

Shareholder Proposal for FedEx 2022 Proxy Ballot
Shareholder Advisory Vote on Electioneering Contributions
Submitted by Clean Yield Asset Management

Whereas:

Proponents believe FedEx should establish policies and reporting systems that minimize risk to the firm's reputation and brand by addressing possible missteps in corporate electioneering and political spending that contrast with our company's stated values.

Following the January 6, 2021, attack on the Capitol, FedEx stated "We condemn the violence that occurred in Washington, D.C., and fully support the results of the U.S. general election." Yet FedEx subsequently contributed \$58,500 to 27 members of Congress who challenged the certification of the 2020 presidential results that day. (<https://bit.ly/33crKM0>)

Relatedly, in 2020, FedEx contributed to the Republic Attorney Generals Association, two-thirds of whose members signed on to a brief urging the Supreme Court to throw out the 2020 election results from four states, and which ran a robo-calling campaign urging "patriots" to "march to Congress" and "stop the steal." A number of companies and organizations discontinued their affiliations with the Association, but FedEx's position has not been communicated.

In another example, FedEx supports a number of diversity, equity and inclusion initiatives. FedEx has supported gender diversity by sponsoring a women's employee resource group and providing maternity leave, financial assistance with adoptions and providing a work-life balance program. Yet based on public data, the proponent estimates that in the 2016-2020 election cycles, FedEx and FedExPAC have made political donations totaling over \$4 million to politicians and political organizations working to weaken access to reproductive health care, undermining the ability of employees to manage their fertility.

In a communication to employees in June 2020, FedEx CEO George Smith wrote that there is "absolutely no place for racism or unequal treatment anywhere, and we must unequivocally speak out and reject it when we see it." Yet FedEx supports politicians, a trade association and 527 organizations seeking to enact voting restrictions in Tennessee and elsewhere, which disproportionately target minority voters. In the proponents' view, this activity diminishes the management's efforts to champion racial inclusion and equity, which could damage morale, recruitment, retention and brand.

Resolved:

Shareholders request that FedEx publish an annual report, at reasonable expense, disclosing whether incongruencies between political and electioneering expenditures and company values were identified during the preceding year, and disclosing or summarizing any actions taken regarding pausing or terminating support for organizations or politicians, and the types of incongruent policy advocacy triggering those decisions.

Supporting Statement:

Proponents recommend that such report also contain management's analysis of risks to our company's brand, reputation, or shareholder value of expenditures in conflict with publicly stated company values. "Expenditures for electioneering communications" means spending, from the corporate treasury and from the PACs, directly or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.

Proponents believe that FedEx should incorporate this accountability mechanism into its political contributions policies and reporting systems to achieve greater alignment with policies and initiatives of importance to the firm.