

Global Economic Impact Report

Measuring the FedEx Effect | October 2022



FedEx®

The FedEx Effect



Every day, in every corner of the world, FedEx is connecting communities, moving goods, and providing services that power the global economy.

With a large air and ground delivery fleet that carries everything from letters to heavy freight, a network of global facilities to support e-commerce demand, and logistics expertise that helps businesses manage complicated supply chains, FedEx fuels innovation and economic growth. The company's activities also create and support local jobs, helping lift individuals and communities. That's why FedEx believes a connected world is a better world.

This report details the scope of these contributions—both the direct and indirect impact FedEx has on global, regional, and local economic growth, as well as critical support that FedEx provides to businesses of all sizes and the communities we serve.

With operations in more than 220 countries and territories, the FedEx Effect is a global phenomenon.

We employ nearly 550,000 employees based out of more than 5,000 facilities around the world, and this large presence makes a measurable difference in economic vitality in all the areas in which we operate. Beyond the direct impact of local spending by FedEx and the creation of good paying jobs, the company's business activities create an estimated \$20 billion in additional net economic output around the world.

FedEx relationships with local suppliers is a significant part of our economic impact. In FY 2022, the FedEx global supply chain included more than 360,000 direct vendors that collectively employed nearly 16.5 million people. What's more, 88% of these suppliers are small businesses that form the foundation of the global economy. Support for small- and medium-sized industries

is just one of the ways FedEx helps strengthen local communities. The company is also committed to direct support for local non-profit organizations through regular volunteer opportunities and substantial charitable giving, which we have described in this report.

FedEx also recognizes that economic growth and sustainability must go hand in hand for the future of our people and planet. That's why we are working every day to help create a more sustainable future. We've committed to make our operations carbon-neutral by 2040 and have pledged an initial \$2 billion in investments to make our own operations more sustainable and to fund innovations that can help address the transportation industry's most significant emissions challenges.

As previewed in last year's economic impact study, this year's report fulfills the promise we made to look beyond the U.S. economy and provide insights into the impact FedEx has in all the regions in which we operate.

The numbers help illustrate our focus as a global company: providing real benefits and expanded opportunities in the daily lives of FedEx employees, their families, local and multinational businesses, and communities around the world. This is the FedEx Effect.

A handwritten signature in black ink that reads "Raj".

Raj Subramaniam
President & CEO
FedEx Corporation

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FedEx around the world

As the world emerged from the worst effects of the COVID-19 pandemic in the past year, it became clear that countries and businesses faced ongoing economic challenges. Supply chains remained strained amid surging e-commerce growth; conflicts like the crisis in Ukraine disrupted regional economies; high inflation threatened to slow global economic growth.

In this environment, FedEx Corporation offered critical support and expanded business opportunities around the world. With nearly 50 years of transportation and logistics experience and a commitment to continual network improvements, FedEx was well positioned to help companies adapt and thrive in a changing world. Through major investments such as a \$72 million expansion of the FedEx Express air cargo hub at Miami International Airport and an additional \$18 million development project at Paris-Charles de Gaulle airport, along with new international flight routes between Asia, Europe, Africa, and the U.S., FedEx has continued to connect a vast majority of the world's gross domestic product.

To quantify this impact, FedEx engaged Dun & Bradstreet (D&B) to analyze the company's contributions to the global economy and to its four main operational regions: The U.S.; the Americas and Caribbean; Europe; and AMEA (Asia-Pacific, Middle East, Indian Subcontinent, and Africa). This report combines outputs from the D&B analysis—which discusses the impact FedEx has on regional net output and employment with a focus on the Transportation sector—with additional information related to topics such as capital expenditures, charitable contributions to communities around the world, and support for small businesses. Read on to explore the role FedEx plays in regional economies, countries, and key local hub markets.

As outlined in the sections that follow, FedEx employs nearly 550,000 employees worldwide through the company's direct workforce while supporting millions more jobs through its indirect economic impact across Transportation and other sectors and the company's supply chain. Additionally, FedEx continues to add quality jobs and invest in communities throughout its global network. These economic contributions also create a measurable boost in city, county, and country-level economic health, as featured in the spotlights on FedEx hub markets at the end of each regional focus section.

With operations in more than 220 countries and territories, the economic footprint of FedEx isn't limited to any single market, city, or state: FedEx contributes positively to local economies and enables global trade by offering shipping and logistics services, including customs brokerage, that impact output and employment growth at origins, stopover, and destination locations around the world.



Economic Impact

With its large presence around the world, FedEx helps keep the global economy running. The company's team of more than half a million people, nearly 700 aircraft, and over 200,000 motorized vehicles allow FedEx to connect a vast majority of the world's gross domestic product.

In this section, Dun & Bradstreet Data and Analytics quantifies the worldwide impact of a range of economic contributions made by FedEx, a large multinational corporation. Contributions like revenue, labor, and gross domestic product (GDP)—while more straightforward to compute—capture only a portion of the company's full impact. In every region, country, city, and community that FedEx serves, contracts and business transactions with local businesses—many of which are small and locally-owned—support additional jobs and revenue, and indirectly contribute to local economic growth and stability. The sum of these activities captures a more complete picture of the value provided by a company of such scale.

Detailed regional analysis, including closer looks at the local impact in several key FedEx hub markets, can be found in later sections of this report.

Direct impact

As a large, global company, FedEx makes a significant contribution to worldwide economic output, particularly in sectors related to FedEx core business activities like transportation. For example, FedEx direct contributions to the United Nations

FedEx by the numbers

Nearly **550,000** employees

5,000+ facilities¹

Nearly **700** aircraft

210,000+ motorized vehicles

Conference on Trade and Development (UNCTAD) Transportation, Storage, and Communications sector² accounted for 1.2% of overall net economic output³ for this sector worldwide in FY 2022. This is a considerable contribution for a single company given the \$8.2 trillion net economic output for these industries. Looking across the entire \$92 trillion global economy, FedEx direct contributions represented 0.1% in net output for all industries.

Employment

FedEx employs nearly 550,000 employees worldwide in a range of occupations that reflect the size and diversity of the company's operations. These employees include drivers and pilots who help move goods around the world, along with the maintenance personnel who keep those vehicles running; package handlers in warehouses and sorting centers, and the operations managers and equipment technicians that keep those facilities running smoothly; IT experts and data scientists required to optimize a global shipping, logistics, and services company; experienced business professionals at all levels; and retail workers at local FedEx Office stores.

As one of the world's largest logistics and transportation specialist, FedEx has a significant impact on employment in related business areas. For example, FedEx employees accounted for nearly 1% of worldwide employees in the Transportation and Postal & Courier Services sectors⁴—a significant contribution for a single company among the estimated 12 million businesses within those sectors.

Facilities investments

FedEx makes significant capital investments across its global network each year. In FY 2022, total capital expenditures reached \$6.8 billion—a 15% increase over FY 2021.

This spending correlates to direct economic growth in the markets FedEx serves. By expanding capacity and improving efficiency to accommodate higher shipping volumes, capital investments create growth opportunities for FedEx customers.

Indirect impact

FedEx contributions to the global economy also support jobs and economic activity beyond the company's immediate impact. This subsequent activity is considered the “indirect impact” of the FedEx presence and is visible in economic indicators at the global level, within each of the company's operating regions, and in the local communities where FedEx has a large presence.

FedEx operations and business activity indirectly contributed to net economic output worth an estimated \$22.6 billion across the global economy in FY 2022—a nearly 12% increase over the company's indirect contributions in FY 2021.⁵ That activity supported an estimated 193,000 additional jobs beyond the FedEx worldwide employee base, which is 20,000 more jobs than FedEx indirectly supported in FY 2021.

¹ Facilities in this calculation include air and ground hubs, local stations, freight service centers, and retail locations.

² United Nations Conference on Trade and Development (UNCTAD) does not break out the global Transportation sector as a standalone category, and only provides aggregated sectoral output value for the global Transportation, Storage, and Communications sector.

³ Net economic output is the difference between total gross output and the cost of inputs such as energy, raw materials, and services. Also known as value added output.

⁴ As defined by the International Labor Organization

⁵ Figures are estimated because it is not possible to consider every indirect contribution that FedEx may have had in countries where the company does not have a large presence, but still indirectly contributes to economic activity through its movement of packages.

Impacts through the supply chain

Maintaining its operations requires FedEx to contract with thousands of suppliers across the world for goods and services. This global supply chain creates significant economic activity beyond the impact of FedEx indirect and direct contributions, as each FedEx vendor contributes its own revenues, employment, taxes, and capital investments to their national and local economies.

In FY 2022, the FedEx global supply chain included more than 360,000 direct vendors that collectively employed nearly 16.5 million people. These businesses created significant economic activity within their local or regional markets and had a combined annual revenue of \$700 billion. FedEx spent nearly \$53 billion on its global supply chain through the company’s first three quarters of FY 2022, a 5% increase over the \$50 billion spent in the full FY 2021.

