the company’s senior business leaders.



Globally, we advocate for public policies that foster free trade, address trade barriers, and optimize the transportation system’s efficiency, sustainability, safety, and capacity. We encourage policies related to aviation, workforce development, information security, tax policy, deployment of autonomous delivery technologies, modernized truck regulations and infrastructure, and increased access to electric vehicle (EV) charging infrastructure and alternative fuels, particularly sustainable aviation fuels.

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. The associations take positions and address issues in a collective industry manner and often advance positions

consistent with company interests that will help us provide strong financial returns, enhance long-term stockholder value, and support the best interests of our employees consistent with our corporate values.

FedEx is subject to extensive regulation at the federal and state levels and can be affected by legislative initiatives across an array of policy issues. 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. In response to stockholder feedback, we have made our disclosures regarding public policy and advocacy available under the ESG heading below “Governance” on the Investor Relations page of our website at [investors.fedex.com](https://investors.fedex.com), including information around our engagement with external organizations on climate change legislation.

## Key links

<a href="#">Investor Relations webpage</a>	→
<a href="#">Policy Perspectives</a>	→
<a href="#">Policy on Political Contributions</a>	→
<a href="#">Governance, Safety, and Public Policy Committee Charter</a>	→
<a href="#">2022 CDP Climate Change Questionnaire &gt; C12 Engagement</a>	→



## Our supply chain

FedEx contracts with more than 100,000 direct suppliers, employing people across the world to empower our e-commerce and global operations. The FedEx Services Supplier Relationship Management (SRM) team manages and mitigates critical risks in our supply chain by implementing policies and governance practices. 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. We require our suppliers to adhere to the principles outlined in our Code of Conduct and our commitment to protect human rights.

Our global supply chain creates significant economic activity as each FedEx vendor contributes its own revenues, employment, taxes, and capital investments to their national and local economies. According to an analysis prepared by Dun & Bradstreet, FedEx operations and business activity indirectly contributed to net economic output worth an estimated \$22.6 billion across the global economy in FY22—a nearly 12% increase over the company’s indirect contributions in FY21. Our activity supported an estimated 193,000 additional jobs beyond the FedEx worldwide employee base—20,000 more jobs than FedEx indirectly supported in FY21.

Our Sourcing Sustainability Impact Team (SIT) identifies best practices and benchmarks our performance to determine where we can improve. We are founding members of the Sustainable

Purchasing Leadership Council and follow International Standardization (ISO) 20400 guidance for ESG-related metrics surrounding our sourcing practices across operating companies.

Small-, women-, and minority-owned businesses enhance the strength and resilience of our supply chain. We support the development of diverse suppliers through alliance sponsorships, industry associations, and equitable market access opportunities.

**\$18.8 billion**



**In FY22, our U.S. operations acquired \$18.8 billion in goods and services from diverse and small business suppliers.**

Through our Small Business Grant Contest, we provided \$365,000 in grant money to contest winners in FY22, with 91% given to women-owned businesses and 50% given to minority-owned businesses. Over the last ten years the grant contest has provided over \$1.7 million to 111 small businesses across the U.S. The contest is now offered in Europe, India, Asia-Pacific, and Latin America and the Caribbean.

We help women- and minority-owned businesses, including many FedEx suppliers, succeed through the Global Entrepreneurship pillar of FedEx Cares, our global community engagement program focused on in-kind shipping, volunteer work, and

charitable giving. Our initiatives provide these entrepreneurs with training, mentoring, networking, capital access, and other resources to assist in growing their business while navigating challenges.

The FedEx E-Commerce Learning Lab, developed alongside Accion Opportunity Fund and women-owned social enterprise 37 Oaks, helps women and minority small business owners develop their e-commerce operations, find new customers, and build professional networks. Nearly 2,200 business owners have engaged with online e-commerce courses, and 88% of Learning Lab graduates feel confident in operating and scaling their e-commerce businesses after having completed the program. Additionally, in FY22, we worked with United Way Mumbai to provide resources and help restart more than 700 women-led micro and small businesses across Maharashtra impacted by the COVID-19 pandemic.

See the [Diversity, equity, and inclusion create opportunity](#) section for more information on our DEI initiatives.

### Key links

Global Economic Impact Report	<a href="#">→</a>
Global Entrepreneurship   FedEx Cares	<a href="#">→</a>
Supplier diversity	<a href="#">→</a>

# Our planet

## Delivering a sustainable future

### Environmental governance structure

The Governance, Safety, and Public Policy Committee of the FedEx Board oversees our CSR goals, strategies, and programs. The committee is responsible for overseeing sustainability- and climate-related risks and discusses our sustainability strategies and programs with FedEx senior leadership at least annually. The FedEx Enterprise Sustainability Council (FESC), chaired by our Chief Sustainability Officer (CSO) and comprised of senior management representatives from each operating company, supervises the implementation of our enterprise-wide sustainability strategy and reviews performance against our goals.

The FESC oversees enterprise-wide SITs to align sustainability efforts and accelerate these efforts throughout the organization. The SITs help us achieve our ESG goals by collaborating, sharing best practices, and organizing sustainability efforts across functional areas. The SITs and senior sustainability leaders from each operating company report to the CSO.

#### Key links

Environmental Policy	→
Sustainability website	→
Governance, Safety, and Public Policy Committee charter	→

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Sustainable customer solutions	→





# Strategic approach and climate change

## Strategic approach

Our *Practical Sustainability* philosophy and *Reduce, Replace, Revolutionize* approach guide our sustainability strategy. As our company transports goods around the world, associated GHG emissions contribute to climate change. Other significant environmental impacts include emissions from criteria air pollutants, noise pollution, and waste generation from packaging. We recognize our business’s impacts on the environment and communities and remain steadfast in our commitment to minimize these impacts.

-  **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

Our *Practical Sustainability* philosophy emphasizes strategic and transformational stewardship to mitigate our environmental impacts and add tangible 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. Our team members are integral to advancing our strategy by applying our *Reduce, Replace, Revolutionize* approach to everything they do.

In alignment with the Sustainable Logistics pillar of FedEx Cares we support a variety of global non-governmental organizations, academic institutions, and conservation leaders which help communities and the logistics industry move people and goods more sustainably. Our strategic charitable investments also support the development of sustainable cities to reduce congestion and GHG emissions, the acceleration of climate solutions, and the empowerment of our team members to practice conservation in their local community.

## Climate change

At FedEx, we are cognizant of the impacts climate change could have on our business operations. In our business planning and strategy, we consider events such as intensified weather, GHG emissions regulations, increased media and investor attention, and enhanced customer demands to address environmental challenges. FedEx has 50 years of experience proactively addressing unexpected situations, such as

severe weather events, and we maintain system flexibility to minimize impacts on our customers. We recognize the strategic risk climate change poses to our business and stakeholders while simultaneously creating opportunities around sustainable products and services that advance our customers’ environmental goals.

We align our assessment and reporting approach with the recommendations of SASB and TCFD and respond annually to the CDP Climate Change questionnaire, where we provide a more detailed discussion of our climate change risks and opportunities. Our approach is informed by the climate-related physical and transition risks we identify through our ERM process. Climate change-related risks and opportunities are assessed as part of our annual risk assessment process, and we continue to closely monitor public attitudes, geopolitical concerns, and global regulations. Our ERM process is embedded in our strategic financial planning process and provides a platform to integrate short-, medium-, and long-term risk information in business decisions. This approach allows us to effectively manage our risks while evaluating progress toward our sustainability-related goals.

## Key links

<a href="#">Sustainability website</a>	<a href="#">→</a>
<a href="#">Sustainable Logistics   FedEx Cares</a>	<a href="#">→</a>
<a href="#">2022 CDP Climate Change questionnaire</a>	<a href="#">→</a>

Carbon neutral operations

We have a goal to achieve carbon neutral operations by 2040 across our global operations’ Scope 1 and 2 GHG emissions and our Scope 3 contracted transportation emissions. To support bold action and innovation we designated \$2 billion of initial investment that we continue to direct towards vehicle electrification, sustainable energy, and carbon sequestration. We aim to transition the entire FedEx parcel pickup and delivery (PUD) fleet to zero-tailpipe emission vehicles by 2040 through a phased approach. By 2030, 100% of FedEx Express PUD fleet purchases will be electric, with an intermediary goal of 50% of purchases by 2025.

We continue to invest in initiatives such as the successful FedEx Fuel Sense program, aircraft fleet modernization, renewable energy, sustainable packaging choices, and alternative fuels. We leverage additional approaches to reduce vehicle emissions, such as increased intermodal rail usage at FedEx Ground and FedEx Freight, which avoided almost 620,000 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e) in FY22. Thanks to our ongoing collective emissions reduction efforts, we decreased carbon dioxide (CO<sub>2</sub>) 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, remove, and store carbon from the atmosphere. In 2021, FedEx pledged \$100 million to establish the Yale Center for Natural Carbon Capture, with



support from industry partners, to support research for developing measurable carbon capture strategies to help mitigate climate change globally. The center conducts interdisciplinary research to help create nature-based solutions which sequester and store carbon from the atmosphere. The center’s initial target is to develop solutions that could mitigate GHG emissions of approximately one gigaton per year, equivalent to current annual airline emissions.

