Letter from Terry J. Lundgren

At Macy’s, Inc. we pride ourselves on being part of a company that operates with integrity, makes good choices and does the right thing in every aspect of our business.

This publication, our Report on Social Responsibility, outlines Macy’s, Inc.’s philosophies and illustrative actions on a wide variety of subjects – including environmental sustainability, product sourcing, consumer choice, community support, diversity and inclusion, employment and corporate governance.

In doing so, we seek to present a holistic picture of our role in society and how we support the common good. This publication is intended as an information resource for all of our stakeholders – customers, associates, shareholders, and community and government leaders.

Our company has accomplished much; however, it is important to note that we have plenty of opportunity to improve. There really is no finish line in social responsibility. Rather, we must keep moving forward and innovating. That is why we measure our progress in areas where data is available and tracking is viable. We report the data publicly so we can challenge ourselves and document our progress.

Thank you for your interest in our company and for your support in joining with Macy’s, Bloomingdale’s and Bluemercury to make our local communities, our nation and our world a better place to live and work.

Sincerely,

Terry J. Lundgren
Chairman and Chief Executive Officer, Macy’s, Inc.

About the Cover: Macy’s is celebrating the 10th anniversary of Path to Peace, a program through which women who survived the Rwandan genocide make handmade baskets for sale in our stores and online. See page 21 for more information.
Tangible Progress in Sustainability
Macy’s, Inc. remains steadfastly committed to sustainability. We have made significant 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 decision-making so that each action we take is measurable, sustainable and enduring.
Macy’s 5-Point Action Plan

Macy’s, Inc.’s commitment to sustainability is multidimensional.

01 / We will be aggressive in our drive to eliminate wasteful behavior. In some cases, this requires consistent application of very simple principles, such as reminding our associates to turn off lights when rooms are not in use, to print fewer hard copies of e-mails, to recycle waste, to optimize facility performance and to use mass transit for commuting to work. In other cases, we will be pursuing systematic improvements to the way we do business, such as better targeting customer mailing lists and shifting marketing to electronic media so we are producing and sending fewer printed advertisements.

02 / We will reduce our use of scarce resources in a meaningful way. Macy’s, Inc. will pursue ongoing programs to consume less electricity and water, reduce our waste stream, and source more of our power from renewable resources such as solar energy. We will use fewer paper-related products, recycle more and seek to use paper made with post-consumer waste. We will work to migrate more of our output from paper to electronic/digital, including large-scale projects such as monthly customer billing statements. By doing so, we will reduce the company’s greenhouse gas footprint, energy consumption and costs.

03 / Whenever possible and sensible within the context of our business requirements, Macy’s, Inc. will pursue the most environmentally-friendly solution. We will be as aggressive as possible in changing for the better to preserve endangered forests, wildlife, water quality and ecosystems. We will explore ways to make our shopping bags, gift boxes, wrapping tissue, merchandise hangers and other staples of retailing from recycled and/or certified paper sources, with a preference for Forest Stewardship Council (FSC) certification. The building materials used in our stores will be environmentally-certified whenever reasonably possible.

04 / We will take a comprehensive approach to sustainability, involving everyone around us. Macy’s, Inc. will advocate sustainability and renewability with our vendor partners, associates and customers. This will include developing supplier sustainability standards and promoting eco-friendly products to our customers. We will encourage our associates and ask them to support our initiatives with their ideas, energy, personal actions and volunteer time. We will support efforts in our communities and our nation to clean up the environment and reduce consumption of scarce resources.

05 / We will measure what we do and strive toward quantifiable goals. Macy’s sets and periodically refreshes sustainability goals to guide our progress. On page 6 is a snapshot of our progress against goals in key areas of sustainability.

Waste Recycled

<table>
<thead>
<tr>
<th>Year</th>
<th>Tons</th>
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<tbody>
<tr>
<td>2012</td>
<td>68,688</td>
</tr>
<tr>
<td>2013</td>
<td>77,380</td>
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<tr>
<td>2014</td>
<td>77,248</td>
</tr>
<tr>
<td>2015</td>
<td>79,565</td>
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</table>
## Sustainability Goals

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Renewable Energy Sources (i.e., solar)</th>
<th>Paper Consumption</th>
<th>Use of Recycled/Certified Paper</th>
<th>Use of Sustainable Building Materials in Major Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INITIAL GOAL SET IN SPRING 2008</strong></td>
<td></td>
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</tr>
<tr>
<td>Reduce total energy use on a kilowatt-hour-per-square-foot basis by another 10-15 percent by 2010.</td>
<td>Increase our use of renewable power sources eight-fold by 2010 from 2006 levels.</td>
<td>Reduce the amount of paper we use by at least 20 percent by 2010 (from 2006 levels).</td>
<td>Increase the percentage of third-party certified and/or recycled (10 percent post-consumer waste or higher) paper we use in marketing materials to at least 50 percent by 2010.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>ENHANCED GOAL RE-SET IN 2013</strong></td>
<td>By 2015, install an additional 25 percent to 35 percent of solar power systems from 2012 levels.</td>
<td>By 2015, manage the amount of paper products we use through internal operations so any growth is at least 20 percent less than the increase in the number of sales transactions in our stores and online.</td>
<td>Increase the percentage of third-party certified and/or recycled (10 percent post-consumer waste or higher) paper we use in marketing materials to 95 percent by 2015 from 63 percent in 2009.</td>
<td>Increase the use of sustainable building materials in all major construction projects by more than 15 percent by 2015 (over 2012 levels).</td>
</tr>
<tr>
<td><strong>CUMULATIVE IMPACT</strong></td>
<td>Increased solar energy with a total of 74 active installations at Macy’s locations at year-end 2014, with another 44 in various stages of development (as of Sept. 1, 2015)</td>
<td>In 2014, the volume of total paper products used through internal operations declined at more than 4 times the rate of change in sales transactions. The company reduced its total paper consumption in 2014 by 5 percent over 2013 levels.</td>
<td>Increased the percentage of certified or recycled paper used in marketing materials to 97 percent in 2014, compared with 63 percent in 2009.</td>
<td>Sustainability is now built into all Macy’s and Bloomingdale’s store design, remodel and construction projects. The company increased its contribution rate of capital spend on sustainable building materials by 40 percent in 2014, compared with 2013.</td>
</tr>
</tbody>
</table>
Sustainability In Action