Supply chain spending by region
(in USD)

AMEA

\$2.2 billion

Europe

\$5.2 billion

The Americas

\$45.4 billion

The United States

\$44.7 billion

This spending by FedEx provides a source of revenue to enable hiring, growth, and investment by its supply chain vendors. For example, the number of jobs FedEx supported in its European supply chain grew 27% from FY 2021 through March of 2022. The number of jobs supported at FedEx suppliers grew 18% in the United States, and 9% in the Americas region outside of the United States.

Looking closer at the makeup of this supply chain reveals how FedEx operations help support a diverse set of businesses. More than half of FedEx supply chain spend in

each region went to small businesses. That activity collectively supported roughly 810,000 small business jobs around the world during this period.

Extended supply chain

FedEx supply chain impacts extend beyond the company’s direct suppliers. In many cases, direct suppliers of FedEx rely on a network of smaller suppliers to provide individual components, materials, or services. Supporting these extended relationships creates further downstream impact when FedEx makes purchases from its direct suppliers, as smaller tier three suppliers feed into tier two suppliers, which feed into a FedEx direct supplier.

For example, FedEx has regularly purchased aircraft from Boeing, including 12 Boeing 767-300 Freighter aircraft in FY 2022. Those purchases support jobs and revenue at Boeing (a FedEx direct supplier), but also at General Electric (GE), which makes engines for Boeing aircraft (a tier two supplier), and GE’s suppliers that make the components for the engines (tier three suppliers).

In examining three of the largest direct suppliers to FedEx by spend, a global aerospace company, a facility and sorting equipment company, and a fuel supplier, the economic impact of FedEx was extensive.

Percentage of small business supply chain spending by region

AMEA

54%

Europe

61%

The Americas

66%

The United States

66%

Spotlight: The United States

The FedEx business footprint extends across the United States. With a network of facilities and employees throughout the country—from Alaska to Florida, California to New York, and embedded in the center of the country through hubs in Memphis and Indianapolis—FedEx provides delivery services to every U.S. ZIP code.

The company's economic impact also reaches communities across this vast delivery area. These contributions include annual revenue and accompanying economic activity generated for net national output by FedEx operations, as well as employment, facilities investments, and community involvement.

Direct impact

FedEx continues to have a significant impact on the U.S. Transportation and Logistics sectors⁶, where the company contributed roughly 12% of net economic output in those sectors in FY 2022. Across the U.S. economy as a

whole, FedEx revenue and associated business activities contributed 0.3% of net economic output—a relatively large percentage for any single company given the \$24 trillion value of the U.S. economy.

To put this figure into perspective, the FedEx direct impact is roughly 45x higher than the average amount one would see if each of the estimated 44 million U.S. companies made the same contribution.

Employment

FedEx continued to increase its U.S. employment during FY 2022. The company had 412,770 U.S. employees, up from 412,030 the previous fiscal year. Those employees accounted for nearly 6% of employees in the U.S. Transportation and Postal & Courier Services sectors, and more than 4% of employees in the U.S. Transportation, Warehousing, and Postal & Courier Services sectors combined⁷.

In many parts of the country, FedEx employment growth exceeded the state's overall employment growth rate. For example, FedEx employment increased 22.8% in Alaska and 14.9% in Arizona during FY 2022, compared to a decline in overall employment of 1.1% in Alaska and a 0.8% increase in overall employment in Arizona.

FedEx employment growth also outpaced statewide figures in areas with robust job markets such as Texas, where FedEx Office is headquartered. FedEx employment grew 12.6% in Texas, versus an overall state employment increase of 3.7%.

The quality and diversity of these jobs is also important: The FedEx commitment to supporting its employees with strong career opportunities has been repeatedly acknowledged by the company's ranking as one of the best places to work in the United States. For example, in April 2022 FedEx was named one of the 100 Best Companies to Work For by Great Place to Work[®] and Fortune magazine—the 15th year that FedEx has been included on this prestigious list. In FY 2022, the company began publicly reporting the prior year's gender, racial, and ethnic composition for its U.S. workforce⁸. FedEx employees that identify as minorities made up 55% of U.S. employees⁹ and 36% of U.S. management. Globally in FY 2022, 30% of employees and 26% of management were women¹⁰.

FedEx also provides competitive healthcare, retirement savings options, education, upskill training, and other benefits to support team members' quality of life and enable them to thrive in the workplace. These offerings not only benefit individual team members and their families, but also contribute to stronger communities where our employees live and work.

For example, FedEx provides competitive health benefits to all eligible

full-time and part-time employees and their eligible dependents. The company covered approximately 70% of total eligible healthcare costs for part- and full-time employees at the plan level for approximately 227,000 participating employees as of January 2022.

To help employees pursue higher education, FedEx provided more than \$17 million in tuition assistance to almost 11,000 employees in FY 2021. FedEx also expanded its Learning inspired by FedEx (LiFE) partnership between FedEx Express and The University of Memphis, which provides certain employees with the opportunity to earn free college degrees online. This program is now open to team members at all FedEx Express hub and airport locations in the U.S., as well as to all U.S.-based FedEx Logistics and all Memphis-based FedEx Supply Chain employees. In FY 2021, FedEx expanded the LiFE program by adding a mentoring component and extending coverage to over 100 majors and concentrations, fueling a more than \$500,000 year-over-year increase in direct bill tuition assistance. Upon graduation, participants are trained to serve as mentors to those beginning the program. The program currently has more than 2,000 enrolled participants across FedEx Express, FedEx Logistics, and FedEx Supply Chain.

⁶ As defined by the U.S. Bureau of Economic Analysis

⁷ As defined by the Bureau of Labor Statistics

⁸ Does not include FedEx Supply Chain employees; 1.8% of U.S.-based FedEx employees unspecified

⁹ 1% "undecided"

¹⁰ Does not include TNT Express employees, FedEx Express employees in the European Union or U.S.-based FedEx Supply Chain employees.

Does not include TNT Express employees, FedEx Express employees in the European Union or U.S.-based FedEx Supply Chain employees.

Facilities investments

Providing customers with better service requires continual investments in fleet and facility modernization and strategic investments to increase collaboration and automation and improve productivity, network efficiencies, and safety. That's why FedEx pursues large-scale, multi-year investments across its U.S. footprint.

For example, over the past five fiscal years, FedEx Ground capital expenditures exceeded \$6 billion.

These investments include the creation of new FedEx Ground hubs, such as one in Chino, Calif., and the expansion of existing hubs such as those in Nashville, Tenn., Portland, Ore., and Rialto, Calif. FedEx Ground has also helped improve service and positioned itself for additional volume growth by

establishing new regional sort facilities in Phoenix, Ariz., Miami, Fla., Allentown, Pa., and Seattle, Wash.

During that same period, FedEx Office opened 396 new locations and remodeled or relocated 301 locations, for a total investment of approximately \$150 million.

Other notable examples of capital investment projects announced or completed during the past fiscal year include:

- A planned \$200 million investment to expand and upgrade FedEx Express facilities in Anchorage, Alaska, to handle increases in international and domestic volume and meet growing customer demand.
- A completed \$72 million expansion of the FedEx Express air cargo hub at Miami International Airport.
- The opening of a new, \$50 million headquarters for FedEx Logistics in Memphis, Tenn.

Indirect impact

Business activity by FedEx also contributed to indirect net economic output worth \$8.5 billion across the U.S. economy in FY 2022. The company's activity supported nearly 50,000 additional jobs beyond its own U.S. employment base, with some of the biggest contributions coming in the Transportation and Warehousing sectors (23,000 jobs), the Professional and Business Services sector (12,000 jobs) and the Manufacturing sector (5,500 jobs).

Measuring impact in local hub markets

While FedEx shipping and logistics services help support the entire U.S. economy, the company's impact is especially significant within local markets that house FedEx operations. These contributions include direct investments such as facilities improvements, high levels of employment, and spending with local suppliers, as well as the indirect impact of economic activity supported by the shipping services and integrated business solutions that FedEx provides for individuals and companies of all sizes.

A substantial FedEx presence promotes economic growth within the counties where the company has operations, but also in neighboring counties and across entire states. To highlight the impact of FedEx investments at the local level, this section of the report examines different markets across the United States where FedEx operations have demonstrated a significant impact.

After the strong economic rebound of FY 2021, GDP growth slowed or contracted in FY 2022 in many of the 10 FedEx hub markets analyzed for this report. However, GDP growth in the Transportation sector outpaced overall economic growth in many local hub markets. As a major company within the Transportation sector, FedEx output was an important part of this economic growth.

FedEx also reported employment growth in all 10 hub markets during FY 2022, with the company's growth rate outpacing the Transportation sector's employment growth rate in many markets.