To further our commitment to carbon reduction, 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 and solutions. In 2021, we issued the first sustainability bond by

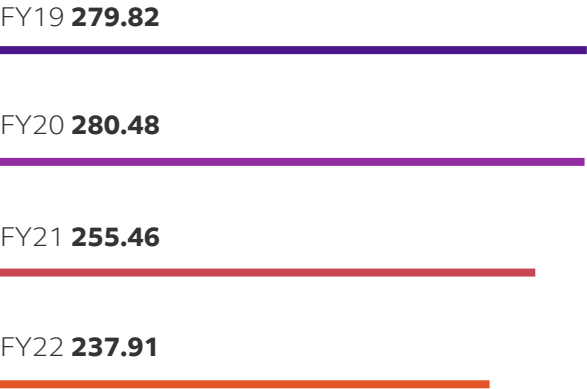
a North American transportation and logistics company. Our [sustainability bond framework](#) is aligned with components of the Green Bond Principles, the Social Bond Principles, and the Sustainability Bond Guidelines. We intend to follow these principles and guidelines for any future sustainability bond offerings.

Key links

- Carbon neutral operations goal announcement →
- Yale Center for Natural Carbon Capture fact sheet →
- Sustainability Bond Framework →
- Sustainability Bond Report →

Total emissions intensity (Scope 1, 2, and 3)

(metric tons CO<sub>2</sub>e/million USD revenue)



# Our path to 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-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.



## Vehicle electrification

We have ambitious sustainability goals, and electrifying a substantial portion of our global fleet of over 215,000 motorized vehicles is a crucial component of our path to carbon neutral operations. Our fleet is comprised of PUD vehicles, long-haul trucks, forklifts, airport ground service equipment, and other non-road vehicles. Due to performance and operational requirements, the electrification of each vehicle class presents different opportunities and challenges. Across our entire FedEx parcel PUD fleet, we are committed to replacing existing vehicles with zero-tailpipe emission vehicles by 2040, using a phased approach.

Our approach to fleet replacement and electrification is focused on identifying the right vehicle solution in the right application. We are actively engaging local original equipment manufacturers around the world to create the most efficient and sustainable vehicle fleet for our operations.

In 2022, FedEx Express announced an agreement reserving production of 2,000 EVs from BrightDrop, a technology startup from General Motors, over the next several years. We expect to continue expanding our EV fleet by procuring up to 20,000 more BrightDrop EVs, subject to future negotiations. Following the first deliveries in December 2021, we had received 150 BrightDrop Zevo 600 vans by June 2022. The Zevo 600s are all-electric, zero-tailpipe emission vans designed for last-mile deliveries with a range of up to 250 miles on a full charge. Through our relationship with BrightDrop, we introduced BrightDrop Trace electric carts (eCarts) into FedEx

Express operations in New York City. In an initial pilot, couriers handled 25% more packages per day when using the eCarts on routes in a high-density, vertical urban environment. The New York City Department of Transportation recently approved a long-term use exception of the eCarts, which are now in use in both Manhattan and Brooklyn.

In August 2022, FedEx Office began piloting ten Ford E-Transit vans across nine markets within its PUD network. The pilot program aims to help FedEx Office understand the performance of EVs in a variety of operational, road, and weather conditions. FedEx Express Europe placed an order for 98 Mercedes-Benz eSprinter vans, which are anticipated to arrive at six of our major facilities in 2023.

FedEx Ground is developing a comprehensive strategy to facilitate the EV transition for independent service providers and is implementing the necessary infrastructure at our facilities to provide charging solutions. As of FY22, FedEx Ground operated 56 EV charging stations, which independent service providers can access to support their own EV transition, and has deployed 115 electric yard tractors and 14 electric PUD vans.

FedEx Freight is evaluating EV opportunities to define scalable solutions for its entire fleet. To date, FedEx Freight has placed orders for 18 EV tractors, 8 EV box trucks, and 10 EV yard tractors, and will install 36 fast chargers at four hubs. FedEx Freight operates 1,400 electric-powered forklifts, approximately 15% of its forklift fleet.

We are actively building the innovative charging infrastructure required to support our growing fleet of EVs across our vast network of facilities. In California, we have already installed more than 500 charging stations. FedEx Express Europe announced in October 2022 the development of 114 EV charging points at PUD stations in London, Madrid, Amsterdam, Paris, and Strasbourg. Installing the large-scale charging infrastructure required by our operations involves our close collaboration with local utility companies and regulators to help strategically plan for and implement the additional grid capacity needed.

While growing EV charging will cause our electricity usage to significantly increase, we are investing in on-site renewable energy generation and procurement, and exploring other innovative approaches, such as battery storage, to overcome this challenge and continue reducing our emissions. See the Facilities section for more information on these initiatives.

Through our Zero Emission City Deliveries Solutions program in Europe, we increased delivery options within urban centers, including EVs and cargo bicycles. In FY22, we more than doubled the number of electric cargo bikes in Europe, which are now deployed in 17 cities. Our growing fleet of electric bikes reduces impacts from our operations, including noise levels and combustion engine exhaust compared to traditional last-mile vehicles. Across some cities, like London and Toronto, our electric bike fleet is replacing a substantial percentage of our van routes. This strategic rollout highlights our commitment to use the right solutions in the right applications. We continue to electrify forklifts, airport ground service equipment, and other non-road vehicles across our operating companies to reduce fuel and maintenance costs. We anticipate improving our efficiency further as new technology develops.

**Key links**

BrightDrop EV Delivery	<a href="#">→</a>
FedEx Office E-Transit Van Pilot	<a href="#">→</a>
FedEx Express European Charging Infrastructure	<a href="#">→</a>



# One FedEx and Network 2.0—Optimizing toward a smaller footprint

We are committed to electrification across our vehicle portfolio but understand that challenges remain, including EV availability, electrification of certain vehicle classes due to operational needs, legislative changes, grid capacity, and certain operating conditions. Fleet efficiency enables ongoing fuel, emissions, and cost reductions as the industry works to address these challenges. FedEx Express has improved vehicle fleet efficiency by 40% since 2005 through route optimization, fleet modernization, and other initiatives and aims to achieve a 50% vehicle fleet fuel improvement by 2025. The one FedEx and Network 2.0 strategic initiatives are a structural shift in the way we utilize our networks by moving beyond discrete collaboration, such as FedEx Express flowing certain packages into the FedEx Ground network for last-mile delivery and FedEx Freight providing linehaul support to FedEx Ground, to an end-to-end optimized network. Going forward, we will leverage these initiatives to reduce our station footprint, decrease PUD routes, and optimize our enterprise linehaul networks.



# Sustainable fuels

To reduce aircraft and vehicle emissions, we are continuing to pursue viable, cost-effective alternative fuels. Our fleet of over 6,200 alternative fuel vehicles includes hybrid, electric, liquefied or compressed natural gas, liquefied petroleum gas, and hydrogen fuel cell vehicles. We recognize there are significant opportunities to continue growing our alternative fuel fleet and revolutionize the future of the logistics and aviation industries. To advance widespread production, we collaborate with government agencies, academic institutions, and alternative fuel suppliers.

In FY22, 48% of the diesel FedEx Ground sold to service providers was comprised of various biodiesel blends, resulting in over 20,000 metric tons of CO<sub>2</sub>e avoided. We continue to explore alternative fuels for certain vehicles not easily electrifiable. Decarbonizing heavyweight transportation is more challenging than parcel PUD vehicles due to the required mileage range and the time needed to refuel or charge in some instances. Heavy goods vehicles travel between territories and therefore often require refueling in multiple areas. FedEx Express Europe is powering a portion of linehaul trucks in the Netherlands using renewable diesel, which has the potential to reduce carbon emissions by as much as 80 to 90% per liter. While technological solutions are still being developed to transition away from fossil fuels, renewable diesel empowers us to reduce Scope 1 carbon emissions in our linehaul

truck network. By demonstrating support and adaptation of diesel alternatives, FedEx strives to make alternative fuels more viable, scalable, and ultimately accessible across the industry.

FedEx jet fuel use accounts for around 61% of our reported emission footprint, and we have a goal to obtain 30% of our jet fuel from alternative sources by 2030. To achieve this, we support responsible policies and incentives around advancing alternative fuel technologies, accelerating sustainable aviation fuel production, and increasing the availability and affordability of low-carbon fuels. However, we understand the challenges the industry faces in deploying sustainable aviation fuel at scale and recognize other solutions may be needed to help the aviation industry improve efficiency and reduce emissions. To help accelerate solutions, we are members of the [First Movers Coalition](#), participating in the Aviation Sector working group, a global initiative working to decarbonize hard-to-abate industrial sectors, including the aviation industry.

## Key links

Our approach   Sustainability webpage	➔
Our approach   Vehicles	➔

# Aircraft fuel conservation and fleet modernization

We continuously work to reduce the environmental impact of our aircraft fleet. To help conserve fuel, we look for ways to optimize our airline routes and leverage our vast network to find lower-emission alternatives when moving goods. Since 2005, we reduced our overall aircraft emissions intensity by 27.6%, primarily because of our ongoing FedEx Fuel Sense and aircraft modernization initiatives.

## FedEx Fuel Sense

Our global FedEx Fuel Sense program enables us to reduce the cost of fuel use and associated GHG emissions. The Fuel Sense program accounted for 13 million gallons of jet fuel savings in FY22. Since 2006, when the program began, our collaborative efforts across the aviation team led to the implementation of 70 fuel-saving initiatives, allowing us to save over 961 million gallons of jet fuel and avoid an associated 9.4 million metric tons of CO<sub>2</sub>e.

