

## Creating A More Sustainable Future

### ≡ SUSTAINABILITY

## Sustainability Approach

We have a deep sense of stewardship for managing our resources and maximizing our positive social impact. Our sustainability principles guide these efforts. We proactively engage on issues that span the breadth of our operations – this includes transparency, product responsibility and supply chain management, energy management, diversity and inclusion and building resilient communities. We believe operating by these principles will enable us to create value for our shareholders while addressing the shared needs of society.


## Guiding Principles



## Sustainable Stewardship Goals

We are proud to introduce Sustainable Stewardship Goals that will carry us through 2025. Informed by a materiality assessment, these goals are aligned with our corporate strategy and business initiatives to create shared value for our company and our stakeholders.

Our Ambition	2025 Goal <i>All goals by 2025 unless otherwise noted</i>
<b>Energy</b> Operate efficiently and adopt environmentally friendly solutions	Reduce energy consumption by 10% from a 2018 baseline Host 10 additional solar installations, bringing our total to 110
<b>Waste &amp; Recycling</b> Recycle as much material as possible	Increase in-store recycling rate to 67%
<b>Materials &amp; Fibers</b> Incorporate more sustainably sourced raw materials and fibers into our private brand products	Implement policies focused on preferred fibers in our pipeline for all private brand product categories
<b>Chemical Management</b> Continue to remove unwanted chemicals and increase transparency of designated private brand product lines	Develop and implement our first Private Brand Restricted Substance List (RSL) covering apparel, footwear and home textiles  Develop and implement our first Private Brand Manufacturing Restricted Substance List (MRSL) for children's apparel/footwear and home textiles
<b>Products</b> Offer more products that are sustainable and eco-conscious	Achieve annual improvement in the number of sustainable products offered
<b>Sourcing</b> Improve environmental performance and social responsibility among our private brand suppliers	Direct all of Macy's private brand factories to use Sustainable Apparel Coalition (SAC) Higg Index tools
<b>Transparency</b> Launch a collaboration to share and advance sustainable practices across the retail industry	Publicize sustainability performance data from CDP (formerly the Carbon Disclosure Project) and other sources, for our largest national brand partners on <a href="http://macysinc.com">macysinc.com</a>

	<p>Launch a collaboration to share and advance sustainable practices with our national brand partners and across the industry</p> <p>Continue proactive engagement with our stakeholders</p> <p>Continue to report on commonly recognized standards</p>
<p><b>Diversity</b></p> <p>Integrate diversity and inclusion into all aspect of our business</p>	<p><a href="#">Learn more about our short- and long-term Diversity &amp; Inclusion Goals</a></p>

## Sustainability Governance

Macy's, Inc. sustainability practices are governed by the Macy's, Inc. Sustainability Working Group. Led by the senior vice president of Corporate Communications, this group includes leaders in merchandising, legal, supply chain, facilities and communications. These members provide direct insight into all areas of our business and have the responsibility to set sustainability goals and drive progress toward them. The Macy's, Inc. Sustainability Working Group is supported by the Macy's Private Brand Sustainability Committee, which includes those members of our Macy's Private Brand organization who are accountable for responsible sourcing, social compliance and other sustainability initiatives for our private brands. These individuals have sustainability and human rights policies and risks built into their performance goals and compensation.

The Macy's, Inc. Sustainability Working Group reports to the Macy's, Inc. Corporate Strategy Group (CSG). The CSG is led by the chairman and chief executive officer and comprises the 14 senior-most executives of Macy's, Inc. and is overseen by the Board of Directors. Additionally, the Nominating and Corporate Governance Committee of the Macy's, Inc. Board of Directors oversees policies and practices related to charitable, political, social human rights and environmental issues, initiatives and reporting.



## Minimizing Environmental Impact

As responsible stewards, we seek to operate efficiently and adopt environmentally friendly solutions that create value for all of our stakeholders.



## Ensuring Merchandise is Socially Responsible

We are committed to using more sustainable sources, respecting the human rights of our workers and protecting the environment.