For example:

Newark – FedEx employment increased 25.2%, compared to a 0.7% decline in Transportation sector employment in Essex County.

Woodbridge – FedEx employment increased 12.1%, compared to a 6.7% increase in the Transportation sector employment in Middlesex County.

Indianapolis – FedEx increased its employment 9.8% in FY 2022, compared to a 0.6% decline in the county's Transportation sector employment.



Although these examples show a strong correlation between a FedEx presence and economic and employment growth at the county level, a causal/spillover analysis was conducted to determine the impact of FedEx capital spending, facilities, and supplier spending (“FedEx factors”) in local county markets.

This analysis indicates that FedEx investments and business processes significantly drove county level economic development in FY 2022 within FedEx markets, as well as in neighboring counties. These indirect or spillover impacts are the result of the FedEx network, which creates more efficient logistics and supply chains to generate growth in neighboring counties. The presence of a large number of employees and facilities are good indicators of local market demand for courier services from industries such as manufacturing, transportation, warehousing, and e-commerce, which benefit from a concentrated FedEx presence. That same presence also stimulates additional activity in neighboring markets according to modeling performed by Dun & Bradstreet Analytics.

Potential approximate total (direct + spillover) increase in GDP brought about by a simultaneous 1% increase in FedEx factors in different markets.

Miami-Dade, Fla.
\$300,000 - \$500,000

Alameda, Calif.
\$180,000 - \$350,000

Allegheny, Penn.
\$130,000 - \$240,000

San Bernardino, Calif.
\$120,000 - \$230,000

Marion, Ind.
\$120,000 - \$230,000

Indirect impact

The impact from FedEx operations and investments extends beyond local and neighboring counties, making important contributions to entire state economies. In analyzing 12 states, we see that FedEx factors generally have higher growth rates than state-level GDP growth and employment growth.

As in the national and county economies, state level employment growth rates slowed in FY 2022, following the strong gains made in FY 2021 as the country recovered from the economic challenges of the COVID-19 pandemic. However, FedEx employment grew in 10 of the 12 states analyzed.

In many of these states, the FedEx employment growth rate outpaced employment growth in the state’s Transportation sector.

For example:

Alaska and Arizona – These two states led the gains with a 22.8% and 14.9% increase in FedEx employment, respectively, compared to a statewide Transportation sector employment decline of 0.9% in Alaska and an increase of 5.2% in Arizona.

Texas – FedEx employment increased 12.6%, compared to a 2.6% increase for the state’s Transportation sector.

Oregon – FedEx employment increased 8.5%, compared to a 3.5% increase for the state’s Transportation sector.

Florida – FedEx employment increased 7.7%, compared to a 4.8% increase for the state’s Transportation sector.

Washington – FedEx employment increased 4.7%, compared to a 1.2% increase for the state’s Transportation sector.

New York – FedEx employment increased 4.2%, compared to a 0.1% decline for the state’s Transportation sector.

Pennsylvania – FedEx employment increased 4.2%, compared to a 1.8% increase for the state’s Transportation sector.



FedEx spending with local suppliers is another important contributor to state economies. The impact of this spending is especially high because that money stays within each state’s economy. For example, FedEx spent \$1.9 billion with businesses in Pennsylvania in FY 2022—the largest supplier spend in the 12 states analyzed—making a large contribution to Pennsylvania’s economy.

FedEx spending with local suppliers FY 2022

Pennsylvania \$1.9 billion	Arizona \$162.6 million
California \$861.1 million	Massachusetts \$158.7 million
Texas \$703.2 million	Washington \$142.6 million
Florida \$531.7 million	Oregon \$97.6 million
New York \$257.3 million	West Virginia \$35.9 million
Tennessee \$257.3 million	Alaska \$7.7 million



Key local markets in the U.S.

Memphis

Ideally located near the center of the country, the city of Memphis and Shelby County is the heart of the FedEx network. Home to the headquarters of FedEx Corporation, FedEx Express, FedEx Freight, and FedEx Logistics, the company is the largest employer in the Memphis area, with local employment increasing 3.5% in FY 2022 to more than 35,000 employees.

FedEx has made significant investments to support operations in this critical location. In addition to the \$1.5 billion ongoing investment to modernize the Memphis FedEx Express World Hub at Memphis-Shelby County International Airport, FedEx Logistics opened its new headquarters in 2022, investing \$50 million in the historic downtown Memphis neighborhood. FedEx Ground capital investments in Memphis have totaled \$8 million between FY 2018 and FY 2022.

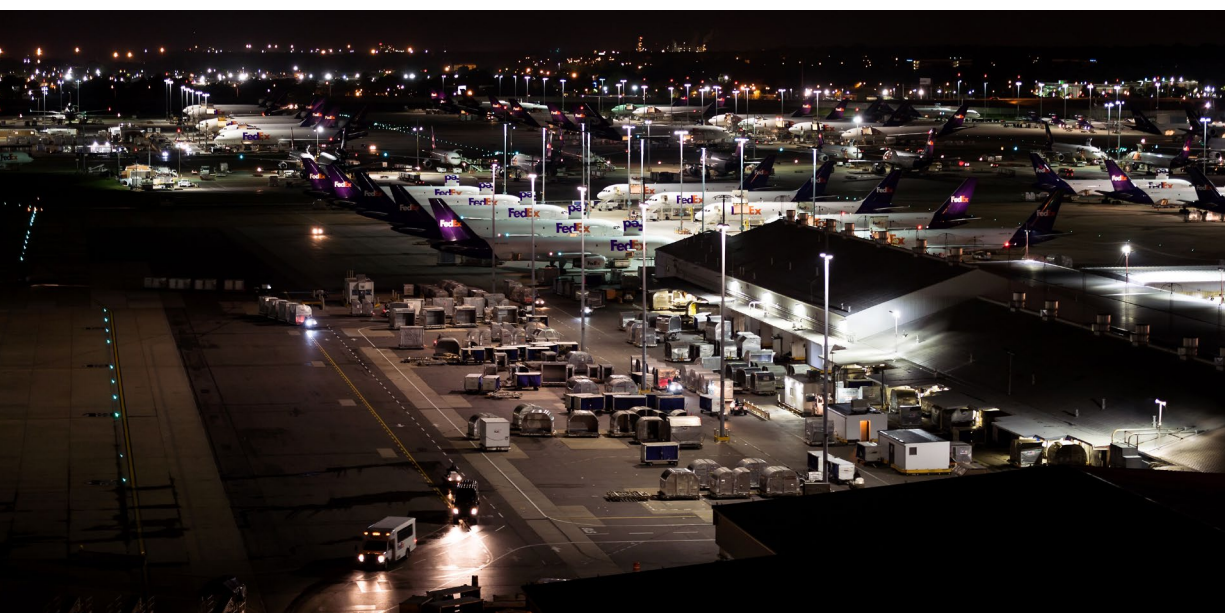
In addition to its direct impact, in FY 2022, FedEx Ground contracted with 170 service provider small businesses for transportation, pickup and delivery services throughout Tennessee, including the Memphis market. These businesses generate annual revenues of more than \$266 million and employ more than 5,200 people as drivers, managers, helpers, and other staff.



Indianapolis

Located in the central Midwest and with a population of almost a million residents, Indianapolis is home to the second largest FedEx Express facility in the world at Indianapolis International Airport. Since the hub's 30th anniversary in 2018, FedEx has launched major capital investments worth more than \$1.8 billion at this facility. Along with the airport hub, Indianapolis hosts 26 other FedEx operating company facilities and employs roughly 8,600 employees across the city.

FedEx employment in Marion County increased nearly 10% in FY 2022. In addition to the major investments at the FedEx Express airport hub, FedEx Ground has invested nearly \$84 million in capital improvements in the area since FY 2018, including a new spinoff facility in Indianapolis. Spinoff facilities typically take over half of the routes and employees of an existing facility, creating additional growth capacity in both locations. FedEx Express also expanded capacity between Indianapolis and international markets, launching a new weekly flight between Paris, the United Kingdom, and Indianapolis in February 2022. And during the holiday season in 2021, FedEx Express added a flight operating five days a week to connect Indianapolis with Hong Kong in an effort to alleviate supply chain constraints for its customers.



Oakland

Just over the Bay Bridge from San Francisco, Oakland, Calif., is a major city in its own right with almost half a million residents. The city provides road access between coastal and central California as well as connections to the rest of the country via a large international airport. Oakland's Pacific coast location also makes it a natural transit point to markets in Asia, and in 2022 FedEx Express launched two new weekly trans-Pacific flights between Oakland and Guangzhou, China, to improve connectivity to China and other eastern Asia destinations.

FedEx operating company facilities in Oakland include 28 locations that employ nearly 4,000 employees. Since FY 2018, FedEx Ground has made nearly \$500,000 worth of capital investments in Oakland.