01 LED Lighting
Macy’s, Inc. has entered a new phase of its industry-leading program to install energy-saving LED lamps in stores nationwide. The company has already installed more than 1.1 million LED lamps in more than 800 Macy’s and Bloomingdale’s stores across America, cutting energy consumption used in lighting by up to 70 percent compared with conventional lamps replaced. New types of LED installations continue to be piloted and used in new stores and store remodel projects.

02 Solar Power
Macy’s was ranked as the 6th largest American company in total on-site installed solar capacity in 2014 by the Solar Energy Industries Association. The company is planning and developing 44 additional solar power arrays to be installed on the roofs of stores and distribution centers in California, Connecticut, Hawaii, Maryland, New Jersey, New York and other states in 2015 and 2016. At year-end 2014, solar energy was being generated on 74 active installations at Macy’s and Bloomingdale’s facilities. About 46,500 Megawatt Hours of renewable energy are generated annually on 74 Macy’s, Inc. facilities, and all but 3,600 Megawatt Hours are sold to others.

03 Sustainable Apparel Coalition
Macy’s Private Brands – the company’s product development organization – is a member of the Sustainable Apparel Coalition (SAC), a trade organization working to reduce the environmental and social impacts of apparel and footwear products around the world. SAC is comprised of brands, retailers, manufacturers, government, and nongovernmental organizations and academic experts, representing more than a third of the global apparel and footwear market. Private brands has rolled out the Higg index (the SAC’s tool to assess sustainability) to 77 factories producing wearing apparel, footwear, and home textiles. We are currently in the process of validating those results using an internal audit protocol.

04 Project Linus Reduces Fabric Waste
When Macy’s Private Brands organization set out to find a way to make productive use of damaged product and fabric samples that were being discarded, they found Project Linus. The nonprofit organization – named for the famed Peanuts character and his trustworthy blanket – is dedicated to providing security through [handmade] blankets for ill or traumatized children and teens. Over the past five years, Macy’s Private Brands has dropped off fabric and product samples on a monthly basis. The result has been thousands of blankets that provide comfort and warmth to children when they need it most.

05 Electric Vehicle Charging Stations
Macy’s has an agreement with Volta Charging LLC to install up to 24 new free-to-operate electric vehicle (EV) charging stations outside 12 stores in the San Francisco Bay area beginning in early 2016. All are expected to be operating by the end of fall 2016. Completion of these and other installations in the Los Angeles area will bring as many as 58 EV charging stations to customers at Macy’s and Bloomingdale’s store locations in California. Macy’s is pursuing additional free-to-charge EV stations outside Macy’s stores in other markets. In 2011, Macy’s became the first major department store to pilot the use of EV charging stations when it forged an agreement to install 16 charging stations outside five Macy’s stores and one Bloomingdale’s store in the San Diego area, which are currently being operated as part of the Blink Network. Collectively, these charging stations provide an added convenience to EV drivers and help promote the reduction of fuel consumption and the transition to clean, renewable energy.
Packaging Reduction
Macy’s is reducing waste in the merchandise supply chain by standardizing the size of packing cartons, incorporating recycled polyester fibers in many woven garment labels, and minimizing packaging materials. Macy’s has led a process with a group of major home merchandise vendors to explore new ways to reduce waste and cost in product packaging in a manner that facilitates sharing and adoption of best practices.

Sustainable Shipping
Macy’s has transitioned cross-country shipments from over-the-road trucks to intermodal rail containers, which contribute less than 50 percent the amount of carbon dioxide per freight mile than trucks. In the last five years, annual intermodal use increased by 200 percent to 48 million miles and reduced carbon dioxide emissions by more than 99 million pounds. Merger centers have been introduced in our largest vendor shipping markets - California, New Jersey, North Carolina and Illinois. Multiple vendors are combined on a single truck to ensure full utilization of space for trailers going to a Macy’s distribution center. This has increased the number of cartons per trailer by 50 percent which means less carbon emitted.