## Aircraft fleet modernization

Our innovative cargo aircraft fleet is comprised of over 700 planes. Our commitment to modernizing our aircraft fleet lowers costs, enhances reliability and operational adaptability, improves fuel efficiency, and reduces emissions intensity. Through our modernization efforts, we saved over 150 million gallons of jet fuel and avoided almost 1.5 million metric tons of CO<sub>2</sub>e in FY22.

We continue to replace our older aircraft with more fuel-efficient models that help reduce GHG emissions, air pollution, and local noise. By the end of FY23, we plan to retire our entire MD-10-30 fleet and we recently accelerated the retirement of our MD-11 fleet by the end of FY28. In FY22, we took delivery of four Boeing 777 Freighter aircraft and plan to deploy an additional six Boeing 777 Freighter aircraft between FY23 and FY25. Similarly, we took delivery of 12 Boeing 767 Freighter aircraft in FY22, and plan to deploy an additional 27 between FY23 and FY25. The Boeing 767 Freighter is about 30% more fuel efficient than the MD-10s they replace.

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

In FY22, we took delivery of four new factory-built ATR 72-600F aircraft for shorter feeder routes to replace our aging ATR aircraft. We plan to deploy an additional 19 ATR 72-600F aircraft between FY23 and FY26. We took delivery of our first Cessna 408 SkyCourier cargo aircraft in spring 2022, with plans to deploy an additional 44 Cessna 408 SkyCourier aircraft between FY23 and FY26.

### Key link

Our approach | Aircraft 



Facilities

We aim to continuously improve the sustainability, reduce the environmental impact, and increase the efficiency of our more than 5,000 air and ground hubs, local stations, freight service centers, and retail locations. We do this by sustained investment in energy management, renewable energy and storage, and waste minimization, among other initiatives.

While our energy demand is increasing to support EV deployment and charging infrastructure, we have increased our focus on facility energy management and off-site renewable energy procurement strategies to overcome this challenge. Our Energy SIT is developing a long-term roadmap to support our EV transition plan. This roadmap will support our goal of achieving carbon neutral operations by 2040 through its approach to Scope 2 emission reductions. We are taking a proactive approach to our energy requirements by looking across our operating companies, forecasting their energy needs, developing a renewable energy procurement strategy using various contracting models, and considering factors such as utility operating structures and local and federal regulations.

Energy management systems are essential to increasing efficiency at our facilities through monitoring, regulating, and optimizing our lighting, heating, ventilation, and air-conditioning equipment. We incorporate innovative energy efficiency specifications and explore on-site renewable energy generation options when

designing new facilities. FedEx Office utilizes energy management systems and LED lighting at over 1,500 stores, decreasing energy usage by 40% since FY17. Across operating companies, our energy management systems saved over 225 million kilowatt hours of electricity in FY22.

In alignment with our carbon neutral operations goal, we invest in both on-site renewable energy generation and external procurement of renewable energy. Globally in FY22, we generated on- and off-site solar energy at 29 locations across our operating companies, and approximately 30% of FedEx Express Europe energy use was from renewable sources. FedEx Ground has 18 on-site and off-site solar installations. FedEx Freight has operated on-site solar installations in California since 2008. FedEx Office plans to have its first solar-powered store in 2023. FedEx Office typically has short-term leases for storefronts, making it difficult to generate on-site clean power or procure renewable energy through long-term power purchase agreements. This new structure will support property owners in installing a solar project and offering the benefits to commercial tenants, serving as a model for other stores.

FedEx Express operates a [one-megawatt community solar system](#) in Washington, D.C., and in May 2022 announced a special charitable arrangement to further spread the benefits of this project. We are allocating a portion of the electricity bill credits generated by the solar installation to the local non-profit SOME (So Others Might Eat), which provides services to individuals experiencing poverty and homelessness in the district.

The long-term health of our business is directly connected to the health of the planet and local communities. Each operating company has robust programs and policies to help mitigate adverse impacts on the local environment from facility operations and ensure compliance with applicable laws and regulations. To further drive our environmental sustainability progress, our CSO manages our enterprise-wide Environmental Management System and reviews performance annually. We consistently strive to enhance our environmental performance across our facilities. As of FY22, FedEx Express achieved the ISO 14001 environmental management system standard at 862 sites across 33 countries. Additionally, in February 2022, FedEx Express received ISO 14001 certification for all on-airport locations in the U.S.

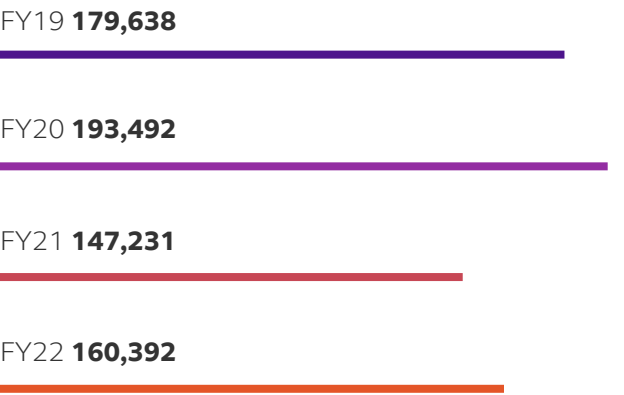
We adopt the Leadership in Energy and Environmental Design (LEED) standard in the U.S. and the Building Research Establishment Environmental Assessment Method (BREEAM) in Europe to guide efficient facility design when appropriate. FedEx Express and FedEx Freight seek LEED certification on all new construction, and in total, FedEx has 44 LEED-certified facilities and 13 BREEAM-certified facilities across our operating companies.

To reduce our operational waste footprint, we implement standardized waste and recycling management processes in the U.S. We prioritize reducing our waste generation and then recycling the waste we do produce. At FedEx Freight, we minimize waste generation and reduce costs by reusing equipment and sharing excess supplies among locations and departments through the

Supply Exchange Program. In addition, FedEx Freight implemented a waste recycling program, through which we have recycled over 1,700 tons of metal, over 2,700 tons of paper, and over 500 tons of wood-related waste since 2011. FedEx Express recycled over 41.7 million pounds of cardboard, wood pallet, paper, and metal waste in FY22. FedEx Ground facilities diverted nearly 80% of their waste to recycling. In FY22 FedEx Office continued its toner recycling program, preventing 38,000 cartridges from ending up in landfills. Overall, we sent 61% of reported solid waste from our global facilities to recyclers in FY22.

CO<sub>2</sub>e emissions avoided from facility energy efficiency initiatives

(metric tons)



Key links

Our approach   Facilities	→
Environmental Policy	→



# European sustainability strategy in focus

FedEx Express Europe addresses sustainability challenges and opportunities in the European market through a targeted yet comprehensive strategy. Our European Sustainability Committee, sponsored by the European Senior Vice President of Planning and Engineering, oversees environmental sustainability for the region and progress toward our goals. Eight cross-functional Sustainable Impact Teams—Sustainable Fleet Solutions, Zero Emissions City Deliveries, Green Facilities & Certifications, Subcontractor Collaboration Programs, Circular Solutions & Waste Management, Customer Solutions, Multimodal Transportation, and Information Technology—are key players in our support of the United Nations Sustainable Development Goals and the implementation of various sustainability initiatives across the organization. The FedEx Europe Sustainability Committee supports, coordinates, and facilitates these environmental initiatives.

GreenLab Copenhagen is a flagship sustainability concept instrumental to our ambitions to reduce GHG emissions and achieve carbon neutral operations. In FY22, we progressed this initiative by increasing our clean energy supply, exploring EV options, planning for EV charging infrastructure, and piloting industrial electric cargo bikes at the facility. We are looking to expand the most effective combination of initiatives at other locations across Europe to utilize the solutions of tomorrow, today.

In 2022, we held five sustainability roundtables with our PUD subcontractors to understand their sustainability ambitions and challenges while encouraging open dialogue. Through these discussions, one of our subcontractors piloted a Ford E-Transit all-electric van in Spain. We are planning to implement in-car monitoring technology and conduct training with our subcontractors and our own drivers to monitor sustainable driving techniques. Other outcomes of these conversations will inform our action plan to reduce our ground operations carbon footprint in collaboration with our subcontractors.

# Sustainable customer solutions

We are responsible for delivering, on average, more than 15 million packages each business day. We work to minimize packaging materials, optimize customer package size and weight, increase shipping efficiency, and maximize recyclability to reduce the environmental impacts of transporting goods, such as emissions and waste generation. We offer end-to-end sustainability for customers by supplying sustainable packaging solutions and exploring carbon neutral shipping opportunities. We continue to offer packaging options for FedEx Express shipments that are reusable, recyclable, and made from recycled content. FedEx-branded cardboard packaging is 100% recyclable and contains an average of 36% recycled content. The FedEx Sourcing team evaluates each critical packaging supplier annually to ensure alignment with environmental management practices and provides recommendations on sustainability program improvement. We also use third-party certifications for packaging to advance responsible forest management, protect against deforestation, and support biodiversity. During FY22, 64% of FedEx-branded packaging was third-party certified.