Newark

The city of Newark and Essex County, N.J., represent the busiest trans-shipment hub on the East Coast of the U.S., thanks to the combination of an international airport, a maritime port, railroad facilities, and a well-connected highway network. This infrastructure has enabled FedEx to build a growing presence in the area, which includes a FedEx Express hub at Newark Liberty International Airport. From FY 2021 to FY 2022, FedEx employment in Essex County increased 25% amidst a 2.5% decline in the county's overall employment growth.

FedEx Ground has made capital investments of more than \$1 million in Newark between FY 2018 and FY 2022, including the development of a new annex facility close to the critical Interstate 95 highway. In addition, a more than \$100 million capital improvement project is underway at the FedEx Express facility at Terminal A in Newark Liberty International Airport.



Dallas

The Dallas/Fort Worth Metroplex in Texas is the fourth-largest metropolitan area in the country, and a major transportation hub. Its three major airports, railway connections and network of highways make it an ideal location for FedEx operations in the state.

FedEx operating companies have a combined 93 facilities in the Dallas/Fort Worth area and surrounding Tarrant County, including a FedEx Express regional hub at Fort Worth Alliance Airport and operations at Dallas/Fort Worth International Airport. The headquarters for FedEx Office is in nearby Plano with approximately 1,600 employees from FedEx Office and FedEx Services assigned to the location. Between FY 2018 and FY 2022, FedEx Ground has made nearly \$48 million in capital investments in the area, including a regional sort facility in Dallas to improve service to local businesses. These improvements and a 3.5% increase in employees in Dallas/Fort Worth and Tarrant County have helped FedEx meet growing demand in the region.

Rialto/Ontario

Located in San Bernardino County, the cities of Rialto and Ontario are only about 60 miles east of Los Angeles and provide valuable access to the busy southern California region. Easy links to major highways and the Ontario International Airport provide connections to destinations further afield. As a result, FedEx operating companies have a strong presence here with a combined 24 facilities and nearly 9,000 team members.

FedEx employment in San Bernardino County increased 8.4% in FY 2022. FedEx has also made substantial capital investments here, totaling more than \$163 million since FY 2018. These projects include an expansion of the Rialto FedEx Ground hub and a new FedEx Express ramp facility at Ontario International Airport with

automated sort equipment that can sort up to 12,000 packages an hour. In 2021, FedEx Ground also opened a new, 505,000-square-foot automated sort facility in nearby Chino. The state-of-the-art facility can process 22,000 packages an hour, and includes sustainable features such as electric switchers, a biodiesel fueling system, and electric vehicle charging capabilities. Rooftop solar panels are also planned for installation in the near future.

FedEx operations also have a positive impact on the area indirectly, especially through contracts with small businesses. Across California as a whole, FedEx operating companies contract with more than 630 small businesses which generate more than \$1 billion in annual revenues and employ close to 15,000 of the state's residents.



Pittsburgh

Located in Allegheny County, Pa., Pittsburgh is home to the corporate headquarters of FedEx Ground. More than 3,500 employees are domiciled at the headquarters and in 30 other facilities in the region. FedEx Ground also contracts with more than 240 service provider small businesses for transportation, pickup and delivery services throughout Pennsylvania, including the Pittsburgh market. These businesses generate annual revenues of more than \$470 million and employ nearly 6,500 people as drivers, managers, helpers, and other staff.

Since FY 2018, FedEx Ground has made capital investments totaling nearly \$1 million in its facilities in the Pittsburgh area, including efforts to improve service and sustainability. For example, FedEx Ground installed new solar canopies in sections of its parking lot at the Moon Township headquarters.

Woodbridge

One of FedEx Ground's largest hubs in the Northeast, Woodbridge is located in Middlesex County, N.J., which provides direct highway access to both New York City and Philadelphia. Middlesex County's railroad networks and the Woodbridge hub's close proximity to Newark Liberty International Airport offer important national and international connections.

From FY 2018 through FY 2022, FedEx Ground has invested nearly \$66 million in capital investments to improve Woodbridge facilities and services, including a new parking facility and ongoing maintenance. These improvements have helped support growing volume in the busy Northeast region. In addition, employment at the FedEx Ground hub increased 12% from FY 2021 to FY 2022, generating jobs at a time when overall employment in Middlesex County declined by 1%.



Portland

Portland, located in Multnomah County, Ore., is a vital economic and logistics center for the Pacific Northwest thanks to its proximity to major highways and the Port of Portland. FedEx employment in Portland increased nearly 8% in FY 2022, compared to a 1.9% decline in employment countywide.

Both FedEx Ground and FedEx Office have made substantial investments in Portland: FedEx Ground made nearly \$20 million in capital investments in the area during the five years through FY 2022, including an expansion of the Portland hub and other improvements to facilities and services. FedEx Office also completed a \$300,000 remodel of one of its locations in Multnomah County.

To learn more about the FedEx Effect on states and localities throughout the U.S., visit [fedex.com/economicimpact](https://www.fedex.com/economicimpact).



Spotlight: The Americas

The FedEx presence extends across North and South America. In addition to the U.S. operations detailed in the previous sections, FedEx serves Canada from its hubs in Toronto, Vancouver, and Montreal, and serves more than 50 countries and territories in the Latin America and Caribbean (LAC) region. This section explores the full impact of those contributions in the Americas (including the U.S. direct and indirect impact), with additional focus on operations in Canada and the LAC region.

In 2022, FedEx Express completed a major expansion of its LAC hub at Miami International Airport in Miami, Florida. The FedEx Express facility is the largest gateway connecting markets in North and South America, and the expansion will help customers in the region to connect to the rest of the world with greater ease.

Direct impact

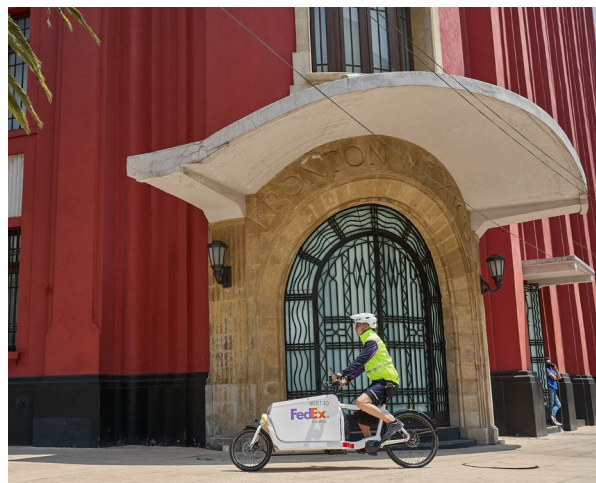
Taken as a whole (including the FedEx U.S. impact detailed in the previous sections), FedEx operations across North and South America account for a substantial portion of the economic activity in the Transportation, Storage, and Communications sector¹¹ in this region. FedEx contributed nearly 7% of net economic output for this sector within the Americas in FY 2022.

Employment

Across all of North and South America, as with other regions, the largest impact from FedEx employment is found in the Transportation and Postal Courier & Services sectors¹², where FedEx employees account for 2.8% of the total employment base. When adding the Warehousing sector¹², FedEx employees represent 2.2% of total employment in those sectors combined. Outside of the U.S., FedEx had 22,930 employees in Canada and 24,389 employees across Latin America and the Caribbean region at the end of FY 2022.

Facilities investments

In addition to the expansion of the Miami hub (detailed in the following “Key local markets in the Americas” section), FedEx has invested more than \$106 million in its LAC operating company facilities between FY 2018 and FY 2022. FedEx has invested \$43 million in its Canadian operating company facilities between FY 2018 and FY 2022.



Notable projects include:

- Over the past couple years, FedEx Express opened two new distribution facilities in Chile to support growing e-commerce operations, including Bodenor in Pudahuel, and one in Curauma. In FY 2022, an expansion of the Bodenor station was completed, adding 14,000 square meters of warehouse and offices — making it the largest FedEx parcel station in South America dedicated to the distribution of small packages.
- In September 2021, FedEx Express Canada opened a new sort facility in the Greater Toronto area to expand e-commerce sort capacity. The \$10 million facility created 100 new jobs and has the ability to sort up to 9,000 packages per hour.

Indirect impact

In addition to this direct impact, revenue and other output from FedEx supports significant additional economic activity in North and South America. FedEx indirect contributions to net economic output in these regions reached approximately \$12 billion—a 13% increase over its contribution in FY 2021.

The company’s activity supported nearly 85,000 additional jobs beyond its own workforce in FY 2022, with approximately 50,000 of those jobs in the Transportation, Storage, and Communications sectors¹⁴. FedEx also made significant indirect contributions to employment in the Manufacturing

sector (8,900 jobs)¹⁵. Taken together, the number of jobs supported by FedEx activity in the region increased roughly 12%.