Digital Receipts
Macy’s is driving adoption of digital receipts, which are available in all stores nationwide. When making a purchase, customers can choose to have a copy of their receipt e-mailed to them, thus eliminating the unnecessary use of paper receipts. Digital receipts are a convenience for many customers and support the company’s sustainability objective of reducing the use of paper in its business operations. In 2014, about 7 percent of all store transactions were paperless.
Product Sourcing
There is no shortage of talk about the obligation of public companies to be socially responsible to the people and communities where they do business. At Macy’s, Inc., we hold those same beliefs – along with a belief that actions speak louder than words when it comes to helping tackle some of the toughest problems facing us today.
Since 1995, Macy’s, Inc. has had a stringent Vendor & Supplier Code of Conduct (the “Vendor Code”) that sets out specific standards and requirements for any supplier doing business with Macy’s, Inc. This includes private brand goods produced through contracted vendors. The Vendor Code is designed to protect workers in this country and abroad. All of the company’s vendors agree to comply with the company’s Vendor Code and Statement of Corporate Policy on Child or Forced Labor and Unsafe Working Conditions. Among other things, the Vendor Code requires that suppliers of Macy’s private brand merchandise allow unannounced factory audits (within a 14-day audit window) for contractual compliance, as well as for compliance with laws and regulations dealing with child or forced labor, wages and hours, and unsafe working conditions. Noncompliance with the Vendor Code has resulted in termination of 96 factories in the 2011-2014 period.

Macy’s, Inc. Statement of Corporate Policy regarding child or forced labor and unsafe working conditions, as well as the company’s Vendor Code, is posted at macysnet.com. The Vendor Code also is posted on macysinc.com/vendorcodeofconduct or available by calling 1-800-261-5385.

Macy’s, Inc. does not tolerate the involvement of its suppliers in human trafficking and slavery. We will quickly investigate any reports alleging human trafficking and slavery in the supply chain and will take swift and decisive action against any supplier that is found to act improperly in this regard. We have enhanced our Vendor Code and our audit tool used for factory audits to emphasize our policies on human trafficking, slavery and unsafe working conditions.

Recognizing the risks of human trafficking and slavery is a key objective of our human trafficking and slavery training for our employees responsible for core private brand goods procurement. This training presents real-world scenarios to help participants identify both the obvious and more subtle indicators of trafficking or forced labor. The focus of this online course is to:

- Increase awareness of human trafficking in supply chains
- Identify human trafficking and slavery risks in company supply chains
- Support prevention and mitigation efforts when human trafficking and slavery is suspected.

In addition, each year our executives receive General Legal Compliance training or Code of Conduct training, both of which contain information on human trafficking and slavery. Over the past three years, more than 20,000 Macy’s, Inc. employees have received this training each year.
Factory Audits

Macy’s, Inc. requires various types of audits at factories worldwide that are contracted to produce goods we design, market and sell as part of the Macy’s Private Brands program.

The audits are conducted by UL Verification Services, an independent third party. UL Verification Services brings in-depth experience in verifying employment practices, including age and wage in accordance with local labor laws; factory health and safety; and living facilities. Audits also include private interviews with workers in various departments to confirm factory policies.

Through quality assurance inspections and social compliance audits, Macy’s holds its suppliers accountable that the merchandise produced is manufactured in compliance with the Vendor & Supplier Code of Conduct (the “Vendor Code”), as well as consistent with local laws and regulations.

Initial Audits of New Vendors

In every case, suppliers must meet or exceed Macy’s minimum standards before being approved for production and set up in our system for merchandise orders.

If problems are identified, the factory may be provided an opportunity to make corrections. In those cases, we then repeat the audits to verify that any issues have been resolved.

Ongoing Audits
In addition to initial audits, all factories are subject to audits every 12 to 18 months. They are conducted within a 14-day audit window and are conducted more frequently at factories where violations have been noted in the past. We maintain our own standards for compliance, which are among the highest in the U.S. retailing industry.

We have identified the following violations as High Risk:

1. Child or forced labor, freedom of movement, slavery or human trafficking
2. Physical abuse
3. Attempted bribery or kickback
4. Homeworkers
5. Fraudulent record keeping
6. Unauthorized subcontracting
7. Failure to satisfy Special Protocols issued to the supplier by Macy’s Merchandising Group (MMG) to correct a safety condition identified in the Special Protocol.

(Macy’s is a member of the Alliance for Bangladesh Worker Safety and therefore factories used in Macy’s Private Brands program and located in Bangladesh are required to meet the standards and protocols that are set forth in that agreement.)

Note: A confirmed violation of the Foreign Corrupt Practices Act will result in immediate deletion of both factory and supplier.

When a High Risk violation is found at any factory, the situation is elevated internally at Macy’s for a decision that may include some type of remediation or removal of the factory as a supplier.

Macy’s, Inc. also conducts security audits of its FOB overseas factories for private brand production in cooperation with U.S. Customs and Border Protection, an agency of the Department of Homeland Security, as part of the Customs-Trade Partnership Against Terrorism (C-TPAT) program. Macy’s has been part of C-TPAT since the program was initiated in 2002. The goal of these audits is to further improve security measures at our production sites and throughout the supply chain.
Supplier Factory Audit Results for 2014

In fiscal 2014 (the year ended Jan. 31, 2015), the company conducted 1,258 factory audits:

- The **1,258** factory audits in 2014 compares to **1,280** in 2013 and **1,433** in 2012.

- Free on Board (FOB) supplier total number of audits – **612**
- Landed Duty Paid (LDP) supplier total number of audits – **646**

2014 factory inspections by region of the world:
- East Asia................................................................. 710
- South/Southeast Asia and Oceania.............. 428
- North/Central/South America ....................... 91
- Europe................................................................. 17
- Middle East/Africa.............................................. 12
During 2014, audits showed a total of 22 factories fell under the category High Risk, which is considered a failure.