FedEx Office sources paper that adheres to the forest-based paper product procurement policy for all commercial copy and print services. In FY22, 100% of all paper purchased by FedEx Office was from vendors with responsible forest management practices.

# 100% recyclable



**FedEx-branded cardboard packaging is 100% recyclable and contains an average of 36% recycled content.**

In 2022, we introduced the FedEx® Sustainability Insights tool, which built upon our previous Customer Emissions Calculator, to increase accessibility for our customers and suppliers to calculate estimated CO<sub>2</sub>e shipping emissions at package and account levels. The calculation methodology is third-party verified to be consistent with the Global Logistics Emissions Council framework and the GHG Protocol. We can use the data as we work to optimize our operations, processes, and routes as we continue to work toward carbon neutral operations.

### Key links

- [Our approach | Materials](#) →
- [FedEx® Sustainability Insights tool](#) →



# Spotlight on global sustainability initiatives



# Our people

## Delivering on our culture

### Social governance structure

Our focus on our people enables us to recruit and retain talented team members who bring our mission to life. We enhance our business performance by supporting a diverse and engaged workforce. Across our operating companies, we use a multifaceted approach to best support our people. Our Board of Directors oversees our social governance approach and ensures our culture aligns with our values and long-term strategy. The Compensation and Human Resources Committee reviews our key human resource management strategies and programs, while the Governance, Safety, and Public Policy Committee is responsible for overseeing our safety strategies, policies, and initiatives.

The HR department of each operating company manages social topics, including career development and training, health and well-being, and employee engagement. The FedEx Corporate HR department aligns these procedures and programs to ensure consistency across operating companies while also managing employee benefits and development programs. Each FedEx operating company is responsible for establishing its own safety policies and programs based on the FedEx *Safety Above All* philosophy.

DEI is integrated into our global governance structure with DEI committees at FedEx Corporation and a DEI team at each operating company. Our DEI Corporate Council connects DEI representatives from across the HR, Sourcing, and Communications functions of our operating companies through bi-monthly meetings to foster collaboration, discuss best practices, and support programs in the communities we serve.

### In this section

Social governance structure	→
Our culture	→
Human resource management	→
Diversity, equity, and inclusion create opportunity	→
Health and safety	→



Furthermore, we are expanding pathways within and across each operating company to uphold our commitment to DEI and continue creating opportunities for our people. FedEx Express implements a Global DEI Governing Board to support our U.S. and international diversity councils, oversee local DEI issues, and support our corporate strategy. FedEx Services and FedEx Corporation maintain a DEI Executive Steering Committee responsible for driving our DEI strategy and engagement. The FedEx Ground Equity, Inclusion, and Engagement department creates, drives, and measures strategic DEI and employee engagement efforts and FedEx Freight established a Culture Leadership Team to evaluate our culture of inclusion and ensure we are living up to our commitments and driving progress.

## 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—and are directly aligned with our strategic operating principles of compete collectively, operate collaboratively, and innovate digitally. These interconnected components align closely with our ESG priorities, sustainability performance, and long-term strategy.

These values apply consistently to all team members, regardless of role, region, or operating company.

A winning culture leads to winning strategies. It sparks the development of ideas, products, and services that help better serve our customers and drives our success. As we face ongoing challenges and opportunities for change, our common culture values and behaviors will provide direction and inspiration for team members and continue to differentiate us as an industry leader.



## 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 culture stance informs our values and behaviors

We are a global team of innovators and collaborators, committed to bringing our People-Service-Profit philosophy to life by:

- ▶ Prioritizing safety
- ▶ Taking care of our team members
- ▶ Embracing diversity, equity, and inclusion so everyone feels appreciated and valued
- ▶ Delivering excellence and value for our customers and stockholders
- ▶ Acting with integrity in all that we do
- ▶ Supporting our communities
- ▶ Helping shape a better world
- ▶ Growing profitability to reinvest in our team members and business

## Human resource management

Our greatest asset is our people. They are at the heart of our success and are the foundation of our strong reputation. Our exemplary human network defines who we are and what kind of business we want to be. Ultimately, our success depends on our people’s talent, dedication, and well-being. We strive to recruit, retain, develop, and support our team members as we grow globally.

### Talent acquisition and engagement

Our recruiting practices enable us to build a talented employee base representative of the communities we serve. We continue to refine our approach to talent acquisition through technology and other human resource management strategies, leveraging technology to make our hiring process more efficient.

We advertise open positions through targeted communication channels, such as social media platforms, texts, internship programs, and talent recruitment from ‘non-traditional’ pathways. FedEx Ground uses automated hiring processes to simplify applications for front-line candidates, and FedEx Office will soon add an artificial intelligence chatbot feature to the application process to improve our capabilities. FedEx Express enhances the candidate and employee experience through a mobile application and has opened more recruitment centers for in-person candidate touchpoints. We remain flexible in our recruitment strategies by posting jobs outside primary FedEx locations to expand our talent pool.

We implement development programs to ensure our talent pipeline and current employee base possess the necessary skills to enable our success. FedEx Freight launched an 18-month Fleet Maintenance Technician Apprentice program for current team members to become skilled technicians. FedEx Freight implements the Driver Development program, which teaches employees skills to become professional tractor-trailer drivers. We currently employ approximately 275 drivers from this program. FedEx Express Asia-Pacific, Middle East, and Africa (AMEA) is collaborating with specialized universities to develop a quality talent pool with specific skills and knowledge in gateway operations and customer service. In total, 66 students in China and Thailand are participating in this program.



Globally in FY22, we hired 558,290 full- and part-time team members. Every day, we work hard to earn and maintain the loyalty of our team members by creating a workplace culture that supports their aspirations and provides opportunities for career development. FedEx Express and FedEx Logistics launched employee referral programs, and FedEx Freight instituted 30- and 45-day manager check-ins to ensure new employees are engaged. These initiatives have been successful in helping us retain a skilled workforce. In FY22, our global turnover rates for part-time and full-time employees were 198.5% and 37.3%, respectively. This was higher than in FY21, primarily due to overall greater hiring volumes. See the [Data appendix](#) for more information on our recruitment and retention.

We value feedback from our team members and provide several avenues of engagement, such as annual surveys, employee networks, and direct feedback. These methods allow us to better understand employee concerns and expectations, and results from these engagements inform our future strategies. Annually, we conduct an engagement survey to measure employee insights on our culture, engagement, and diversity.

### Quality of life

To support the well-being of our employees and their families, we provide the resources they need to thrive at work and at home. All eligible full- and part-time team members are equipped with competitive benefits, including healthcare,

wellness, paid sick leave, other flexible paid time off, and other benefits. To ensure our benefits and compensation stay competitive, we conduct periodic peer benchmarking and internal pay equity analyses.

All eligible full- and part-time team members and their eligible dependents receive competitive health benefits. In the U.S., we cover approximately 70% of total eligible health and disability costs at the plan level for 232,000 participating employees as of January 2023. This suite of health benefits includes flexible options in medical, behavioral, dental, vision, and pharmacy coverage with enhanced member support services. Our member premiums and plan costs are lower than the market average. To better support qualifying members living with type 2 diabetes, we introduced a new Type 2 Diabetes plan designed to help members save money, better control their blood sugar, and increase the probability of remission. We expanded our Bind Plan option, which offers no deductible and no coinsurance, to certain part-time employees.

We offer competitive time-off that is based on feedback from our team members about what's important to them. While benefit packages vary among our operating companies, all operating companies offer time-off packages that include paid time-off days for vacation, personal time, or illness as well as floating holidays. Dedicated paid sick leave and paid parental leave is available for eligible full- and part-time employees.





We understand the importance of supporting our team members' mental health and provide 24/7 confidential counseling services to our employees and their household members through our Employee Assistance Program. Our LifeCare program offers guidance, personalized resources, and discounts for challenges such as child and senior care, financial and legal concerns, and health and wellness. Individual operating companies and regions also implement specific programs to support mental well-being. Over the past year, we focused on communicating these services to ensure they were readily available to all team members.

We work to provide employees with flexible work structures. Depending on the operating company and team member responsibilities, we use a flexible work model that allows our people to work in ways that make the most sense to them. We are constantly monitoring and adjusting our strategy as we learn of new developments and use survey data at the local, national, and enterprise levels to inform our strategy. We encourage purposeful in-person work, such as meaningful team meetings, planning sessions, and office events.

### Learning and development

At FedEx, we are committed to helping our team members grow and further develop their careers. We proactively evolve our operating companies' learning frameworks to meet emerging trends and align existing competencies to future capabilities and skillsets to future-proof talent needs. Our

learning and development opportunities increase team member engagement, improve retention, and enhance the employee value proposition.

Across the enterprise, we tailor our Core New Employee Orientation to best fit team member responsibilities in their local workplace. This onboarding experience covers topics such as safety, security, compliance, sustainability, and DEI. After orientation, the FedEx Learning Center is available with more than 25,000 online courses to enable a more efficient and convenient learning experience. We use a third-party learning tool that provides a learner-driven approach to ensure team members have on-demand access to continuous learning opportunities. This tool allows us to easily track data. See the [Data appendix](#) for information on team member training hours.