Measuring impact in local hub markets

With operations across Canada and throughout the LAC region, FedEx is a significant contributor to economic growth in the cities that host its facilities, as well as in neighboring regions and countries as a whole. These contributions include direct spending on employee wages, facilities, and with local suppliers, as well as support provided to local economic activity by FedEx services. This section of the report describes the recent expansion at the FedEx Express hub at Miami International Airport, which serves as the company’s gateway to the LAC region. It also examines the economic impact of the key hub in Toronto, Canada, and the company’s presence in Mexico.

Although GDP growth slowed in the city of Toronto and in Canada in FY 2022, it remained positive over the previous fiscal year. FedEx contributed to this growth through its output in the Transportation sector, as well as its support for many other sectors of the economy. FedEx Mexico operations—which include its hub in Mexico City and 500 sales points serving all 32 states in the country—supported local economic growth by providing international and domestic shipping services, as well as e-commerce, supply chain and fulfillment solutions.

¹¹ As defined by United Nations Conference on Trade and Development (UNCTAD).

¹² As defined by the International Labor Organization

¹³ As defined by the International Labor Organization

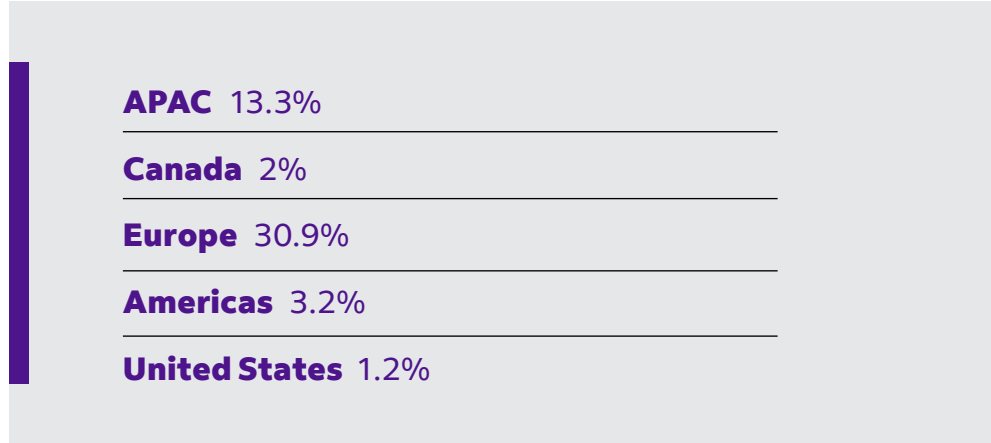
¹⁴ As defined by United Nations Conference on Trade and Development

¹⁵ As defined by United Nations Conference on Trade and Development

FedEx also increased its employment in both countries in FY 2022. Total Canada employment increased 0.2%, to nearly 23,000 team members. FedEx employment in Mexico increased 3.6%, to more than 8,000 team members.

The FedEx presence in Canada and Mexico also helped boost international trade by handling larger shipment volumes. FedEx saw strong growth in shipment volume from Canada to several key international regions between calendar year 2021 and 2022 (see Table).

Growth in FedEx Canada shipment volume (2021-2022)



To support growth in Mexico, FedEx Express opened 25 new shipping stations around the country in FY 2022. FedEx Express has also signed collaboration agreements with the Secretaries of Economy and Economic Development of more than 20 different Mexican states as well as the Association of Mexican Secretaries of Economic Development, providing Mexican micro, small, and medium-sized businesses with training and resources to support their national and international expansion.

FedEx spending with local suppliers is another important contribution to local hub markets and countries across Canada and LAC. This spending has a significant impact because the money stays within each city’s or country’s economy. For example, FedEx spent approximately \$800 million with businesses in Canada in FY 2022.



FedEx country and city-level supplier spending

Canada
\$800 million

Toronto
\$517 million



Key local markets in the Americas

Miami

Located in Miami-Dade County, Fla., Miami serves as the FedEx gateway to Latin America and the Caribbean. MIA is the busiest airport in the U.S. and the ninth busiest in the world for international freight, which is why Miami has always been critical to FedEx operations connecting North and South America. But in FY 2022, FedEx Express completed a \$72.2 million expansion of its air cargo hub at MIA that provides even greater operating efficiencies to meet growing customer demand within LAC.

The expansion added 138,000 square feet to the main sort facility, bringing it to a total of more than 282,000 square feet. In addition, the new hub now includes the largest cold chain facility in the FedEx Express Global network—70,000 square feet of refrigerated storage—that can accommodate different types of perishable goods in 12 pre-cooled storage rooms at temperatures ranging from -13 to 77 degrees F. These enhancements will allow FedEx to accommodate a growing demand for shipment of perishables between LAC and the rest of the FedEx Express worldwide network, including pharmaceuticals and flowers. In 2021, MIA received 89% of all flowers imported to the U.S. by air.

The expansion of the Miami hub helped drive significant growth in FedEx employment in Miami-Dade County: FedEx employment increased 10.4% in FY 2022, compared to a 4.2% growth rate for the county's overall Transportation sector. These investments in facilities and personnel will help FedEx support growing shipment volume between LAC and the rest of the world, while helping fulfill our promise to make every customer experience outstanding.



Toronto

The Toronto area is home to the headquarters for FedEx Express Canada, as well as a major shipping hub at Toronto's Lester B. Pearson International Airport. The 342,000-square-foot facility handles approximately 140,000 packages per day and connects Canada with the rest of the world through 164 weekly flights, operating seven days a week, flying C-208, B575, and MD/10 and 11 aircraft.

In the past five years, FedEx has made significant capital investments in the Toronto region to improve facilities and service. One of the most significant upgrades was the 2020 opening of a new small-package sorting facility in the Toronto area that's the fastest FedEx Express facility in Canada. The multimillion-dollar facility has the capacity to sort up to 20,000 small e-commerce shipments an hour, 24 hours a day, seven days a week. Smaller e-commerce shipments that have surged in recent years, and this facility helps to alleviate shipping demands from the company's existing sorting hubs located across the country.

To learn more about the FedEx Effect on countries and cities in Canada and the LAC region visit [fedex.com/economicimpact](https://www.fedex.com/economicimpact).

Spotlight: Europe

FedEx Express has expanded its European operations significantly in recent years, particularly after the 2016 acquisition of TNT Express. With regional headquarters in the Netherlands and operating out of its main hub at Paris-Charles de Gaulle (CDG) airport, FedEx Express now serves more than 45 countries and territories in Europe, including expanded service into emerging markets such as Hungary, Cyprus, Lithuania, and Estonia.

In the past year, FedEx Express completed the network integration of TNT Express and made a major investment to improve its Paris-CDG hub. FedEx also increased its intra-Europe capacity by adding flight routes and upgrading aircraft in several locations, while also supporting additional commerce between Europe and Asia as well as Europe and the U.S. by adding new routes between Paris-CDG and China.

Direct impact

In FY 2022, FedEx contributed 0.5% of the net economic output in Europe's Transportation, Storage, and Communications sector¹⁶. This contribution is significant for a single company, given the nearly \$2 trillion in net economic output for that sector during the year.

Employment

FedEx Express employed approximately 50,000 employees in Europe as of May 31, 2022. Those employees were primarily employed in the Transportation and Postal Courier & Services sectors¹⁷, where FedEx employees account for 0.6% of the region's total employment base. FedEx employees make up 0.3% of the employees in the Transportation, Postal & Courier services, and Warehousing sectors¹⁸, combined.

Facilities investments

FedEx Express continued to add and improve facilities in Europe during the year, helping increase capacity and support economic activity in the region. The most significant investment was a multi-year modernization of the

Paris-CDG hub described below in the following "Key local markets in Europe" section. Other investments included:

- A multimillion-dollar investment program in Central and Eastern Europe including a new FedEx Express ground facility in Gdansk, Poland, and new facilities in Riga Latvia, Cluj and Sibiu in Romania, and Prague in Czech Republic.
- A new facility in Ajaccio, France, and improvements to the Toulouse facility that include a new sorting system.
- Rebuilding the road transit hub (QAR) in Duiven, the Netherlands. This facility is projected to become the largest road transit hub in the FedEx Express European network.
- Capital improvements across Germany, including a facility relocation in Berlin and capacity expansion in Großbeeren, Stuttgart, and Koblenz.

- The opening of a new, modern facility at Newcastle airport in the United Kingdom, as well as a new integrated facility at Heathrow airport and an expansion of the Stanstead gateway in London.

Indirect impact

Beyond its direct impact, FedEx business activities indirectly support significant additional economic in the region. FedEx contributed \$3.3 billion to Europe's net economic output in FY 2022—a 13% increase over its contribution in FY 2021.