Of the 22 factories with a High-Risk audit in 2014:
- 19 factories were terminated and are no longer used for production, or were eliminated from consideration prior to orders being placed.
- 3 factories were allowed to remain active for production, pending specific corrective action to improve conditions, followed by follow-up audits and/or specialized training.

Of the 93 factories with a High-Risk audit in 2011, 2012 and 2013 combined:
- 77 factories were terminated and are no longer used for production, or were eliminated from consideration prior to orders being placed.
- 16 factories were allowed to remain active for production, pending specific corrective action to improve conditions, followed by follow-up audits and/or specialized training.

Training

All Macy's offices (and our senior management) are actively engaged with FOB and LDP suppliers and factories on our Vendor & Supplier Code of Conduct efforts and audit program. The overseas merchandising team in each office is responsible for providing orientation and training to any new FOB suppliers and factories and the social compliance team in New York is responsible for providing orientation and training to any new LDP suppliers and factories. New factories are encouraged to carry out a self-audit prior to a third-party audit being done. When needed, we encourage factories requiring remedial support and/or special guidance to arrange their own consultation or remediation service through a reputable social compliance monitoring firm. We also encourage all our active suppliers to establish their own independent in-house social compliance function to regularly monitor their compliance across their span of operations.

Periodically, we train the LDP suppliers in New York on the audit/approval process by reviewing all requirements and expectations specific to private brand suppliers. We reiterate what is required based on our Vendor & Supplier Code of Conduct and discuss changes to the program, as well as developments and future directions in the social compliance arena.

Internally at Macy's, we train new hires from the various merchant areas to provide an introduction to social compliance: the challenges, what is expected from the product areas and what is required to set up a supplier and factories.
Alliance for Bangladesh Worker Safety

In 2013, Macy’s became a founding member of the Alliance for Bangladesh Worker Safety, which was formed to protect and empower workers, and elevate fire and building safety in Bangladeshi garment factories through comprehensive and measurable actions.

The Alliance made significant progress in its first and second years. Among the Alliance’s accomplishments are the following:

**Inspections:**
- Developed and implemented the country’s first harmonized Fire Safety and Structural Integrity Standard
- Identified and hired seven professional local companies to serve as Qualified Assessment Firms to conduct independent initial and final inspections
- Inspected 100 percent of its more than 660 factories
- Continued to roll out publication of all inspection reports and Corrective Action Plans to Alliance and Government of Bangladesh websites
- Recommended to the National Tripartite Committee Review Panel to close or partially close 23 unsafe factories, none of which produced goods for Macy’s Private Brands

**Remediation:**
- Approved Corrective Action Plans for 100 percent of Alliance factories
- Completed at least one remediation verification visit in 100 percent of Alliance factories to confirm that remediation is in progress
- Successfully advocated to the government to eliminate tariffs on key safety equipment (such as fire doors), making critical items significantly more affordable
- Doubled the duration of compensation provided to displaced workers from two to four months
- Disbursed wages to workers displaced by factory remediation
- Launched a first-of-its-kind agreement with the International Finance Corporation (IFC), in which IFC will provide a total of USD $50 million to five Bangladeshi banks for affordable loans to factory owners making necessary safety repairs

**Training:**
- Developed the Alliance Basic Fire Safety Training program and trained workers and managers in basic fire safety
- Trained security guards in Alliance factories on fire safety and emergency response
- Hosted two International Trade Expos for Building and Fire Safety in Dhaka (the first-ever in Bangladesh) with attendees that included vendors, factory owners and safety experts to increase access to and knowledge of high-quality safety equipment and expertise
- Published an independent impact assessment of the Basic Fire Safety Training program, which found that workers have a much better understanding of fire hazards and their role in emergencies and evacuations after participating in the training

**Worker Empowerment:**
- Conducted the largest worker survey ever administered in Bangladesh
- Established an Alliance Worker Helpline, Amader Kotha, in more than 400 Alliance factories
- Created and engaged a Board committee dedicated exclusively to labor issues comprised of five trade union leaders
- Invited worker representatives to be part of the factory inspection and remediation verification processes
- Amended the Alliance Members Agreement to include a worker’s right to refuse unsafe work
- Partnered with the Better Work Programme to pilot Occupational Safety and Health (OSH) Committees

For more information, visit bangladeshworkersafety.org.
Macy’s, Inc. Conflict Minerals Policy

This section contains Macy’s, Inc.’s policy regarding the use of conflict minerals in its private label products. As used in this policy, “Macy’s” includes Macy’s, Bloomingdale’s and Bluemercury and their respective subsidiaries, including Macy’s Merchandising Group.

The Securities and Exchange Commission adopted a conflict minerals rule (the “Conflict Minerals Rule”) as mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. “Conflict minerals” are defined in the Conflict Minerals Rule as cassiterite, columbite-tantalite (coltan), gold, wolframite and three specified derivatives: tin, tantalum, and tungsten. The mining and trade of the minerals is believed to help finance armed groups that are committing human rights abuses in the Democratic Republic of the Congo and its adjoining countries. The Conflict Minerals Rule is intended to reduce a significant source of funding for these groups.

