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FedEx Commits to Carbon-Neutral Operations by 2040

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Ambitious plan includes electrifying the global parcel pickup and delivery fleet and establishing the Yale Center for Natural Carbon Capture to advance sequestration solutions.

FedEx Corp., home of the world's largest cargo airline, announced today an ambitious goal to achieve carbon–neutral operations globally by 2040.

To help reach this goal, FedEx is designating more than $2 billion of initial investment in three key areas: vehicle electrification, sustainable energy, and carbon sequestration.

This includes a pledge of $100 million to Yale University to help establish the Yale Center for Natural Carbon Capture, accelerating research into methods of carbon sequestration at scale, with an initial focus on helping to offset greenhouse gas emissions equivalent to current airline emissions.

"We have a responsibility to take bold action in addressing climate challenges," said Frederick W. Smith, Chairman and CEO, FedEx Corp. "This goal builds on our longstanding commitment to sustainability throughout our operations, while at the same time investing in long-term, transformational solutions for FedEx and our entire industry."

Key steps toward reaching the carbon neutral goal include:

- Vehicle Electrification. By 2040, the entire FedEx parcel pickup and delivery (PUD) fleet will be zero–emission electric vehicles. This will be accomplished through phased programs to replace existing vehicles. For example, by 2025, 50% of
- FedEx Express global PUD vehicle purchases will be electric, rising to 100% of all purchases by 2030.
- Sustainable Customer Solutions. FedEx will work with customers to offer end-to-end sustainability for their supply chains through carbon–neutral shipping offerings and sustainable packaging solutions.
- Sustainable Fuels. FedEx will continue to invest in alternative fuels to reduce aircraft and vehicle emissions.
- Fuel Conservation and Aircraft Modernization. FedEx will build on its successful FedEx Fuel Sense initiatives designed to reduce fuel consumption in its aircraft. Since 2012, the FedEx Fuel Sense and Aircraft Modernization

programs have saved a combined 1.43 billion gallons of jet fuel and avoided over 13.5 million metric tons of carbon dioxide (CO2) emissions.
- Facilities. FedEx will continue efforts to make its more than 5,000 facilities worldwide more sustainable through continued investments in efficient facilities, renewable energy, and other energy management programs.
- Natural Carbon Sequestration. FedEx funding will help to establish the Yale Center for Natural Carbon Capture to support applied research into natural carbon sequestration solutions.

The path toward sustainability requires new strategies for removing and storing Earth's excess carbon. The Yale Center for Natural Carbon Capture will catalyze interdisciplinary research across the natural sciences and engineering in an effort to accelerate this work.

Center researchers will develop methods that build on natural carbon storage systems, including biological ecosystems and the geological carbon cycle, improving, where possible, how quickly carbon can be absorbed, how much can be contained, and how long it can be stored. Through these efforts, Yale scientists aim to create a portfolio of carbon removal strategies that have impacts on a global scale.

Building upon initial successes in the aviation sector, the center will broaden its scope to address additional global sources of emissions – publishing and sharing its findings so that businesses, industries, and governments can benefit from work that will accelerate the adoption and implementation of natural carbon capture strategies around the world.

"Addressing climate change is a complex challenge that demands urgent action, and natural carbon capture strategies will be one key part of that action," said Dr. Ingrid C. "Indy" Burke, the Carl W. Knobloch, Jr. Dean of the Yale School of the Environment. "Through the creation of the Yale Center for Natural Carbon Capture, we aim to develop measurable carbon capture strategies to help offset carbon emissions globally."

The FedEx commitment builds on a history of sustainable practices. Since 2009, the company's efforts have contributed to an approximately 40% reduction in CO2 emissions intensity across the enterprise while package volume increased 99% during that period. Recently, FedEx was ranked first in its industry on JUST Capital's 2021 list of "America's Most Just Companies" in the environment category and first in the travel, transport and logistics sector of Newsweek's "America's Most Responsible Companies 2021."

"While we've made great strides in reducing our environmental impact, we have to do more. The long-term health of our industry is directly linked to the health of the planet, but

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this effort is about more than the bottom line – it's the right thing to do," said Mitch Jackson, Chief Sustainability Officer, FedEx Corp. "At FedEx, we are committed to connecting people and possibilities resourcefully and responsibly. The steps we are taking today will contribute a positive impact for generations to come."

To learn more about ongoing sustainability efforts at FedEx, visit sustainability.fedex.com. For more information on the Yale Center for Natural Carbon Capture, click here.

Forward-looking statements

Certain statements in this press release may be considered forward-looking statements, such as statements relating to our goal to achieve carbon-neutral operations globally by 2040, our strategies to achieve our carbon neutrality goal, and underlying assumptions. Forward-looking statements include those preceded by, followed by or that include the words "will," "may," "could," "would," "should," "believes," "expects," "anticipates," "plans," "estimates," "targets," "projects," "intends," "commits," or similar expressions. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including project plans and timing, future reductions in emissions and emissions intensity, carbon capture results, and the impact of operational and technology efforts, 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 execute our strategies and achieve our goals within the projected costs and the expected timeframes; the availability of zero emission electric vehicles, alternative fuels, fuel efficient aircraft, and other materials and components; 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 including 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; the pace of regional and global recovery from the COVID-19 pandemic; and other factors which can be found in FedEx's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made. We do not

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undertake or assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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