## Embedding Diversity And Inclusion Into How We Think, Act And Operate

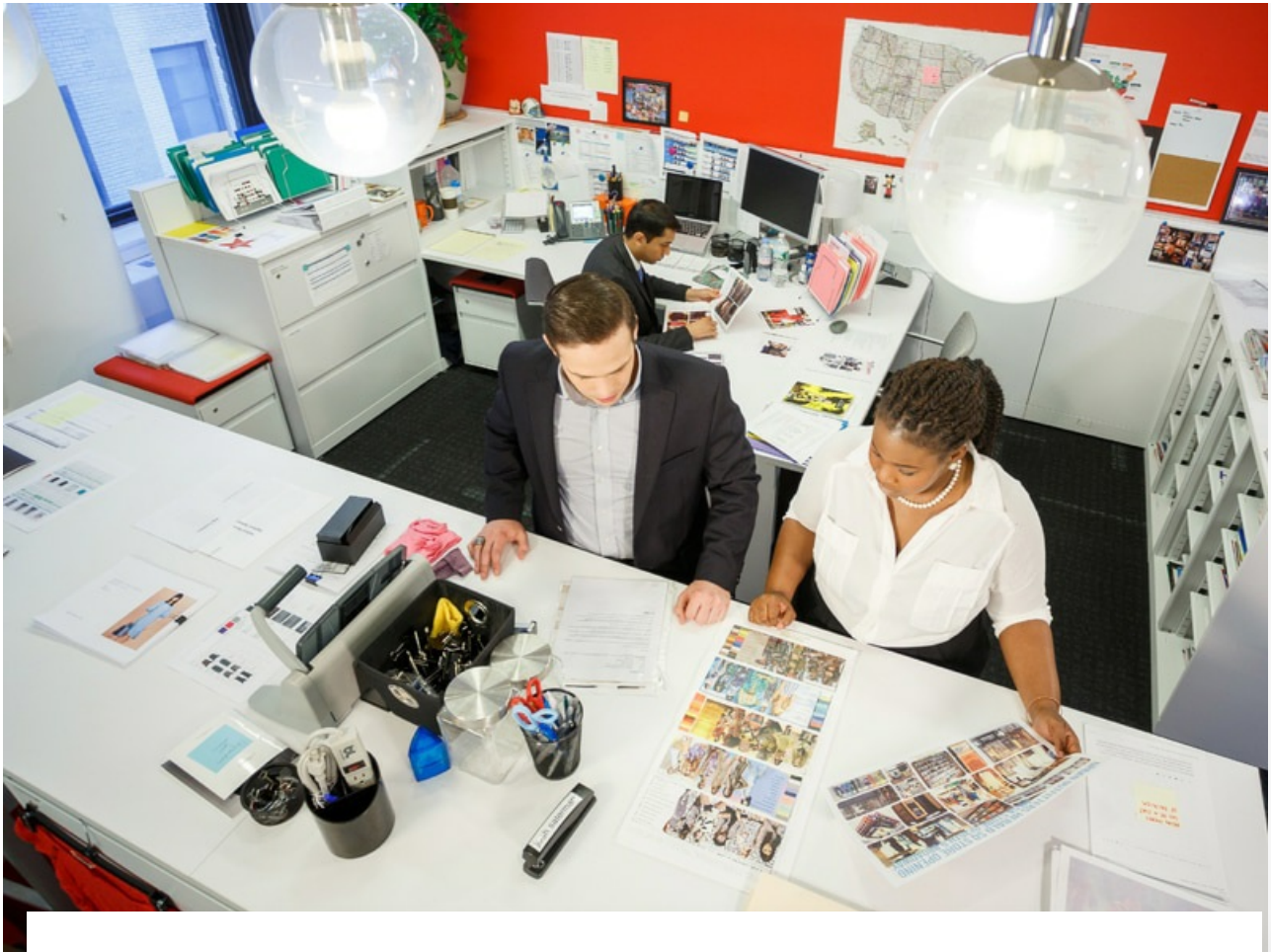
We are strongest and our brand shines brightest when all aspects of our business reflect the diversity of the customers and communities we serve.



## Our Support Makes a Difference

We are dedicated to serving our communities by creating jobs, giving back and being a vibrant hub for commerce and connection.





## Leading Talent Development in the Retail Industry

We strive to be an employer of choice in every location where we do business, offering competitive pay and benefits, and a welcoming and inclusive work environment. We foster a winning mindset and provide all colleagues with the programs and opportunities they need to contribute to the business and their own growth and development in a meaningful way.



# 2018 SUSTAINABILITY REPORT



## View Our 2018 Sustainability Report

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