The company's activity also indirectly supported more than 23,000 additional jobs beyond its European workforce, with some of the biggest contributions in the Transportation, Storage, and Communications sector¹⁹ (more than 12,400 jobs) and the Manufacturing sector (more than 2,200 jobs).

¹⁷ As defined by the International Labor Organization

¹⁸ As defined by the International Labor Organization

¹⁹ As defined by United Nations Conference on Trade and Development.



Measuring impact in local hub markets

The FedEx presence in Europe includes a network of FedEx Express facilities, offices, retail locations, airport operations, employees, and vehicles located in strategic locations around the region. The company's European headquarters are located in Hoofddorp, The Netherlands, and the largest facility is at Paris-CDG airport in France. Spending across this network—on facilities, wages, and with local suppliers—has a direct economic impact in the cities that host these facilities, while also contributing to country-level economic growth.

To measure the impact of FedEx investments at the city and country level, this section of the report examines critical markets across Europe where FedEx Express operates hubs.

Global economic challenges in the second half of FY 2022 contributed to slowing GDP growth in many European markets. However, the Transportation sector's economic growth continued to outperform overall GDP growth in the countries that host FedEx Express hubs. Because FedEx is a significant company within the Transportation sector, its business activity contributed directly to this stronger-performing area of local economies. FedEx also contributes to other sectors of the European economy through the shipping and logistics services that it provides to businesses of all sizes.

Transportation sector employment growth also slowed between June 2021 and May 2022 in Paris and Liège, although FedEx Express employment in Paris increased slightly. FedEx employed more than 9,000 individuals in France and more than 3,000 in Belgium.

In addition to its impact on local GDP and employment, FedEx helps boost international trade in the countries where the company operates its hubs and other facilities. For example, between calendar year 2021 and 2022, FedEx shipment volume in France increased significantly to key international regions.

Growth in FedEx France shipment volume (2021-2022)

APAC 13.2%

Canada 10.4%

Americas 15.8%

MEISA 0.5%

United States 41.7%



One of the ways that FedEx closely integrates its operations with local businesses is by choosing locations for facility expansions or additional shipping capacity based on critical economic growth areas within each country. For example:

- In June 2021, FedEx Express France moved its Occitania area operations from Toulouse-Blagnac Airport to a new eco-conscious facility in Colomiers, near Toulouse, which is the heart of Europe's strategic cluster for high-tech industry and biotechnology. The new 10,157-square-meter building consolidates the international and domestic activities of FedEx Express in France, including line-haul, sorting, and pick-up and delivery activities. Increased sort capacity enables the facility to process 5,500 packages per hour.
- In February 2022, FedEx Express launched four new flights from the East Midlands Airport (EMA) in the United Kingdom to the United States, boosting capacity for UK exporters by adding approximately 626,000 pounds of additional capacity per week to the FedEx Express transatlantic network, with 160,000 pounds dedicated to the UK alone. FedEx selected EMA for its location in the high-density ecommerce Midlands Golden Triangle market.

FedEx spending with local suppliers is another important contribution to individual countries across Europe. The impact of this spending is especially high because that money stays within each country's economy. For example, FedEx spent \$1.2 billion with businesses in France and \$656 million with businesses in Belgium in FY 2022.

FedEx country and city-level supplier spending

France
\$1.2 billion

Paris: \$124 million

Belgium
\$656 million

Liège: \$2 million



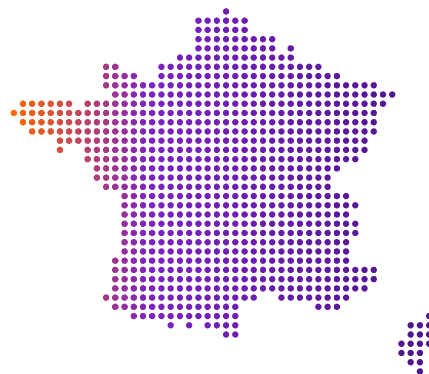
Key local markets in Europe

Paris

Charles de Gaulle (CDG) airport in Paris, France, is home to the largest FedEx Express hub outside of the United States and serves as the main transit point for shipments between the U.S. and Europe, as well to destinations in Asia and Africa.

The Paris-CDG hub operates an average of 550 flight movements per week to and from Europe and around the world. With more than 15 kilometers of sorting belt machinery and 4,000 employees, the location has the ability to sort up to 68,000 packages per hour and handles an average of 1,500 tons of freight per day.

Ongoing facilities modernization helps increase capacity and efficiency at the Paris-CDG hub. For example, FedEx recently completed an \$18 million project that includes ramp equipment and facilities for heavy freight shipment, as well as improvements to optimize working conditions and employee safety. These investments add to the roughly \$220 million invested between 2016 and 2020 to modernize the Paris facility with updates including an automated sorting system, making it one of the most advanced FedEx Express hubs in the world.



Liège

Following the 2016 acquisition of TNT, Liège Airport in Belgium grew to become one of the largest FedEx Express sorting hubs in Europe, connecting the global FedEx Express air network with TNT's extensive European road network. The Liège facility extends across 75,000 square meters and employs more than 1,300 employees, handling more than 45,000 items each day that are carried by 14 daily flights and a fleet of 85 trucks or vans.

Liège has been integrated into the FedEx Express network under a dual-hub model, serving as secondary hub in Europe alongside Paris' Charles de Gaulle airport. This proven model mirrors the dual hub network in the United States, with the primary FedEx Express hub in Memphis and the secondary Indianapolis hub, which offers greater flexibility and growth potential for the region.

Currently, with seven collection and distribution stations alongside the Liège hub, FedEx Express has a large operational presence in Belgium. Including its air hub and its supporting staff location in Brussels, FedEx Express employs almost 3,000 employees in the country.

To learn more about the FedEx Effect on countries and cities throughout Europe, explore [fedex.com/economicimpact](https://www.fedex.com/economicimpact).

Spotlight: AMEA

The FedEx footprint extends across this vast region encompassing Asia and the Pacific, the Middle East, Indian Subcontinent, and Africa (AMEA). With regional headquarters in Hong Kong and large hub facilities in Guangzhou, Shanghai, Singapore, Osaka, and Dubai, FedEx serves more than 100 countries and territories in the region.

Despite continued challenges related to the COVID-19 pandemic, the regional economy continued to recover in FY 2022. To help support this recovery and create opportunities for further growth, FedEx Express increased its capacity. For example, more flights were added in the region—including 12 weekly international cargo flights in and out of Beijing—and 757 narrow-body freighters were replaced with 767 wide-body freighters operating out of the Philippines.



Direct impact

With its nearly \$10 billion of revenue in the region, along with associated economic activity, FedEx contributed 0.2% of the net economic output for the Transportation, Storage, and Communications sector¹⁷ in the AMEA region.

Employment

FedEx Express had nearly 37,000 employees in the AMEA region in FY 2022. The largest concentration of those employees was in the Transportation and Postal & Courier services sectors¹⁸, where FedEx employees accounted for 0.1% of the total employment base. FedEx employees made up in 0.09% of the employees in the Transportation, Postal & Courier Services, and Warehousing sectors¹⁹, combined.

Along with the jobs created by its own operations, FedEx contributes to workforce development efforts in local communities throughout the region. In South Africa, for example, FedEx initiated a leadership program to help disadvantaged youth gain hands-on work experience and sponsored a program to train workers with disabilities. FedEx also opened internship programs in the UAE to help university students to gain valuable work experience, explore a career path, develop, and refine skills, and network with professionals in the field.

Facilities investments

FedEx Express opened several new facilities across the AMEA region this year while expanding others, directly promoting economic growth in these markets. These investments included:

- Launching the new FedEx Express gateway facility in Clark, Pampanga, the Philippines. Equipped with state-of-the-art technology, including a cold storage facility, the 17,000-square-meter gateway enables faster processing with the capability to sort 9,000 packages per hour.
- Consolidating and expanding its multimillion-dollar hub at Delhi airport.
- Setting up a new, \$2 million international clearance gateway at Bangalore airport in India.
- Completing a new head office and upgrading operations in Johannesburg, South Africa.

¹⁷ As defined by UNCTAD

¹⁸ As defined by the International Labor Organization

¹⁹ As defined by the International Labor Organization

Indirect impact

The substantial FedEx presence and company spending in the region has a positive effect beyond those direct impacts. FedEx indirectly contributed to net economic output worth \$3.8 billion across the AMEA region's economy in FY 2022—a 12% increase over FY 2021.

The company's activity also supported more than 58,000 additional jobs beyond its own workforce, a 13% increase over the number of jobs FedEx indirectly supported the previous year. Some of the biggest contributions came in Transportation, Storage, and Communications sector (20,000 jobs) and the Manufacturing sector (almost 13,000 jobs)²³.