Macy’s takes seriously its obligations under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding conflict minerals. Macy’s is committed to ensuring that the metals and other minerals contained in the private brand products it sells are obtained, produced, and used in a socially responsible manner. Macy’s does not directly source conflict minerals from mines, smelters or refiners, and is in most cases several levels removed from these market participants. Macy’s therefore requires the cooperation of its private label suppliers in the implementation and execution of its processes to comply with the rule.

Macy’s expects its suppliers to seek minerals from sources that do not directly or indirectly contribute to the conflict in the covered countries. Macy’s reserves the right to request from any supplier at any time such information, certifications, and documentation as it shall deem necessary to monitor or assess compliance with this policy.

Macy’s seeks to work with suppliers who will share its commitment in working toward compliance with this policy.
Consumer Choice
In a free society as eclectic and ethnically varied as ours, customers expect and demand a range of choices that meet their individual needs and fashion preferences. In our role as retailers, we recognize that it is the consumer who ultimately determines what products will continue to be viable retail offerings. Those decisions are made daily at point of sale by individual consumers and function as a singularly effective barometer for determining what will and will not be sold by retailers in a free and open marketplace. Varied and conflicting viewpoints about what should or should not be sold underscore our belief that factors unrelated to the workings of a free economy are inappropriate determinants of retail offerings.
Consumer Choice

Position on Fur
While we respect the views of individuals who choose not to buy or wear fur, we also respect the wishes of many others who are our customers and who want to make such choices for themselves.

Labeling: Macy’s requires all its vendors to comply with all labeling laws. In the case of labeling fur and fur-trimmed products, our vendors are required to meet the requirements of the Fur Products Labeling Act. Whenever a question arises about the accuracy of labeling, we will investigate and take appropriate action, if warranted.

Selling: Our department stores try to be responsive to customer expectations, particularly in this highly competitive environment. Fashion, value and service are the principles on which our stores are focused. The consumer will ultimately determine whether fur will continue to be a viable product in the American retail marketplace; if no one wants to buy fur, retailers will not sell it. Right now, this is not the case. We understand that customers want to make their own decisions and we respect their right to do so. At the same time, all of our stores offer a wide range of other selections across many merchandise categories. This includes fashions made with faux fur and many other materials, including organic cotton, for example. Consumers have the ability to choose what they prefer.

Position on Merino Wool and Mulesing
In Australia, it has been common practice to surgically remove, without a pain reliever, strips of wool-bearing skin around the breech of sheep to prevent flystrike. Macy’s, through the National Retail Federation, has been an active proponent of alternatives to mulesing. As a result of the efforts of retailers and others, the Australian merino wool industry has made strides in this regard. Macy’s supports efforts for further improvement in this area.

Position on Uzbekistan Cotton
Uzbekistan has a long history of using children to harvest cotton in spite of international demand to change this practice. Macy’s has long had a policy against child labor and has been vocal with suppliers in requesting that cotton from Uzbekistan not be sourced. Macy’s and other retailers have been united in demanding that Uzbekistan not use children or forced labor in the harvesting process. The National Retail Federation continues to represent U.S. retailing in the battle to protect children from forced labor in Uzbekistan. We also have collaborated with the Responsible Sourcing Network in contacting textile mills about our opposition to Uzbekistan cotton in goods made for sale at Macy’s. Our company was a participant in the Cotton Sourcing Survey of Corporate Practices to End Forced Labor.
Socially Responsible Products at Macy’s
Socially Responsible Products at Macy’s

Several exclusive merchandising initiatives at Macy’s involve products with a focus on international social responsibility. Here are three examples.

01 Macy’s Path to Peace
Macy’s Path to Peace program includes colorful and symbolic baskets and bowls handmade by Rwandan female weavers who survived the country’s civil war and genocide. The products are available on macys.com and in selected Macy’s stores. Introduced in 2005, Path to Peace has dramatically changed the lives of many Rwandans. From public health initiatives and HIV/AIDS care to the spirit of hope and reconciliation fostered by the weavers, the tangible and intangible impact of the project is no longer measured by individual weavers but by whole communities. More information is available at macys.com/rwanda.

02 Macy’s Heart of Haiti
Macy’s Heart of Haiti program includes decorative pieces (such as textiles, metalwork and housewares) made by artisans struggling to recover from the tragic earthquake of 2010. The products are available on macys.com and in selected Macy’s stores. Purchasing one of these handcrafted masterpieces directly benefits Haitian artisans by allowing them to support their families with dignity and purpose. With steady income comes better nutrition, improved education and access to healthcare. Heart of Haiti also offers new opportunities for artists to collaborate with U.S. designers, strengthening artisan associations and inspiring and energizing their communities. More information is available at macys.com/haiti.

03 GoodWeave™ Rugs
In spring 2011, Macy’s introduced a collection of decorative area rugs that have been certified by GoodWeave™, an international organization that works to ensure rugs made by hand in Nepal and India are free of child labor. The collection is carried in Macy’s stores nationwide and on macys.com. By buying a beautiful handcrafted rug at Macy’s with the GoodWeave label, shoppers are helping to support families and build sustainable communities in Nepal and India, nations where poverty is widespread. GoodWeave-certified rugs are woven by skilled adult artisans, permitting educational opportunities for children who otherwise might be required to work. Macy’s continues to work with GoodWeave to expand the availability of certified rugs in the United States. More information about GoodWeave is available at goodweave.org.
Community Support
Macy’s, Inc. supports thousands of nonprofit organizations annually because we believe giving back is the right thing to do. It’s a long-standing tradition and a source of pride for the company. Collectively, contributions in 2014 from the company – as well as employee contributions through workplace giving campaigns and customer contributions through our signature giving programs – totaled more than $69 million. In addition, our associates gave more than 188,000 hours of their personal time for community service.
Corporate Giving

Through our gifts from Macy’s and Bloomingdale’s, more than $27 million was contributed to approximately 6,000 nonprofit organizations in 2014. The majority of our gifts were directed to our core focus areas for funding: arts and culture, education, the environment, HIV/AIDS awareness and research, and women’s issues.

