

Interview with Mitch Jackson, Staff Vice President, Environmental Affairs & Chief Sustainability Officer, FedEx

Q. Your title is very provocative. What do you mean by those three words?

A. It sounds similar to what we've heard with respect to recycling in the past, but it has a different meaning as it relates to sustainability as an overall practice or discipline in an enterprise. It comes from the idea of what we at FedEx call "Practical Sustainability." Practical Sustainability is strategic and transformational stewardship that adds value to an organization—tangible value—in its efforts to be more responsible for the community in which it serves and operates. This can apply to public institutions or private companies. Reduce, Replace, Revolutionize is the strategic approach to implementing Practical Sustainability. The first element is to *Reduce* or eliminate the impacts of your activities or operations, first and foremost. The second element is to then *Replace*—and by replacing, find the right solutions for the right applications. Last, the third element pushes beyond the first two of Reduce and Replace—those are imperatives that we as sustainability professionals, environmental managers or energy managers need to be focused on today; but what about tomorrow? That's where *Revolutionize* comes in. The idea is to discover and utilize the technologies and solutions of tomorrow and put them into service today.

Q. Can you give me concrete examples?

A. We at FedEx often talk about our impact as it relates to vehicles, aircraft, facilities, and in packaging and paper. But I will use an example of vehicles here. We have a goal to improve the fuel efficiency of our FedEx Express vehicle fleet by 50% by 2025 - after having achieved our previous goal of 30%. We have already achieved 35%, well on our way towards that 50% goal. We've done it using this Reduce, Replace, Revolutionize strategy. We work hard each and every day to optimize the routing of the vehicles that we have in our fleet, while focusing on efficiency and customer service in doing so. This allows us to reduce the overall mileage and fuel used, and emissions generated, for the service areas. We then apply the right vehicle solutions in the specific routes; or replace them. Longer distance routes use smaller vehicles because they have better fuel economy, and do not need the larger cargo capacity. In downtown urban areas, we maximize for cargo capacity. And then we seek to revolutionize. For years we've worked on technology solutions, including alternative fuel, hybrid electric, and all-electric vehicles. We worked years ago with Environmental Defense Fund to put the first commercially-viable hybrid-electric vehicles on the road. We have since put all-electric vehicles in the delivery vehicle space.

Q. How far away is society from the future where we're going to see a lot of electric vehicles?

A. No one company will be solely responsible for the transformation of transportation: we all have to contribute. In the past few years, the light-duty or passenger vehicle industry has started the move to electrification, while the commercial vehicle sector has been slower to follow. FedEx put its first all-electric vehicles in service in London in 2009, with more following in subsequent years. Until recently, however, the scale and availability has been disappointing. The prospects of electrification for commercial vehicles are improving, but, there's still work needed to make cost-efficient, operationally viable electric commercial vehicles available.