Measuring impact in local hub markets

FedEx Express business activity in the AMEA region makes a significant contribution to the economies of markets

that host the company's facilities. To measure the local impact of FedEx employment, supplier spending, and other economic activity, this section examines two key hub markets in Asia and the Middle East—Osaka, Japan, and Dubai, UAE.

As in other regions, global economic challenges in the second half of FY 2022 contributed to slowing GDP growth in many AMEA markets. However, the Transportation sector remained relatively strong in both FedEx Express hub markets analyzed for this report—with the Transportation sector's GDP growth rate generally outpacing overall economic growth. The FedEx presence in these markets helped contribute to the growth of this sector during an economically challenging time. FedEx shipping and logistics services also supported economic activity in many other sectors during the fiscal year.

Employment growth also slowed or declined in Dubai and Osaka during

FY 2022. But FedEx Express employment was steady in these locations, providing critical economic support to those cities and neighboring communities. FedEx Express also continued to be a major employer across AMEA, with more than 37,000 employees in the Middle East, Africa, Indian Subcontinent, and the Asia-Pacific region.

The FedEx presence in Osaka and Dubai also helps boost international trade by handling increasing shipment volumes. In both locations, FedEx Express shipment volume from these locations to several key international regions increased substantially between calendar year 2021 and 2022.

Growth in FedEx Japan shipment volume (2021-2022)

Canada 87.3%

Europe 47.5%

Americas 37.4%

MEISA 18.5%

United States 54.8%



²³As defined by United Nations Conference on Trade and Development (UNCTAD).

Growth in FedEx UAE shipment volume (2021-2022)

APAC 25.5%

Europe 6.6%

Americas 4.2%

MEISA 35.9%

United States 59.7%

Beyond the economic activity generated by these primary hubs, FedEx contributes to several other local economies in the Asia-Pacific region, the Middle East, and Africa region by providing critical support for international trade. Recent company investments to support international trade include:

- In October 2021, FedEx Express announced four additional weekly flights from Singapore to Sydney, Australia, doubling flight operations between the two countries. This expansion better supports businesses and exporters with increased and reliable capacity as they trade between Singapore and Australia. Australia is currently Singapore's fourth-largest trading partner for exports, while Singapore is Australia's largest two-way trading partner. Overall, FedEx Express shipment volume in Singapore increased 22% during FY 2022²⁰.
- In December 2021, FedEx Express India completed its strategic alliance with Delhivery, a leading logistics and supply chain services company, to unlock India's international trade potential. The alliance combines the FedEx global network with Delhivery's extensive pan-India network and technology solutions.

- In 2021, FedEx Express transitioned to a direct-serve presence in Saudi Arabia to meet the country's growing international shipping demands. The company plans to invest more than \$400 million into the Saudi economy over 10 years through talent management and local operations and infrastructure.
- In May 2022, FedEx Express enhanced its services to and from Africa by introducing the first regularly scheduled flight to Jomo Kenyatta International airport in Nairobi, Kenya. FedEx Express shipments in Kenya grew 41% during FY 2022²¹.

FedEx spending with local suppliers is another important contribution to individual countries across AMEA. The impact of this spending is especially important because that money stays within each country's economy. In FY 2022, FedEx spent \$511 million with businesses in Japan and \$32 million with businesses in UAE in FY 2022.

FedEx country and city-level supplier spending

Japan
\$511 million
Osaka: \$59 million

UAE
\$32 million
Dubai: \$22 million



Key local markets in AMEA

Osaka

Kansai International Airport in Osaka, Japan, hosts the FedEx Express North Pacific Regional hub and provides a vital connection for shipments between Asia and the United States as well as Europe. Operational since 2014, the hub spans 39,500 square meters and boasts a sort capacity of 9,000 packages per hour.

In 2021, FedEx Express year-over-year shipping volume²² from Osaka to the rest of the world increased 16.5%, partially driven by the COVID-19 pandemic and related issues. In response, FedEx has recently added several new flights to meet growing demand. In July 2021, the company launched a new intercontinental cargo route between Beijing, China, and Anchorage in the United States, via Osaka, with 12 flights per week. This route boosts reliable trade between China and North American markets, with Osaka serving as a key connection point. Also in 2021, FedEx launched a flight between Paris, France, and Osaka, traveling on to Guangzhou, China, as well as a new route that connects Beijing to Paris via Osaka with 10 flights a week.

²² Calculation does not include TNT volume.



Dubai

This historic trading post that once connected Asia, the Middle East, and Africa has become a modern center for logistics and transportation, thanks to its state-of-the-art infrastructure and economic free zones—making it the ideal location for the FedEx Express Middle East, Indian Subcontinent and Africa headquarters since 1989 and main hub since 1998. With more than 60 weekly flights in and out of Dubai, FedEx connects the UAE to and from airports in the U.S., France, India, Hong Kong, Italy, South Africa, Kenya, and Singapore, while also connecting directly to other locations in the region through commercial line haul and trucking routes.

This new hub, due for completion in 2023, will incorporate critical technologies such as automated sorting and advanced screening systems, high-speed security

screening, and cold-chain services to help meet the growing e-commerce and trade demands in the region and beyond. The investment will help improve efficiencies across both its regional and global networks, and expand the company's commercial and operational footprint.

In addition to improving and expanding facilities, FedEx has made other important contributions to the economic growth of this rapidly developing region. For example, FedEx launched a new route linking the UAE with Israel in 2020, following a peace accord between the two countries. The route helps strengthen trade between the UAE and Israel, creating international expansion opportunities for customers in both countries.

China

FedEx Express began service to China in October 1984, and 10 years later became the first express transportation company to be linked electronically with China customs. In 1996, FedEx Express began operating flights in and out of China and has steadily grown its presence in the country since then. Currently, FedEx employs more than 11,000 employees in China, staffing more than 100 branches across the country and more than 110 ground stations that provide door-to-door service to customers. More than 300 international flights a week help connect China with the rest of the world.

The FedEx Express APAC hub at Guangzhou Baiyun International Airport is the center of operations in the Asia-Pacific region. Opened in 2009, the facility covers 63 hectares and can process up to 58,000 packages and documents per hour. More than 200 weekly flights provide next-business-day delivery services among the major cities in Asia and Europe, and links these cities to more than 220 countries and territories in the FedEx worldwide system. In January 2022, FedEx Express announced the launch of DoraSorter—an AI-powered intelligent sorting robot—at the FedEx Express South China E-Commerce Shipment Sorting Center in Guangzhou. The sorting robot, launched in collaboration with leading robotics solution provider Dorabot, is the latest innovation in the company's push to digitize its operations and build a smart logistics network for the ever-growing volume of e-commerce-related shipments in the region.

In January 2018, FedEx also opened the new FedEx Express Shanghai International Express and Cargo Hub at Shanghai Pudong International Airport to provide greater access and convenience for customers from East China to Europe and the U.S. The 134,000-square-meter facility includes a 124,000-square-meter warehouse and another 10,000-square-meter of office area. Equipped with the latest technology, the new hub increases efficiency by integrating ramp operations, sorting and customs clearance. With a fully automated sorting system, the facility can process up to 36,000 packages and documents per hour. This location provided critical support to the Shanghai Changning District government during the COVID-19 outbreak of April 2022. The surge of COVID-19 cases led to a shortage in vegetables, fruits, and other daily necessities. FedEx quickly coordinated delivery vehicles and organized employees to deliver these daily essentials to community residents.

To learn more about the FedEx Effect on countries and cities throughout the AMEA region, visit fedex.com/economicimpact.



FedEx Cares

Community involvement

FedEx contributions extend well beyond the impact of its business activities. Across the world, FedEx supports the communities where its team members, customers, and suppliers live and work by making charitable contributions, volunteering with local organizations, and providing in-kind shipping and printing donations.

Global charitable donations (including in kind services such as shipping, printing, and sponsorships), totaled **\$86 million in FY 2022**

Through the company's global community engagement program, FedEx Cares, FedEx supports non-profit organizations around the world through significant investments that amounted to \$86 million in FY 2022. FedEx Cares focuses its portfolio on delivering for good; global entrepreneurship; sustainable logistics; and diversity, equity, and inclusion as well as volunteerism.

In 2020, FedEx launched its FedEx Cares 50 by 50 program, with a goal of bringing hope and new possibilities to 50 million people by the company's 50th anniversary in 2023. Through the end of May 2022, the company had helped approximately 40 million people through a range of organizations and programs.

From local volunteer events to multi-million-dollar global programs, FedEx Cares combines the company's resources, expertise, and team member passions to address social needs.