Our signature giving program, My Macy’s District Grants, completed its fifth year of operation in 2014 and provided nearly 1,300 grants in our local communities. The District Grants program features contributions committees in each of the Macy’s operating districts who make local funding decisions. Similar to our merchandise localization, the District Grants program aids our local teams in supporting the organizations and causes that are important in their respective local communities.

A major corporate gift in 2014 was a grant of more than $2 million to Make-A-Wish as part of our seventh annual Believe campaign during the holidays. Macy’s donated $1 for every letter to Santa dropped into our special in-store letterboxes, up to a maximum of $1 million, and added contributions of more than $1 million for letters posted on National Believe Day and from other in-store events.

Across the country, support from Macy’s (“The Magic of Giving”) and Bloomingdale’s contributions programs helped sponsor free admission to museums and exhibits, special musical performances, art exhibits, and art and theatre workshops for children. In the area of education, we funded scholarship programs, summer reading programs, mentoring and tutoring, and early childhood education initiatives. Grants in our HIV/AIDS focus area included sponsorship of awareness walks and runs, as well as funding for meals and nutrition programs, housing programs, and research and counseling initiatives.

We contributed to environmental programs covering both conservation and preservation, including sponsorship of Earth Day activities, plant programs for children at botanical gardens, and animal preservation and awareness programs at zoos and aquariums. In the women’s issues focus area, our grants supported early detection and screening programs for heart disease, breast cancer and ovarian cancer; provided a wide range of assistance to emergency shelters; sponsored programs to raise awareness about domestic and dating violence; and funded self-esteem and leadership programs for young girls and teens.
Cause Marketing

Because Macy’s, Inc. believes in helping to create stronger, more vibrant communities, we invited our customers throughout the year to join us in making a difference and “giving back.” In 2014, customers contributed more than $29 million to nonprofit organizations nationwide through our signature programs. Here are just a few examples:

Go Red For Women
2014 marked Macy’s 11th year as national sponsor of Go Red For Women, the American Heart Association’s campaign for awareness and prevention of heart disease in women. In 2014, approximately $5.8 million was contributed to the Go Red movement through our Wear Red Day promotion and from our Thanks For Sharing holiday rewards program.

Reading Is Fundamental
Customers supported Reading Is Fundamental (RIF) with donations totaling nearly $2.7 million in 2014 through our Be Book Smart back-to-school effort and other campaigns.

Pink Pony
Macy’s joins forces with the Pink Pony Fund, The Polo Ralph Lauren Foundation’s initiative in the fight against breast cancer. Special collections of items are offered in Macy’s Polo Ralph Lauren shops, with a portion of proceeds donated to the Pink Pony Fund.

Shop For A Cause
Shop For A Cause is our annual charity shopping day event held in every Macy’s store across the country, benefitting more than 4,000 local charities. In 2014, Macy’s also raised $2.8 million for the March of Dimes which was the recipient of in-store Shop For A Cause tickets.

Thanks For Sharing
Thanks For Sharing is Macy’s holiday rewards program. In 2014, for the sixth consecutive year, $15 million was raised for charitable organizations across the country. By enrolling in the rewards program during the holiday season, customers contribute to designated nonprofit organizations located in communities across the country.

Child Mind Institute
In 2014, for the fifth consecutive year, Bloomingdale’s continued to support the Child Mind Institute’s mission of transforming mental health care for children everywhere with a special cause-related marketing program during the holiday season. Bloomingdale’s shoppers were invited to support CMI by purchasing limited-edition gifts from Gund, Alex and Ani, and Michael Aram to raise much needed funds.

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Got Your Six
In 2014, Macy’s summer American Icons marketing campaign included a partnership with Got Your Six. The cause-related program raised more than $1.5 million for Got Your Six and its mission to honor and empower American veterans through top veteran-focused nonprofit organizations.
Associate Giving

Associates of Macy’s and Bloomingdale’s are tremendously generous with their support of nonprofit organizations – with both monetary contributions and gifts of their time and leadership. They make our “give back” value come alive every day.

Matching Gifts

In 2014, Macy’s contributed more than $5 million to charities across the country as a dollar-for-dollar match of our associates’ personal charitable contributions to approximately 4,100 individual nonprofit organizations throughout the country.

United Way

United Way chapters across the United States received pledges totaling more than $11 million from Macy’s, Inc. associates during the 2014 campaign. Combined with nearly $3 million in contributions from Macy’s, Inc., our United Way campaign total was about $14 million in 2014.

Volunteer Leadership

Macy’s, Inc. employees at all levels provide guidance and serve on the boards of countless not-for-profit organizations across America – from arts groups, to schools, to health care and social service providers, and everything in between.