In 2022, operating companies experienced engagement, expansion, and growth through a variety of career development programs and learning initiatives across our global operations. In the U.S., FedEx Express kicked off its tenth year of the global high-potential employee program, LeadIC, launched an internal learning hub and monthly learning magazine for all staff team members, and grew participation across a diverse array of education offerings. The FedEx Express AMEA region developed its Leader as a Coach program to strengthen the coaching capability of people leaders and in the LAC region, the Future Leaders Program for high-potential employees grew region-wide. FedEx Express Europe launched free language courses, enabling over 7,000 participants to build their language skills.

In FY22, FedEx provided over \$23 million in tuition assistance to more than 12,000 employees. FedEx Ground offers discounted or debt-free college at several schools in the U.S. through the Education for Life program. The Learning inspired by FedEx (LiFE) program, a partnership between multiple FedEx operating companies and the University of Memphis, offers a suite of education benefits, including tuition-free, fully online degree options for over 30 associate's and bachelor's programs of study. Eligibility includes FedEx Express employees at all U.S. hub and airport locations, all U.S.-based FedEx Logistics and FedEx Freight employees, and all Memphis-based FedEx Supply Chain employees. We expanded this program in FY22 to include all majors the University of Memphis offers online and added mentoring opportunities. Almost 4,500 participants are currently enrolled in the program, and we are exploring opportunities to implement similar programs outside the U.S. In 2022, we successfully completed a pilot cohort of the LiFE program where 42 employees completed a certification from Amity University Dubai in the United Arab Emirates.

Each FedEx operating company has a performance management process to support ongoing accountability for innovative business results. Leaders and team members are asked to hold frequent quality conversations to discuss successes, strengths, and strategies for improvement for both job-related and personal development goals.

# Diversity, equity, and inclusion create opportunity

As a global business, we value the diversity of perspectives, backgrounds, and experiences of our people and recognize DEI is essential to our success and the communities we serve. DEI fosters collaboration, enables us to recruit, retain, and develop a talented workforce, and underpins our business performance and sustainability. The continued integration of DEI into our business strategies and progress towards our DEI objectives supported our ability to respond to the challenging labor market our industry faced in recent years. We are proud of the work our people accomplished over the past year but understand there is always more to be done.

FedEx has a long-standing commitment to fully embrace DEI throughout our organization, from the Board of Directors to every employee. This commitment is communicated through our DEI framework and our four strategic pillars: Our People; Our Education and Engagement; Our Communities, Customers, and Suppliers; and Our Story. We use this framework to influence and inform our business strategy as we invest in our workforce, culture, and communities.

## Our people

We understand the importance of actively recruiting, developing, and retaining our diverse talent. One of the most important outcomes of our DEI efforts is to grow and advance the gifted group of individuals that comprise FedEx.

Over the past year, we continued to roll out programs to ensure our people are engaged and can develop at FedEx. The FedEx Ground workforce career track program, Purple Pathways, directly targets our most diverse population, frontline managers and package handlers, to support their career growth. FedEx Ground won the American Transportation Association DEI Change Leader Award in 2022 for Purple Pathways. We are inspired to see over 33,000 team members registered in the program, with more than 1,700 Purple Pathways mentors. The OnDeck program, launched by FedEx Express, provides our front-line workers with the training and skills they need to grow into managerial roles.

In FY22, FedEx participated in a variety of employment events, including partnering with the Society of Women Engineers, the National Black MBA Association, and Historically Black Colleges and Universities (HBCUs) to expand our talent pool, increase hires from diverse populations, and establish FedEx as a positive ambassador for DEI. At FedEx Express AMEA, we set a DEI objective to increase the number of team members with disabilities by 5%. FedEx is part of the [Tent Coalition for Refugees](#) in the U.S. and has set goals for hiring refugees for roles with the company nationwide.

See the [Data appendix](#) and our [EEO-1 Reports](#) for statistics on workplace gender, race/ethnicity, and generational diversity.





**Our commitment to diversity starts at the top**

**Board gender diversity**



**Board racial/ethnic diversity**



**Global management gender diversity**



**U.S. management racial/ethnic diversity**



**Our education and engagement**

We foster ongoing employee engagement and provide educational opportunities to build an inclusive working environment and help our people succeed. We strive to promote DEI and maintain open dialogue across all levels of the company.

We work to expand our team members’ DEI knowledge through various learning opportunities. We recently introduced a DEI competency program for all our officers and directors. Through this program, enabled by the FedEx Learning Center, more than 87% of our FedEx Logistics

managers, directors, and officers completed four DEI courses. In 2022, all FedEx Office leaders and key HR employees completed a year-long Inclusive Leadership program to address critical DEI topics. FedEx Express continued the Convene program, a virtual mentorship program between four vice president-level diversity sponsors and other team members. Across our operating companies, we offer a micro-learning platform to deliver digestible DEI content for all career levels.

Team members can participate in business resource teams, employee networks, and affinity groups to enhance DEI, build community, and inspire conversations across our operating companies. These groups include: Women in Leadership, Black Professionals Network, Hispanic Action Network, All-Generations, Multi-Ethnic Leadership Community, Asian Network, Women Leading Change, LGBT & Friends, U.S. Military Veterans, Growing Professionals, Parents Working Together, EnABLE Network, Men Leading Inclusively, and Multi-Faith Network, among others. In FY22, FedEx Logistics launched its first business resource team, Women in Logistics, with plans to launch additional resource groups next year.

We include DEI-related questions in our FedEx Services, FedEx Ground, and FedEx Freight engagement surveys, allowing us to accurately capture employee perspectives on DEI within the FedEx workforce. The results from these surveys show that open dialogue regarding diversity and inclusion has improved since 2021. DEI metrics were added to FedEx Ground’s performance management system to ensure intentional focus and engagement on DEI for all team members.

**Our communities, customers, and suppliers**

DEI must extend further than our people and our business. We are committed to investing in the communities, customers, and suppliers we serve. In FY22, we contributed \$5.7 million to various non-profits aligned with our DEI commitment to increase equity in the communities we serve. We work with community partners, including the National Action Network, and sponsor events, such as the Rise Up and Memphis Proud Exhibits at the Memphis Museum of Science and History, to strengthen our position as a positive community ambassador.

In FY22, we provided over \$800,000 for leadership development programs in the U.S., mainly through our seven scholarship funds. We also support endowed scholarships at eight HBCUs where we are expanding opportunities for students through a \$5 million multi-year contribution to prepare students for the workforce. In FY22 we launched the FedEx-HBCU Student Ambassador Program, which provides empowerment, engagement, and education for students, and access to resources that will help them prepare to enter the workforce after college. Additionally, FedEx Ground launched the College Pathways Career Expose with seven HBCUs in February 2022. The College Pathways program exposes students to career opportunities in specific fields that align with their studies and provides students insights on real career experiences.

We work to recruit diverse candidates and develop a talent pipeline to build a workforce reflective of the communities we serve. We work to improve the inclusivity of our recruitment process by offering materials in Spanish and English. FedEx Logistics hosts the FedEx Logistics Academy, a program designed to introduce high school students to a variety of career paths as well as provide interactive lessons on teamwork and workplace culture. FedEx Freight expanded “The Boardroom Experience” program, which introduces students of color to career possibilities at FedEx through a simulated Board meeting. FedEx Express AMEA partnered with the Asian University for Women to provide mentorship for female students from various countries in Asia and the Middle East. FedEx Services implements the College Connections program to improve recruiting efforts with colleges near main FedEx Services hubs. FedEx Ground proactively recruits from its High School Pathways program, which teaches students about different roles within FedEx Ground, including tips on networking, interviewing, and mentoring. The FedEx Express HBCU Student Co-op Program is designed to attract, develop, and retain diverse talent. Students focus on project-based assignments directly related to their academic degree and gain mentoring and networking opportunities with FedEx staff, including executive management.

As a global business, we have the power to support a diverse supplier base. See the [Our supply chain](#) section for information on our Supplier Diversity program.

Our story

Throughout FedEx, we encourage team members to share their stories, celebrate their differences, and foster collaboration. We provide team members with DEI-related resources, events, and employee stories through our enterprise-wide online platform, the DEI Depot. In FY22, FedEx Logistics circulated communications for 15 significant cultural moments and FedEx Ground launched the Story Depot to collect and share a variety of employee success stories. Across FedEx Corporate, FedEx Logistics, FedEx Express, FedEx Freight, FedEx Ground, and FedEx Services, we circulate a quarterly DEI newsletter, which provides managers and officers with resources, information, and best practices to ensure they effectively promote DEI throughout their teams.

Key links

FedEx Cares	→
DEI   FedEx Cares	→
EEO-1 Reports	→
Compensation and Human Resources Committee Charter	→



Autonomous vehicle pilots

Driving is a key responsibility for many team members throughout our organization. We ensure the safety of our drivers, and the people and communities with whom we share the road, by equipping current and new vehicles with innovative road safety technologies and implementing autonomous vehicle (AV) pilot programs.

In 2022, we announced the expansion of our collaboration with [Aurora](#) to test autonomous driving technology within FedEx linehaul trucking operations. Aurora’s next-generation autonomous trucks transport FedEx shipments between Aurora’s new terminals in Fort Worth and El Paso, Texas, with safety drivers on board. As of the end of calendar year 2022, we have completed over 600 shipments across 160,000 miles of operations, with zero safety incidents and always on time.

