

Seven years ago, in 2008, Macy's, Inc. established a five-point action plan for sustainability. It has served as the roadmap for our ongoing commitment to reducing our company's carbon footprint as we create, grow and sustain our success in this area. We have made continuous improvement, and we are delighted to report a number of significant accomplishments during 2014.

- ▶ Macy's reduced electricity consumption by another 2 percent. Since 2002, our electrical usage on a kilowatt-per-square-foot basis has been reduced by nearly 40 percent, one of the most effective records of any large organization.
- ▶ We added 19 new solar power installations, bringing our total to 74 on Macy's, Inc. buildings. In total, they generate more than 46 million kilowatt hours of renewable energy each year.
- ▶ We rolled out a nationwide sustainability tracking system called "Green Grade" to measure use of energy, paper and recycling in every Macy's store. The results are updated frequently and posted publicly to encourage associates to take actions that will lead to improved scores.
- ▶ We continue to use less paper, with a reduction of about 5 percent in 2014 from 2013 levels.
- ▶ We recycled 77,613 tons of cardboard, plastic, hangers, pallets, paper and other materials in our drive to divert materials that were otherwise destined to landfills. This was our fifth consecutive year of increases in recycling volume.
- ▶ We initiated a structured program to investigate how to reduce packaging waste related to products in our supply chain. In part, we organized collaborative discussions among a group of our largest housewares merchandise vendors to share best practices, generate new ideas, and investigate new standards in how products are packed and shipped.
- ▶ We collaborated with Volta Industries to install 17 new free-to-operate electric vehicle (EV) charging stations outside eight Macy's stores in the Los Angeles area. This installation brings the number of EV charging stations available to customers at Macy's store locations in Southern California to 33.
- ▶ We entered a new phase of an industry-leading program to install energy-saving LED light bulbs in stores nationwide. In 2014, LED technology was extended to begin replacing fluorescent fixtures in store locations.
- ▶ Macy's Private Brands — the company's product development organization — joined the Sustainable Apparel Coalition, a trade organization working to reduce the environmental and social impacts of apparel and footwear products around the world.

To learn more, I invite you to read the Macy's, Inc. Report on Sustainability at macyinc.com/SocialResponsibility.



Terry J. Lundgren
Chairman and Chief Executive Officer



macysgreenliving.com

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