Earning For Learning

Earning For Learning (EFL) is an initiative that provides grants to elementary and secondary schools where Macy’s, Inc. associates, their families or retirees volunteer their time for education activities such as tutoring and mentoring. In 2014, Macy’s awarded 78 grants totaling $25,000 through the EFL program, and EFL volunteers gave nearly 2,600 hours of service to their local schools.

Bag Hunger

Macy’s, Inc. associates contributed food, donations and volunteer time equivalent to $3.7 million in 2014 to our companywide Bag Hunger food campaign to help reduce hunger in our local communities.

JDRF

Bloomingdale’s has raised millions of dollars for the Juvenile Diabetes Research Foundation through auctions, walks and other events.
Volunteerism

Since the Macy’s, Inc. Partners in Time employee volunteer program was founded in 1989, thousands of volunteers have given more than 2 million hours of community service. That’s valued at more than $43 million to thousands of charities we’ve impacted through the years.

Along the way, our Partners in Time program earned national recognition, receiving the Points of Light/Hands On Network "Award for Excellence in Workplace Volunteerism," among other honors. In 2014, nearly 34,000 participants conducted more than 4,000 Partners in Time service projects. Thousands of others were involved in “give back” initiatives such as cause marketing and employee giving campaigns.

Projects for health issues, including disabilities and AIDS, were supported by 15 percent of projects, and 3 percent supported breast cancer research, family violence awareness and other issues of special interest to women.

Scores of Macy’s and Bloomingdale’s associates serve on the boards of nonprofit groups, providing leadership, expertise, and technical and management guidance.

Partners in Time and Earning For Learning volunteers gave more than 188,000 hours of service in 2014 alone. Partners in Time projects made a strong impact for youth with 22 percent of efforts benefitting children and school partnerships. With the success of our Partners in Time Bag Hunger food campaign, hunger relief represented 39 percent of volunteerism.

2014 Partners in Time Employee Volunteer Projects by Issue Area:

- **39%** Hunger
- **22%** Children/School Partnerships
- **15%** Health (including disabilities and HIV/AIDS)
- **6%** Environment/Housing/Disaster Relief
- **3%** Women’s issues
- **5%** Arts/Civic/Culture/Holiday
- **10%** Other*

*Projects for diversity initiatives and others.
Stories of Giving

01 Break the Cycle
Since 2007, Macy’s has supported Break the Cycle, an organization based in Los Angeles and dedicated to educating teens about dating violence, abuse and differentiating between healthy and unhealthy behavior in relationships. Most recently, Macy’s funding has supported Break the Cycle’s “Things Aren’t Always What You See” campaign, which seeks to inform teens about the warning signs of an abusive relationship and provide resources for intervention.

Grants have supported the Start Talking programs, Break the Cycle’s online resource that engages teens in quizzes, activities, social media and group discussions about dating violence and abusive behaviors. Start Talking utilizes a peer-to-peer approach that breaks down stigmas, cultivates support and incorporates culturally relevant aspects of teen dating - for example, recognizing unhealthy behavior in texting and social media activity; and the need to change passwords, update privacy settings and check for spyware after breaking up with an abusive partner.

02 St. Louis Symphony Macy’s Holiday Celebration
The Macy’s Holiday Celebration is a collaboration that brings the expertise of the Macy’s visual team together to share magnificent decorations at Powell Symphony Hall, including the Macy’s Christmas tree, a Believe-O-Meter, and a Believe letterbox station. In 2014, we added the giant Believe sign between the pillars above the grand foyer. Attendance at the concert series – which features holiday classics, the holiday festival chorus and a visit from Santa – brings together more than 10,000 people from across the St. Louis region to Powell Symphony Hall, making it the well-attended event of the season.
Stories of Giving

03 Macy's Elephant Day
For 14 years, Macy’s has sponsored Elephant Day at the Pittsburgh Zoo & PPG Aquarium. This fun-filled family event celebrates all things elephant in a celebration of pachyderm proportions. Each year on a Sunday in September, animal lovers of all ages gather at the Zoo’s elephant exhibit to wish the herd a happy birthday. The celebration offers visitors the chance to admire the animals, complete themed crafts, touch bio-facts, play games, receive face-painting, and enjoy entertainment. The elephants receive special goodies including fruits and veggies, while visitors are treated to cake. In 2014, more than 6,000 zoo visitors enjoyed this special day. This event offers hands-on learning in a party environment, allowing guests to gain a new appreciation for the elephants and delight in an afternoon of family fun. Macy’s Partners in Time volunteers have always been an integral component of the day’s success.

04 Midsummer Night Swing
Macy’s was the presenting sponsor in 2014 of the Midsummer Night Swing held at Lincoln Center in New York City. Midsummer Night Swing is a dance party under the stars held for 16 evenings in June and July at Lincoln Center’s Damrosch Park, giving participants a chance to sample salsa, disco, classic swing and more- all set to live music. Midsummer Night Swing draws more than 80,000 attendees, attracting dancers of every age, ethnic and economic group. Macy’s has been the lead sponsor of Midsummer Night Swing since 2011.

