Our Purpose

Global Citizenship at FedEx is about “connecting the world responsibly and resourcefully.” From the beginning, our business has focused on connecting people with opportunities. When we make connections, we empower possibilities, boost productivity and help grow the local and global economy. When we make connections, we foster human and economic development.

Our business is tightly linked to the communities where we operate and to the people and resources on which we depend. By improving the efficiency of our operations and engaging local communities, we become a better, more responsible business, today and for the future.

Over 300,000 FedEx team members serve more than 220 countries and territories. With revenue exceeding $44.2 billion in FY13, FedEx is an engine of the global economy.

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“At FedEx, we see firsthand the benefits of trade every day, which is why we support trade agreements that lead to business growth, jobs, higher living standards and a more efficient movement of goods.”

— Frederick W. Smith
Chairman and CEO

OUR BUSINESS
Headquartered in Memphis, Tennessee, FedEx Corporation provides transportation, e-commerce and business services through four operating companies that compete collectively, operate independently and are managed collaboratively:

FedEx Express
FedEx Ground
FedEx Freight
FedEx Services

FedEx Express, the industry’s global leader in express distribution, provides rapid, reliable, time-definite delivery to more than 220 countries and territories

FedEx Ground provides small-package ground transportation pickup and delivery services in the United States and Canada

FedEx Freight provides less-than-truckload (LTL) freight services throughout North America

FedEx Services operates combined sales, marketing, administrative and information technology functions
Global Citizenship at FedEx

Global citizenship is a critical element of our business strategy. Many of the risks and opportunities facing our business are directly linked to how we impact the communities where we operate and how we use natural resources.

Our global citizenship strategy and programs support our financial goals. One prominent example is our program to modernize the FedEx Express air fleet, which reduces both trip costs and fuel use—our greatest source of greenhouse gas emissions.

Pursuing global citizenship also enhances our reputation with stakeholders, from communities to investors to customers large and small. Our customers in particular increasingly request information about our citizenship program. We estimate that the revenues from contracts with companies that requested this type of information in FY13 exceed $5.5 billion. In addition, many citizenship initiatives create new business opportunities and spur innovation.

We estimate that the revenues from contracts with companies that requested information on our citizenship program in FY13 exceed $5.5 billion.

Global citizenship also underpins our risk-mitigation strategy. Responsible management and long-term planning throughout our operations help us to avoid social, economic and environmental risks, such as rising fuel prices and driver and pedestrian safety, that could increase costs or dent our good reputation.

“FedEx is built on the belief that local economic growth requires connectivity with the rest of the world, and we accept that it is our role and responsibility to do this sustainably.”

— Mitch Jackson
Vice President, FedEx Corp
Environmental Affairs & Sustainability

<table>
<thead>
<tr>
<th>GLOBAL CITIZENSHIP BY THE NUMBERS</th>
<th>FY12</th>
<th>FY13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (billions)</td>
<td>$42.7</td>
<td>$44.3</td>
</tr>
<tr>
<td>Diverse Supplier Spending (billions)</td>
<td>$3.8</td>
<td>$4.1</td>
</tr>
<tr>
<td>Total Global Direct and Indirect Energy Consumption (terajoules)</td>
<td>205,245</td>
<td>202,813</td>
</tr>
<tr>
<td>Total Global CO2e Emissions (metric tons)</td>
<td>16,845,947</td>
<td>16,685,859</td>
</tr>
<tr>
<td>Lost Time Injury Rates (per 200,000 hours worked)</td>
<td>3.72</td>
<td>3.61</td>
</tr>
<tr>
<td>Preventable Recordable Vehicle Accident Rates (per 1 million miles driven)</td>
<td>0.31</td>
<td>0.30</td>
</tr>
<tr>
<td>Philanthropy (cash and in-kind donations) as a Percent of Pre-tax Profits</td>
<td>1.07%</td>
<td>1.19%</td>
</tr>
<tr>
<td>Total Contributions (millions)</td>
<td>$46.00</td>
<td>$46.51¹</td>
</tr>
</tbody>
</table>

¹ Total contributions for FY13 include contributions from FedEx operating companies.
Enabling Access to the Global Economy

FedEx plays a central role in global trade, connecting companies to their suppliers and customers, benefiting the global economy and enabling progress in developing countries. As more countries and regions participate fully in the global economy, we are on the ground, ready to serve these new customers.

