

Macy's, Inc. remains steadfastly committed to sustainability. We have made significant, continuous progress on all fronts over the past decade, and we continue to look for new ways to minimize our environmental impact.

As a leading national retailer with a significant workforce, we have the opportunity to make a meaningful difference in improving the environment. And we do so by using resources more efficiently and striving to reduce our overall impact on the environment. We must, however, operate within the bounds of good business decisionmaking so that each action we take is measurable, sustainable and enduring.

We are delighted to report a number of significant accomplishments during 2015.

- ▶ Macy's reduced electricity consumption by another 1 percent. Since 2002, our electrical usage on a kilowatt per square foot basis has been reduced by about 40 percent, one of the most effective records of any large organization.
- ▶ We added new solar power installations, bringing our total to 78 on Macy's, Inc. buildings. In total, they generate more than 46 million kilowatt hours of renewable energy each year. We expect to have more than 100 solar power installations by the end of 2016.
- ▶ The company continues to use less paper, with a reduction of about 9.5 percent in 2015 from 2014 levels.
- ▶ We recycled about 73,000 tons of cardboard, plastic, hangers, pallets, paper and other materials in our drive to divert materials that were otherwise destined to landfills. Our waste diversion rate is approaching 65 percent.
- ▶ We continued 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 entered a new phase of our industry-leading program to install energy-saving LED light bulbs in stores nationwide. Today, LED technology is replacing fluorescent fixtures in store locations.
- ▶ Macy's Private Brands — the company's product development organization — is actively working with 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 (www.macysinc.com/social-responsibility) and visit our environmental sustainability website, macysgreenliving.com.



Terry J. Lundgren
Chairman & Chief Executive Officer



macysgreenliving.com

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