We have been working with Nuro since 2021 to test autonomous delivery vehicles in our global operations. We are also working with Neolix on a similar initiative. These pilot programs will help us further understand the role of AV technology in enhancing our operational flexibility and supporting sustainable and intelligent logistics. Understanding where AVs will be most impactful will help us use the right technology in the right applications. AVs help reduce safety risks for our drivers and improve productivity while allowing us to utilize drivers in other valuable ways. We support legislation to accelerate the adoption of AV technology and work with the [Partnership for Transportation Innovation and Opportunity](#) to support their commitment to advance AV technology to improve quality of life and economic opportunity.

# Health and safety

Our highest priority is the well-being, health, and safety of all our employees. 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 detailed safety policies, education, and technology investments are embedded into our day-to-day work and help us follow through on our commitment to make our workplaces and communities safer for our team members, customers, and communities.

## Safety management systems

Our safety management systems (SMS) 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. Our SMS Accountable Executive Team meets quarterly to review our enterprise-wide safety performance.

The FedEx Express Safety Management System follows Federal Aviation Administration guidance, provides consistent policies and procedures to limit human error in our aviation-related activities, and helps team members identify and report hazards. FedEx Express developed a mitigation tracking system, incident management system, and centralized data collection processes to support ongoing safety evaluation and planning. FedEx Ground has Operations Safety Specialists in strategic locations who create local safety strategies and are trained to identify and mitigate workplace hazards.

Safety committees in every FedEx Ground building participate in monthly inspections and periodic reviews of safety performance.

## Employee training and engagement

To fully integrate health and safety into our culture, we must instill safe working habits in all team members through education and training. All new employees receive training on our health and safety processes during onboarding. FedEx Ground offers a Leading with Safety program, which prepares managers to create a culture of health and safety, enable employees to execute safety processes, detect hazards, and, if necessary, give stop work orders.

1,362  
participants



**As of the end of FY22, 1,362 participants across the U.S. and Canada completed the Leading With Safety program.**

FedEx Office Transportation Safety developed the FOCUS Safe Driving Program to improve driver safety and support our *Safety Above All* philosophy. From the start of the program through the end of FY21, 514 U.S.-based team members completed the training and we expanded the program to Canada in FY22. FedEx Ground instills stop work authority and appropriate safety practices through onboarding, an annual safety meeting, relevant safety training, and frequent engagement with managers.



We depend on proactive engagement with all our employees to keep us working safely. Team members at FedEx Express can provide feedback through the bi-annual global Aviation Safety Culture Survey regarding the organization's safety performance. Team member feedback allows us to better understand where risks and opportunities lie and enables us to create action plans to improve our safety performance. To enhance team member security, employees can report safety incidents to the FedEx Security team through the Vector LiveSafe mobile app and central kiosks at select FedEx Express hub locations in the U.S. Furthermore, we expanded the FedEx

Express Stay Sharp program, which encourages employee safety engagement and awareness and recognizes team members for working safely.

## Safety performance

We evaluate the effectiveness of our safety programs and management systems by tracking key metrics and working towards a holistic safety-reporting platform. We constantly strive to improve our operational safety performance and ensure all team members go home safely. See our [Data appendix](#) for further information on our safety performance and metrics.



## Cautionary note

Certain statements in this report may be considered forward-looking statements, such as statements relating to expected cost savings, planned consolidation of operating companies, future financial targets, business strategies, management's views with respect to future events and financial performance and underlying assumptions. Forward-looking statements include those preceded by, followed by, or that include the words "will," "may," "could," "would," "should," "believes," "expects," "forecasts," "anticipates," "plans," "estimates," "targets," "projects," "intends," or similar expressions. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, our ability to successfully implement our business strategy, effectively respond to changes in market dynamics and achieve the anticipated benefits and associated cost savings of such strategies and actions; our ability to meet certain goals relating to aircraft emissions, vehicle fuel efficiency, alternative fuels, and renewable energy, and aircraft and vehicle fleet modernization within the currently projected costs and the expected timeframes, including our goal of carbon neutral operations by 2040; the availability and cost of and our ability to acquire alternative fuel vehicles, alternative fuels, fuel efficient aircraft, global electrical charging infrastructure, off-site renewable energy, and other materials and components, which may be adversely affected by the ongoing conflict between Russia and Ukraine and disruptions in global supply chains; unforeseen production, design, operational, and technological difficulties; the outcome of research efforts and future technology developments, including the ability to scale projects and technologies on a commercially competitive basis such as carbon sequestration and/or other related processes; compliance with, and changes or additions to, global and regional regulations, taxes, charges, mandates, or requirements relating to greenhouse gas emissions, carbon costs, or climate-related goals; labor-related regulations and requirements that restrict or prohibit our ability to impose requirements on third parties who provide contracted transportation for our transportation networks; adapting products to customer preferences and customer acceptance of sustainable supply chain solutions; the actions of competitors and competitive pressures; and other factors which can be found in FedEx Corp.'s and its subsidiaries' press releases and FedEx Corp.'s filings with the Securities and Exchange Commission (SEC). Any forward-looking statement speaks only as of the date on which it is made. We do not undertake or assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Note on materiality: Materiality, as used in this report, and our ESG priority assessment process, is different than the definition used in the context of filings with the SEC. Issues deemed material for purposes of this report may not be considered material for SEC reporting purposes.

# Data appendix

## Environment

Direct and indirect energy consumption (terajoules)	FY20	FY21	FY22
Direct energy consumption			
Aircraft fuel			
Jet fuel <sup>[1]</sup>	173,173	194,810	199,401
Vehicle fuel <sup>[2]</sup>			
Diesel	40,701	38,692	39,947
Renewable biodiesel (percent of total diesel)	3,574 (8.78%)	3,647 (9.43%)	3,204 (8.02%)
Gasoline	3,032	4,034	4,888
Renewable ethanol (percent of total gasoline)	1.9 (0.06%)	3.9 (0.10%)	2.1 (.04%)
Liquefied petroleum gas (LPG: propane)	1,116	893	1,088
Liquefied natural gas (LNG) and compressed natural gas (CNG)	224	128	121
Facility energy use			
Natural gas	7,114	8,058	7,331
Heating oil	18	28	8
Total direct energy consumption (terajoules)	225,378	246,643	252,785

<sup>1</sup>Currently none of our jet fuel consumed is sourced from alternative or sustainable feedstocks. See page 19 for progress on our efforts to obtain jet fuel from alternative fuel sources.

<sup>2</sup>Includes a small amount of fuel used for emergency generators at some facilities.

Direct and indirect energy consumption (terajoules)	FY20	FY21	FY22
Indirect energy consumption			
Facility purchased energy use			
Purchased electricity	8,227	8,519	8,839
Purchased heating	63	35	0
Purchased cooling	0.3	0.1	0.1
Total indirect energy consumption (terajoules)	8,290	8,554	8,839
Total direct and indirect energy consumption (terajoules)	233,668	255,197	261,624
Other indirect energy consumption			
Contracted transportation <sup>[1]</sup>	45,777	52,984	53,604
Total other indirect energy consumption (terajoules)	45,777	52,984	53,604
Total energy consumption (terajoules)	279,445	308,181	315,227

<sup>1</sup>Includes energy from: (1) fuel sold by FedEx Ground to independent pickup and delivery and linehaul contractors through on-site fueling facilities or purchased by independent linehaul contractors through retail outlets using fleet fuel cards, (2) fuel used by FedEx Freight contractors in Canada, (3) allocated portion of fuel used by commercial interline aircraft carriers in support of FedEx Express international shipping, and (4) fuel used by FedEx Express feeder aircraft contract operators. Contracted intermodal rail at FedEx Freight and FedEx Ground is not included, as our intermodal rail supplier provides estimates of GHG emissions, but not fuel consumed, from transporting our freight.

Direct and indirect GHG emissions (metric tons CO <sub>2</sub> e)	FY20	FY21	FY22
Direct energy consumption (Scope 1)			
Aircraft fuel			
Jet fuel	11,753,275	13,221,611	13,532,053
Vehicle fuel <sup>[1]</sup>			
Diesel	2,851,263	2,708,355	2,809,357
Gasoline	209,246	278,339	334,465
Liquefied petroleum gas (LPG: propane)	64,775	51,885	62,996
Liquefied natural gas (LNG) and compressed natural gas (CNG)	9,131	5,238	4,967
Facility energy use			
Natural gas	346,208	392,127	369,129
Heating oil	1,422	2,286	649
Total direct emissions (Scope 1) (metric tons CO <sub>2</sub> e)	15,235,320	16,659,841	17,113,617
Indirect energy consumption (Scope 2)			
Facility purchased energy use			
Purchased electricity	945,229	934,060	864,696
Purchased heating	3,034	1,714	0
Purchased cooling	17	18	15
Total indirect energy emissions (Scope 2) (metric tons CO <sub>2</sub> e)	948,280	935,792	864,711
Market-based Scope 2 emissions <sup>[2]</sup>	948,280	935,792	864,711
Total direct and indirect emissions (Scope 1 and 2) (metric tons CO <sub>2</sub> e) <sup>[3]</sup>	16,183,600	17,595,633	17,978,328

<sup>1</sup>Includes a small amount of fuel used for emergency generators at some facilities.

<sup>2</sup>Based on a comprehensive assessment, 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 each metric for FY20–FY22.

<sup>3</sup>Scope 1 and 2 GHG emissions data was externally verified by Cventure LLC.