A sample of U.S. and international efforts in FY 2022 included:

- Incubating 62 global climate tech startups through RMI's Third Derivative climate tech accelerator, which supports innovation, helps attract new financing, and supports underrepresented and diverse startup founders—especially those with solutions for communities most vulnerable to climate change.
- Sponsoring Junior Achievement young entrepreneur programs in Europe, Asia Pacific, Africa, Middle East, India, Latin America and Caribbean, Canada, and the United States.
- Working with United Way Mumbai to support more than 700 women-led micro and small businesses across Maharashtra with resources to restart businesses impacted by the COVID-19 pandemic.
- Launching the FedEx-HBCU Student Ambassador Program as part of the FedEx \$5 million commitment to Historically Black Colleges and Universities. The program gives students from eight U.S. HBCUs exposure to FedEx leadership, team members, and unique learning experiences that will help them enter and thrive in the workforce.
- Creating the FedEx E-Commerce Learning Lab alongside Accion Opportunity Fund. The E-Commerce Learning Lab is a multi-faceted four-month program designed to help women and minority small business owners to develop or expand their e-commerce operations, find new customers, and build their professional networks.
- Working closely with the U.S. Chamber of Commerce Foundation to launch Readiness for Resiliency, a disaster preparedness and recovery initiative to help small businesses. When a small business that is registered for the program is hit by a natural disaster, it becomes eligible to receive a \$5,000 disaster recovery grant from the Chamber, funded by FedEx. The program will fund 400 grants through FY 2026.



These initiatives are just part of the FedEx Cares approach, which includes many smaller-scale donations and volunteer activities every year that target local needs. Recent efforts include coordinating volunteers to clean up local beaches and other waterways in Dubai, UAE, Mumbai, India, and Sydney, Brisbane and Melbourne, Australia; organizing holiday drives in Toronto; packing food boxes for Ukrainian refugees at volunteer events in the UK, Netherlands, and France; and providing school supplies to under-resourced children in India, Benelux region and in Mexico.

FedEx also uses its transportation network to deliver much-needed goods to non-profits worldwide. In FY 2021, these shipments included \$40.6 million worth of goods. These efforts often reflect urgent need related to local emergencies. For example, in 2022 FedEx helped deliver food and other daily essentials to 37,000 households in Shanghai during that city's extended COVID-19 lockdown—continuing the company's support for communities around the world during the pandemic. Additionally, FedEx donated more than \$2.3 million to aid Ukrainians impacted by the conflict with Russia. This donation included two charter flights carrying essential medical supplies from the U.S. to Poland.

Each of these impacts have been made possible by the non-profit organizations FedEx supports and its team members around the world. FedEx Cares will continue to connect people with opportunities, promote equity, and invest in strengthening the global communities that are home to its operations, people, and customers.

Learn more at fedexcares.com.



Supporting small businesses around the world

Small and medium-sized enterprises (SMEs) are the foundation of the global economy, representing about 90% of all business and employing half of the world's workforce, according to the World Bank. FedEx is committed to helping these vital companies succeed and grow.

FedEx supports thousands of SMEs and millions of jobs around the globe through its direct and indirect employment and through its extended supply chain—88% of FedEx suppliers are SMEs, collectively employing 810,000 people.

Beyond those contributions, FedEx provides transportation, logistics, and ecommerce services that accelerate SME growth. Based on lessons from its existing SME relationships and research on the needs of the SME community, FedEx has continually enhanced its services, including recent developments such as:

- Offering broker-inclusive service to facilitate cross-border shipping for SMEs and creating new Less-than-Truckload (LTL) Select technology that helps SMEs compare freight quotes from multiple carriers.
- Offering FedEx Electronic Trade Documents to 72 countries/territories for inbound shipping, and 99 countries/territories for outbound shipping.
- Providing services that help SMEs take advantage of international trade, such as a new cross-border logistics consulting launched in Taiwan in 2022.
- Launching a collaboration between FedEx Office and online notary service Notarize.

Being an ally to the SME community also means supporting business education programs and expansion opportunities. For example, FedEx offers online small business resource centers in multiple countries around the world, including France, the United States, the United Kingdom, and the United Arab Emirates. Each year, FedEx also hosts webinars, training sessions, and sponsors in-person conferences that help SMEs navigate growth challenges, network with potential suppliers and customers, or enhance their ecommerce and international trade capabilities.

FedEx offers additional SME support through its annual small business grant competition. The program has run in the United States for 10 years and is now offered in Europe, India, the Asia-Pacific region, and LAC. Grant winners receive the equivalent of thousands of dollars to help expand their businesses. In the 10 years since FedEx launched the small business grant competition, FedEx has awarded more than \$1.67 million total in grant money and printing credits combined to winners in the U.S.

Delivering a more sustainable future

FedEx is working to ensure that our planet can continue supporting global economic growth and prosperity. The company's approach to advancing this more sustainable future includes enhancing sustainability in its own operations while supporting sustainable innovation throughout the economy. In March 2021, FedEx announced an ambitious goal to achieve carbon neutral operations by 2040, committing more than \$2 billion in initial investment over the next several years to support bold actions in this direction.

Creating a more sustainable delivery fleet is a top priority, which is why FedEx is focused on vehicle electrification, alternative transportation options, and modernizing its aircraft:

- FedEx is committed to operating a fully electric parcel pickup and delivery fleet by 2040. In 2022, the company received the first 150 electric delivery vehicles in the U.S. from BrightDrop, a technology startup from General Motors. The BrightDrop Zevo 600 vehicles will be used by FedEx Express in southern California and represent the first phase of a larger agreement between FedEx and BrightDrop that will see FedEx incorporate 2,500 total Zevo 600s across FedEx operations over the next few years. They also join other FedEx electric vehicles already operating around the world in countries such as China, Thailand, and Japan.
- E-bikes are currently delivering packages in cities around the world, including Amsterdam, London, Frankfurt, Paris, Milan, Madrid, Toronto, and Mexico City.
- FedEx continues to modernize its air fleet by retiring older planes. The company retired its MD-10-10 fleet at the end of FY 2021 and plans to retire its MD-10-30 fleet by the end of December 2022, replacing those aircraft with more energy efficient alternatives from Boeing, ATR, and Cessna.



FedEx also continues to improve sustainability at its facilities around the world through investments in efficiency, renewable energy, and other energy management programs. At the end of FY 2021, FedEx was already generating on- or off-site solar energy at 26 of its global facilities and continues to add to that total. For example:

- The new Dubai hub is designed in accordance with the Dubai Municipality Green Standard for sustainable building and regulation. It includes solar panels that generate approximately one megawatt of power, 100% LED lighting, charging infrastructure for commercial delivery vehicles and employee passenger cars, and a building management system to automatically manage cooling and lighting.
- The new FedEx Express facility in Colomiers, France, features sustainable building materials, strong insulation, intelligent lighting, measures to reduce water consumption, and 330 square meters of installed solar panels to generate onsite renewable energy and to meet the power demands for future fleet electrification.
- In Chile, FedEx Express is part of the first generation of Giro Limpio, a program administered by the Energy Sustainability Agency that certifies and recognizes transportation companies in Chile. In 2022, FedEx obtained the recertification for the third consecutive year. The company's energy management system has been certified in the country under ISO 50001 standards since 2015, which demonstrates a commitment to sustainability through the reduction of greenhouse gas emissions and fuel consumption relative to the load transported and the number of kilometers travelled by ground.



Beyond making sustainability improvements to its own operations, FedEx provides financial support and lends its logistics expertise to organizations pursuing sustainability innovation around the world. Important projects include:

- Pledging \$100 million to help establish the Yale Center for Natural Carbon Capture, where researchers are focused on developing ways to remove and store Earth's excess carbon. By innovating within nature, the Yale team believes natural carbon capture can sequester 1Gt of carbon per year—equivalent to the annual emissions of the entire airline industry.
- Sponsoring the World Resources Institute's Mobility and Accessibility Program (MAP), which helps public bus systems in Mexico, India, China, and Brazil optimize operations, revolutionize planning and routing, and reduce environmental impacts.
- Collaborating with Dutch non-profit Natuur & Milieu to accelerate sustainable solutions for the transportation industry across road, facilities, and air.



Endnotes:

References to FedEx are synonymous with FedEx Corporation, encompassing all operating companies. Individual operating companies are identified as named.

All years are measured as calendar years (January to December) unless otherwise noted as a FedEx fiscal year (FY) (June to May).

In this analysis, “direct impact” refers to economic contributions with a direct association to FedEx, including contributions from FedEx employment, revenue, or community investment projects as examples. From the perspective of spatial impact “direct” or “local” refers to the impact the location of FedEx facilities and investments has within the county or hub market.

“Indirect impact” refers to activity influenced by the presence of FedEx, but at least one step removed from direct FedEx activity or investment. This includes the impact of FedEx operations through industry linkages as well as primary and extended supply chains by generating output, employment, and increasing stability of these businesses in the company’s ecosystem. From the perspective of spatial analysis, “indirect” or “spillover” effects refer to the impact FedEx’s presence in a location has on the neighboring counties of the hub market.

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¹<https://www.worldbank.org/en/topic/smefinance>



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