We are expanding infrastructure at key distribution hubs to better serve new markets and enhance our existing routes. Highlights from FY13 include:

- Announcing an agreement to acquire Supaswift (Pty) Ltd., our existing service provider in southern Africa, which would expand FedEx Express operations in seven countries in southern Africa
- Opening a regional hub in Singapore and a new International Express and Cargo facility in Shanghai
- Acquiring Rapidão Cometa in Brazil, which allowed us to open new distribution centers in Pernambuco, Guarulhos and São Paulo
- Expanding operations in Europe through the acquisition of Polish courier Opek Sp. z o.o. and French business-to-business express transportation company TATEX

Empowering Small Businesses

With the growth of e-commerce, small and medium-size enterprises (SMEs) are playing a larger role in the global economy. FedEx has significant expertise in trade regulations, supply chain management and logistics, which helps SMEs succeed in the global marketplace. Our programs supporting small businesses include:

- FedEx Know and Grow—Provides about 100 export-related seminars and other training opportunities annually across the U.S., assisting more than 65,000 business owners since 2009.
- Export University—Provides trade education for exporters focused on new market entry, regulatory compliance, export finance and new buyer identification.
- Small Business Grant Contest—Awards grants to U.S. small businesses looking to improve their operations. In FY13, we made grants totaling $50,000 to six winners selected from 3,500 applicants.

GERMANPLATES GOES GLOBAL WITH FEDEX

In 2002, Christian Kleinschmidt started selling German license plates as a hobby from his basement near Berlin after he saw a growing interest, especially among American consumers, for unusual license plates as collectors’ items. Through his website, www.germanplates.com, and eBay, he received two to three orders per day, and saw modest growth each year. After his big break came in 2009, when he identified sales partners in the United States, he started receiving so many orders that he turned his hobby into his full-time job.

One of his sales partners in the United States, foreseeing continued growth for Kleinschmidt’s business, contacted FedEx to help streamline and professionalize the shipment of plates from Germany.

FedEx offered him a tailored solution that met his needs for cost-effective and reliable international shipping. Today, Kleinschmidt uses FedEx software and a label printer in his office to prepare plates for regular FedEx pick-ups.
Environment & Efficiency

FedEx operates 660 airplanes, more than 90,000 owned and contracted surface vehicles and more than 4,700 facilities. Connecting people and businesses the world over means that FedEx has a large transportation-related carbon footprint.

We focus our environmental efforts on reducing aviation and vehicle fuel-use impacts through efficiency measures and fleet modernization, and by conserving energy use at our facilities through on-site solar generation and lighting retrofits.

At the same time, we look for innovative technologies that can benefit our business and the environment in the longer term. For example, the FedEx® Fuel Sense program is spurred by the belief that every drop of fuel counts to continually increase efficiencies in every phase of our aircraft operations. Our Fuel Sense team searches for innovations from within our company, our industry and external research programs. In total, 40 Fuel Sense initiatives saved 59.8 million gallons of jet fuel and 577,116 metric tons of CO₂-e (carbon dioxide equivalent) emissions in FY13. For more examples of our fuel and energy saving initiatives, please see the full report.

EarthSmart® is our way of recognizing and encouraging innovative initiatives to improve environmental performance, engage our team members and customers and inspire others to follow our lead.

A prime example of an EarthSmart Innovation is our carbon neutral envelope shipping. For every FedEx Express® branded envelope shipped anywhere in the world, we offset the carbon emissions related to its transport through BP Target Neutral, a not-for-profit carbon offset provider, at no cost to our customers. Since the program launched in April 2012, we have offset more than 150,000 metric tons of CO₂-e.

Key Goals & Progress

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<tr>
<th>GOAL</th>
<th>PROGRESS</th>
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<tr>
<td>Reduce aircraft emissions intensity 30% from a 2005 baseline by 2020</td>
<td>In 2013, we reduced our aircraft CO₂ emissions intensity by 4.2%, bringing our cumulative reduction to 22.3% from 2005 levels. 22.3% since 2005</td>
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<tr>
<td>Increase FedEx Express vehicle fuel efficiency 30% from a 2005 baseline by 2020</td>
<td>In 2013, we improved our fuel efficiency by 5%, bringing our cumulative improvement from 2005 levels to 27%. 27.0% since 2005</td>
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Please see our full report at csr.fedex.com for a complete list of goals and progress.
Community & Disaster Relief

For more than 40 years, FedEx has deployed our philanthropic resources where they are needed most—in times of disaster and rebuilding, and to help make our roads safer and our communities more sustainable. In addition to providing funding and people, FedEx utilizes our global logistics network to support those in need.