Direct and indirect GHG emissions (metric tons CO <sub>2</sub> e)	FY20	FY21	FY22
Other indirect energy consumption (Scope 3)			
Contracted transportation <sup>[4]</sup>	3,166,191	3,807,407	4,198,753
Team member business travel	64,380	45,345	70,250
Total other indirect emissions (Scope 3) (metric tons CO <sub>2</sub> e)	3,230,571	3,852,752	4,269,004
Total Greenhouse Gas emissions (Scope 1, 2, and 3) (metric tons CO <sub>2</sub> e)	19,414,171	21,448,385	22,247,331

<sup>4</sup>Includes emissions from: (1) fuel sold by FedEx Ground to independent pickup and delivery and linehaul contractors through on-site fueling facilities or purchased by independent linehaul contractors through retail outlets using fleet fuel cards, (2) fuel used by FedEx Freight contractors in Canada, (3) allocated portion of fuel used by commercial interline aircraft carriers in support of FedEx Express international shipping, (4) fuel used by FedEx Express feeder aircraft contract operators, and (5) contracted intermodal rail at FedEx Freight and FedEx Ground.

Direct and indirect GHG emissions: GHG equivalency breakdown (metric tons CO <sub>2</sub> e)	FY20	FY21	FY22
Total direct energy emissions (Scope 1)			
Carbon dioxide (CO <sub>2</sub> )	15,084,540	16,496,043	16,947,988
Methane (CH <sub>4</sub> )	5,587	5,161	4,700
Nitrous oxide (N <sub>2</sub> O)	145,191	158,638	160,929
Total indirect energy emissions (Scope 2)			
Carbon dioxide (CO <sub>2</sub> )	942,741	930,470	861,710
Methane (CH <sub>4</sub> )	2,287	2,165	1,231
Nitrous oxide (N <sub>2</sub> O)	3,254	3,157	1,770
Total direct and indirect energy emissions (Scope 1 and 2)			
Carbon dioxide (CO <sub>2</sub> )	16,027,281	17,426,513	17,809,698
Methane (CH <sub>4</sub> )	7,874	7,326	5,931
Nitrous oxide (N <sub>2</sub> O)	148,445	161,795	162,699
Total CO <sub>2</sub> e (Scope 1 and 2)	16,183,600	17,595,634	17,978,328

Energy and emissions intensity	FY20	FY21	FY22
Consolidated revenue (million U.S. dollars)	\$69,217	\$83,959	\$93,512
<b>Total energy intensity (terajoules/million U.S. dollars)</b>	<b>4.04</b>	<b>3.67</b>	<b>3.37</b>
<b>Total emissions intensity (Scope 1 and 2) (metric tons CO<sub>2</sub>e/million U.S. dollars revenue)</b>	<b>233.81</b>	<b>209.57</b>	<b>192.26</b>
<b>Total emissions intensity (Scope 1, 2, and 3) (metric tons CO<sub>2</sub>e/million U.S. dollars revenue)</b>	<b>280.48</b>	<b>255.46</b>	<b>237.91</b>

Other significant air pollutants (metric tons) <sup>[1]</sup>	FY20	FY21	FY22
Nitrogen oxides (NO <sub>x</sub> )	74,550	83,429	84,972
Sulfur oxides (SO <sub>x</sub> )	11,127	12,476	12,764
Particulate Matter (PM <sub>10</sub> )	736	798	812

<sup>1</sup>NO<sub>x</sub> and PM<sub>10</sub> data does not include vehicle fleet outside the U.S. and Canada.

Fuel- and energy-saving initiatives	FY20	FY21	FY22
Energy saved (terajoules)			
FedEx Express aircraft fleet modernization	19,490	20,783	21,458
FedEx Fuel Sense (jet fuel) <sup>[1]</sup>	16,845	9,273	1,844
FedEx Express vehicle fuel efficiency initiatives	4,476	5,005	5,040
Intermodal rail usage <sup>[2]</sup>	3,324	8,821	9,049
Facility energy efficiency initiatives <sup>[3]</sup> <sup>[4]</sup>	985	748	813

<sup>1</sup>FY21 and FY22 Fuel Sense savings were impacted by the significant increase in shipping volume and flight activity due to the COVID-19 pandemic.

<sup>2</sup>FY21 and FY22 savings include fuel and emission savings from intermodal rail usage at FedEx Freight and FedEx Ground. FY20 data only includes usage for FedEx Freight as data was not available for FedEx Ground prior to FY21.

<sup>3</sup>Facility energy efficiency initiatives include building lighting retrofits and energy management systems.

<sup>4</sup>CO<sub>2</sub>e calculated using the EPA GHG Calculator.

Fuel- and energy-saving initiatives	FY20	FY21	FY22
On- and off-site solar electricity generation	88	89	102
<b>Total energy saved</b>	<b>45,209</b>	<b>44,719</b>	<b>38,307</b>
CO <sub>2</sub> e emissions avoided (metric tons)			
FedEx Express aircraft fleet modernization	1,321,430	1,410,430	1,456,220
FedEx Fuel Sense (jet fuel) <sup>[5]</sup>	1,055,690	629,289	125,139
FedEx Express vehicle fuel efficiency initiatives	315,519	352,867	385,000
Intermodal rail usage <sup>[6]</sup>	232,557	598,003	619,950
Facility energy efficiency initiatives <sup>[7]</sup> <sup>[8]</sup>	193,492	147,231	160,392
On- and off-site solar electricity generation	13,225	13,957	8,897
<b>Total emissions avoided</b>	<b>3,131,913</b>	<b>3,151,777</b>	<b>2,755,597</b>

<sup>5</sup>FY21 and FY22 Fuel Sense savings were impacted by the significant increase in shipping volume and flight activity due to the COVID-19 pandemic.

<sup>6</sup>FY21 and FY22 savings include fuel and emission savings from intermodal rail usage at FedEx Freight and FedEx Ground. FY20 data only includes usage for FedEx Freight as data was not available for FedEx Ground prior to FY21.

<sup>7</sup>Facility energy efficiency initiatives include building lighting retrofits and energy management systems.

<sup>8</sup>CO<sub>2</sub>e calculated using the EPA GHG Calculator.

Alternative fuel vehicles	FY20	FY21	FY22
Hybrid	311	294	244
Electric	3,078	3,180	3,552
Liquefied natural gas (LNG) and compressed natural gas (CNG)	218	217	223
Liquefied petroleum gas (LPG: propane) <sup>[1]</sup>	481	462	2,192
Hydrogen fuel cell	3	3	2
<b>Total alternative vehicles</b>	<b>4,091</b>	<b>4,156</b>	<b>6,213</b>

<sup>1</sup>Does not include LPG/propane-powered forklifts.

Facility data	FY20	FY21	FY22
Number of ISO 14001 certified sites <sup>[1][2]</sup>	453	N/R	862
Number of LEED- and BREEAM-certified buildings <sup>[3]</sup>	N/R	52	57
Number of on- and off-site solar energy facilities	26	26	29

<sup>1</sup>The majority of ISO 14001 certified facilities are at FedEx Express.

<sup>2</sup>FY20 and FY21 historical data has been restated to better show ISO coverage. Previous year’s report disclosed number of countries with ISO 14001 certified sites.

<sup>3</sup>Includes LEED-certified facilities at FedEx Express, FedEx Freight, FedEx Ground, and FedEx Office. The BREEAM-certified facilities are only at FedEx Express. FY21 and FY22 data includes both LEED- and BREEAM-certified facilities. FY20 data only includes LEED-certified facilities as BREEAM data not available prior to FY21.

Environmental compliance summary	FY20	FY21	FY22
Number of significant spills <sup>[1]</sup>	133	129	59
Number of monetary violations from external agencies	0	1	1
<b>Total amount of monetary violations</b>	<b>\$0</b>	<b>\$35,961</b>	<b>\$33,750</b>

<sup>1</sup>Defined as spills of hazardous materials like oil, fuel, and chemicals that are reportable to the appropriate environmental regulatory agency, such as the U.S. National Response Center.

Materials consumption	FY20	FY21	FY22
<b>Packaging materials<sup>[1]</sup></b>			
<b>Total packaging (metric tons)</b>	<b>58,964</b>	<b>93,025</b>	<b>91,647</b>
Percent of packaging from recycled content	42%	37%	36%
Percent of packaging from third-party certified content	80%	75%	64%
<b>Paper</b>			
<b>FedEx Office copy and print paper (metric tons)<sup>[2]</sup></b>	<b>13,933</b>	<b>9,347</b>	<b>11,265</b>
Percent of paper from recycled content	12%	10%	7%
Percent of paper from third-party certified content	100%	100%	100%
<b>Other operational materials (solids)</b>			
<b>Total other operational materials (solids: metric tons)</b>	<b>21,204</b>	<b>14,824</b>	<b>17,542</b>
Percent of other operational materials (solids) from recycled content	66%	34%	34%
<b>Total solid materials used (metric tons)</b>	<b>94,100</b>	<b>117,196</b>	<b>120,455</b>
<b><i>Other operational materials (fluids: liters)<sup>[3]</sup></i></b>	<b><i>4,105,511</i></b>	<b><i>6,765,879</i></b>	<b><i>5,539,156</i></b>

<sup>1</sup>In addition to cardboard, other materials used in shipping include bubble pack, plastic air pillows, chipboard, Tyvek® envelopes and packaging tape.

<sup>2</sup>The vast majority of paper usage at FedEx is for commercial copy and print services at FedEx Office in the U.S. Therefore we are only reporting FedEx Office copy and print paper usage, as we consider paper usage at other operating companies to be immaterial.

<sup>3</sup>Includes fluids used for deicing aircraft and vehicle fleet maintenance.

Waste and recycling (metric tons) <sup>[1]</sup>	FY20	FY21	FY22
Total waste			
Total waste generated	361,952	519,859	617,452
Sent to recyclers	251,275	346,211	379,420
Percent sent to recyclers	69%	67%	61%
Landfilled	110,677	173,647	238,032
Non-hazardous waste <sup>[2]</sup>			
Total non-hazardous waste	359,381	517,050	614,506
Sent to recyclers	250,260	345,543	378,548
Percent sent to recyclers	70%	67%	62%
Landfilled	109,572	171,506	235,958
Hazardous waste <sup>[3]</sup>			
Total hazardous waste	2,120	2,809	2,946
Sent to recyclers	1,015	668	872
Percent sent to recyclers	48%	24%	30%
Landfilled	1,105	2,141	2,074

<sup>1</sup>Waste at many of our facilities is difficult to track because it is collected by haulers contracted by a landlord or local municipality, or commingled with other tenants’ waste in shared facilities such as airports and retail malls, and as such has not been included in this data.

<sup>2</sup>Non-hazardous waste data includes the solid waste (non-regulated/trash) and non-hazardous regulated waste categories that were reported seperately in previous reports.

<sup>3</sup>Hazardous waste data includes the hazardous (regulated) waste, universal waste (which encompasses certain hazardous waste items, including batteries and mercury-containing lamp bulbs, as defined by U.S. EPA regulations) and electronic waste categories that were reported seperately in previous reports.

## Social

Headcount by global region	FY20	FY21	FY22
Total headcount	499,718	508,650	518,249
U.S.	71%	70%	76%
Europe	12%	14%	10%
Asia Pacific (APAC)	6%	7%	6%
Latin America and Caribbean (LAC)	5%	5%	4%
Canada	3%	3%	3%
Middle East, Indian Subcontinent, and Africa (MEISA)	2%	1%	1%
Full-time employees: U.S. workforce	188,989	218,254	224,217
Part-time employees: U.S. workforce	165,209	166,075	169,601

Employee hiring and turnover <sup>[1]</sup>	FY20	FY21	FY22
New hire data			
Total new hires	303,906	366,973	558,290
New hire rate	71%	72%	107%
Male percent of new hires	65%	71%	61%
Female percent of new hires	35%	29%	39%
Employee turnover data			
Total turnover	280,543	290,777	530,932
Turnover rate	65%	57%	102%
Male percent of turnover	65%	63%	61%
Female percent of turnover	35%	37%	39%

<sup>1</sup>Does not include TNT Express.

Team member career development <sup>[1]</sup>	FY20	FY21	FY22
<b>Total average training hours</b>	<b>36.70</b>	<b>27.84</b>	<b>38.29</b>
Management	39.19	48.84	64.20
Non-management	36.11	24.87	34.17

<sup>1</sup>Does not include TNT Express.

Global headcount by gender <sup>[1]</sup>	FY20	FY21	FY22
<b>Total employees</b>	<b>428,936</b>	<b>508,650</b>	<b>518,249</b>
<b>Total male employees</b>	<b>303,154</b>	<b>356,558</b>	<b>361,407</b>
Male percent of headcount	71%	70%	70%
<b>Total female employees</b>	<b>125,780</b>	<b>150,656</b>	<b>155,851</b>
Female percent of headcount	29%	30%	30%
<b>Total management employees</b>	<b>23,465</b>	<b>19,498</b>	<b>22,465</b>
Male percent of management employees	75%	73%	73%
Female percent of management employees	25%	27%	27%
<b>Total non-management employees</b>	<b>405,471</b>	<b>489,152</b>	<b>495,784</b>
Male percent of non-management employees	70%	70%	70%
Female percent of non-management employees	30%	30%	30%

<sup>1</sup>Does not include TNT Express.

Global workforce generational diversity <sup>[1]</sup>	FY20	FY21	FY22
Under 30 years of age	34%	34%	31%
30–50 years of age	42%	42%	43%
Over 50 years of age	24%	24%	26%

<sup>1</sup>Does not include TNT Express.

Global FY22 headcount by gender and region <sup>[1]</sup>	Female	Male	Not specified	Total
<b>Full-time</b>				
U.S.	61,420	162,707	90	224,217
Europe	10,391	26,986	533	37,910
APAC	8,892	19,823	16	28,731
LAC	5,217	16,802	10	22,029
Canada	3,325	6,765	54	10,144
MEISA	1,388	4,450	3	5,841
<b>Total</b>	<b>90,633</b>	<b>237,533</b>	<b>706</b>	<b>328,872</b>
<b>Part-time</b>				
U.S.	59,045	110,468	88	169,601
Europe	3,297	7,397	98	10,792
APAC	198	475	1	674
LAC	362	548	0	910
Canada	2,305	4,967	98	7,370
MEISA	11	19	0	30
<b>Total</b>	<b>65,218</b>	<b>123,874</b>	<b>285</b>	<b>189,377</b>

<sup>1</sup>Does not include TNT Express.

U.S. workforce diversity	FY20	FY21	FY22
Caucasian	45.1%	43.3%	42.4%
Black/African American	30.7%	30.2%	30.8%
Hispanic/Latin	16.8%	17.8%	18.3%
Asian	3.7%	3.6%	3.3%
American Indian/Alaskan Native	0.6%	0.7%	0.7%
Native Hawaiian/Pacific Islander	0.5%	0.6%	0.6%
Other	2.6%	N/R	N/R
Two or more races	N/R	2.1%	2.5%
Race not identified	N/R	1.7%	1.4%
Minorities in U.S. management	38.4%	41.3%	36.0%

Global safety data <sup>[1]</sup>	FY20	FY21	FY22
Injury rates			
<b>Total lost time injury rate (per 200,000 hours worked)<sup>[2]</sup></b>	<b>3.25</b>	<b>3.99</b>	<b>2.87</b>
<i>North America (U.S./Canada)</i>	<i>3.78</i>	<i>4.80</i>	<i>3.12</i>
<i>Rest of the world (includes TNT Express)</i>	<i>2.05</i>	<i>1.86</i>	<i>2.11</i>
<i>Male percent of lost time injuries<sup>[3]</sup></i>	<i>64%</i>	<i>61%</i>	<i>65%</i>
<i>Female percent of lost time injuries<sup>[3]</sup></i>	<i>36%</i>	<i>39%</i>	<i>35%</i>
<b>Total number of employee fatalities (work-related)<sup>[4]</sup></b>	<b>3</b>	<b>15</b>	<b>9</b>

<sup>1</sup>Does not include independent contractors working on behalf of FedEx.

<sup>2</sup>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 (LTIR) data is based on definitions from the United States Occupational Safety and Health Administration (OSHA).

<sup>3</sup>For percent male and percent female breakouts, FedEx Express Europe, FedEx Express Canada, and FedEx Express MEISA numbers are not included for FY21 and FY22.

<sup>4</sup>GRI definition: the death of a worker occurring in the current reporting period, arising from an occupational injury or disease sustained or contracted while in the organization’s employ.

## Governance

Supply chain	FY20	FY21	FY22
<b>Total number of suppliers participating in requests for qualifications and proposals (RFx) events</b>	<b>230</b>	<b>418</b>	<b>358</b>
Total number of suppliers asked sustainability questions in RFx event	213	392	349
Percent of sourcing-managed suppliers screened with sustainability RFx questions <sup>[1]</sup>	93%	94%	97%
<b>Diverse supplier spending (billion U.S. dollars)</b>	<b>\$13.3</b>	<b>\$18.7</b>	<b>\$18.8</b>
<i>Minority-owned businesses (percent of total diverse supplier spend)</i>	<i>12%</i>	<i>19%</i>	<i>17%</i>
<i>Women-owned businesses (percent of total diverse supplier spend)</i>	<i>7%</i>	<i>10%</i>	<i>9%</i>
<i>Other small businesses (percent of total diverse supplier spend)</i>	<i>81%</i>	<i>71%</i>	<i>74%</i>
<b>Minority-owned businesses (billion U.S. dollars)</b>	<b>\$1.60</b>	<b>\$3.60</b>	<b>\$3.20</b>
<b>Minority spend by demographic (percent)</b>			
Hispanic	31%	47%	45%
African American	29%	31%	31%
South Asian Indian	3%	8%	9%
Asian	4%	8%	9%
Other/Not Disclosed <sup>[2]</sup>	33%	6%	6%

<sup>1</sup>Does not include suppliers evaluated by Sourcing teams outside the U.S.

<sup>2</sup>This includes Native American, which was 4% of data reported.

Charitable contributions	FY20	FY21	FY22
Total charitable contributions (million U.S. dollars) <sup>[1]</sup>	\$65.59	\$80.83	\$86.33

<sup>1</sup>Includes direct cash grants, charitable shipping, and Corporate Marketing and FedEx Express in-kind donations to nonprofit organizations, and team member contributions to annual United Way Campaign.

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