In FY13, FedEx gave $46.51 million in total contributions, including donations of $9.4 million from team members through our collaborative efforts with the United Way. We also provided 7 million lbs. of charitable shipping around the world during the year.

Our charitable support aligns with our business priorities and has three main focus areas:

**Disaster Readiness, Relief and Recovery:** Our reach lets us access a region soon after disaster hits, deploying people, transportation networks and unrivalled logistics expertise to aid victims of extreme weather events and other natural disasters. We provide in-kind shipping and financial support to disaster relief organizations such as the American Red Cross, Direct Relief, Heart to Heart International and The Salvation Army.

**Pedestrian and Road Safety:** With more than 90,000 owned and contracted trucks on the road each day, safety is a core value and top priority at FedEx. We have comprehensive internal driver safety policies, programs and trainings in place. Additionally, we support organizations and efforts dedicated to raising awareness of pedestrian and road safety.

**Environmental Sustainability:** Our environmental commitment begins with ensuring that our own operations are environmentally responsible and our impacts are minimized. This commitment also includes environmental stewardship in the communities in which we operate. We call this approach EarthSmart, recognizing that sustainability extends beyond our operations to our team members and communities.

HELPING TYPHOON HAIYAN VICTIMS IN THE PHILIPPINES

When Typhoon Haiyan struck the Philippines in November 2013, FedEx teamed up with Direct Relief and Heart to Heart International to deliver more than $10 million worth of relief aid and medical supplies to devastated communities across the region.

$10M

Relief aid and medical supplies delivered across the typhoon-ravaged Philippines in November 2013.

$46.51M

Total Charitable Contributions in FY13

1.19%

Philanthropy (cash and in-kind donations) as a Percent of Pre-tax Profits
People & Workplace

FedEx culture is a shared understanding about who we are, how we think and work, what we do and why we matter. This common culture unites our team members across operating companies, oceans and regions and sets us apart as an industry leader. The Purple Promise—our pledge to strive for excellence and deliver superior customer service—strengthens us as a company.

FedEx has always operated on the principle of putting people first—a tenet of our corporate philosophy known as People-Service-Profit, or P-S-P. Our operating companies work hard to make FedEx a great place to work, promoting a strong safety culture and dynamic, diverse workplace and providing competitive benefits and development opportunities. In FY13, we were proud to retain more than 93% of our full-time U.S. team members.

Priorities in our work environment include:

Safety and Wellness: Every transaction, transfer and takeoff is governed by strict safety standards and protocols designed to protect our team members and communities.

Learning and Development: Our training programs are designed to help team members gain the skills and knowledge to do their jobs safely and well. In FY13, team members across all operating companies spent an average of 20.8 hours in training, up from 15 hours in FY12.

Embracing Diversity: FedEx serves customers all over the world, and our team member makeup reflects our global base. We consider the diverse perspectives and backgrounds of our team members a great strength of our company. Almost half of our U.S. team members (46%) are minorities, and 27.2% of our global workforce is female.
### RECENT AWARDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Award Description</th>
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<tr>
<td>2014</td>
<td>FedEx Corporation ranked 8th in <em>FORTUNE</em> magazine’s “World’s Most Admired Companies,” making the top 10 for the fourth consecutive year.</td>
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<td>2013</td>
<td>FedEx Corporation was included in <em>CR Magazine</em>’s 100 Best Corporate Citizens List.</td>
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<td>2013</td>
<td>FedEx Express awarded the Gold Award for Best Community Program as a global sponsor of the Flying Eye Hospital Program with ORBIS at the 5th Global CSR Awards in Davao, the Philippines.</td>
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<tr>
<td>2013</td>
<td>FedEx Corporation ranked among <em>FORTUNE</em> magazine’s “100 Best Companies to Work for in America” for the 13th time in the past 16 years.</td>
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