05 Macy's 2nd Mondays
On the second Monday of each month, toddlers aged five and under – along with their parents – received free admission to The Henry Ford Museum in Dearborn, Mi. The youngsters enjoy programs and activities designed specifically for the preschool set in the Henry Ford Museum and adjacent Greenfield Village. This program is a way for moms to help their toddlers seed a deep appreciation for and continued interest in American history as they grow. There are more than 15,000 participants in the Macy’s 2nd Monday program annually. Macy’s has sponsored the program since 2005.
Diversity and inclusion are at the core of Macy’s, Inc.’s approach to doing business. It touches all areas of our company. We expect our associates, our advertising and in-store presentations, and the companies with which we do business to mirror the diverse multicultural marketplace we serve.
Our Associates
Macy’s believes that different perspectives are important to our company, and we benefit greatly from the individual strengths of each associate. To serve our diverse customers, we have to be a diverse company. Women represent more than 75 percent of the workforce across Macy’s, Inc., and more than 65 percent of management-level executives are women. Ethnic minorities represent more than 59 percent of our associate team and more than 35 percent of our management team.

Our Marketing and Advertising
A crucial part of our diversity strategy is our multicultural marketing. We use powerful and evocative images, symbols and words to communicate our brand messages, our special events and our merchandise selections to our diverse core customers. And we deliver those messages via targeted media channels to reach customers where and when they want to receive our messages. We also work with minority-owned and women-owned agencies to ensure our concept development and ad placements are in sync with our multicultural customer.

Our Suppliers
Having a supplier base that reflects our diverse customer marketplace gives us a tremendous competitive advantage, particularly because it enables us to source distinctive merchandise to present in our stores. It also helps us give meaningful support to businesses that contribute to the economic health of our local communities. Our Supplier Diversity Program helps us identify and support emerging minority- and women-owned businesses. In 2014, our company’s purchases from minority- and women-owned business enterprises totaled about $1.1 billion. The Workshop at Macy’s, our company’s first business development program, was launched in 2011 to foster growth in the next generation of minority- and women-owned merchandise suppliers (see page 33).

Macy’s is an active board-level member of the National Minority Supplier Development Council (NMSDC), the Women’s Business Enterprise National Council (WBENC) and the United States Hispanic Chamber of Commerce (USHCC). The company was named WBENC’s “Top Corporation,” a repeat member of the USHCC’s “Million Dollar Club,” and one of the “most admired companies” for supplier diversity in 2015 by MBN USA magazine.

Community Partnerships
Our commitment to the communities where we live and work is a key component of our holistic diversity plan. Our mission is to develop solid, meaningful relationships with our communities, working with community leaders, elected officials and local organizations to understand the wants and needs of each community and to develop initiatives that have a positive impact on the lives of residents. By understanding and respecting the rich diversity of each community and our customers who reside there, we learn how to serve and appreciate its uniqueness. Macy’s, Inc. demonstrates its commitment through charitable contributions, leadership, board service, employment initiatives, volunteerism, and the creation of economic partnerships. For example, Macy’s, Inc. representatives serve as local Urban League board members in New York City, Cincinnati, Houston, Atlanta, Los Angeles and Washington, D.C., as well as on the boards of organizations such as United Way, American Red Cross, educational institutions and museums.
Diversity and Inclusion in Action

The Workshop at Macy’s

The Workshop at Macy’s is a week-long intensive training course developed by a consortium of experts from Macy’s Learning & Development; Macy’s Multicultural Business Development; and Babson College, the nation’s leading business school for entrepreneurship; along with select Macy’s merchants and vendors. The specially-designed business development curriculum is aimed at minority- and women-owned retail businesses that are poised to succeed on a larger scale, but need real-world business practice information and perspective on large-scale vendor relationships to move to the next level and sustain growth.

The Workshop at Macy’s allows selected participants to collaborate with fellow aspiring vendors, gain access to industry experts and solicit one-on-one business coaching. The course work includes classes on merchandising and assortment planning, marketing, Electronic Data Interchange (EDI), financial management and access to capital.

The goal of this annual program is to help create a pipeline of viable enterprises that will grow to become successful partners within Macy’s own vendor community. First held in the spring of 2011, the Workshop enrolled 81 businesses in its first five years that ranged from makeup/skincare companies to confectioneries, home textiles and ready-to-wear designers. The Workshop team follows up with current and past participants as they progress through the opportunities outlined during the program for potential graduation to Macy’s vendor status.

To date, 10 graduates from The Workshop were selected to sell products at select Macy’s locations and/or on macys.com.
Celebrating Asian Pacific American Heritage Month

In May 2015, photography and fashion were in focus as Macy’s celebrated Asian Pacific American Heritage Month with Nigel Barker. Barker visited Macy’s stores across the country to discuss fashion, photography and his heritage. Of Sri Lankan descent, Barker has been internationally celebrated for his photography and creative presence in all areas of the fashion, beauty and entertainment industries.

“Macy’s was thrilled to partner with Nigel Barker to celebrate Asian Pacific American art, culture and heritage in stores nationwide. Barker represents the strongest voice and point of view in photography and fashion over the past 20 years and we are excited to share his stories and expertise with Macy’s customers,” said Dineen Garcia, Macy’s vice president of diversity strategies.

Barker recently released his second title, “Models of Influence: 50 Women Who Reset the Course of Fashion,” profiling 50 women who have influenced the modeling and fashion industries and challenged our perception of beauty.

After 17 seasons as a judge on the hit show, “America’s Next Top Model,” Barker is now the co-host on the Oxygen Network’s “The Face,” alongside Naomi Campbell. He published his first book in 2010, “Nigel Barker’s Beauty Equation.” As a filmmaker, Barker was awarded the Film Heals Award from the Manhattan Film Festival for his fourth documentary “Dreams Are Not Forgotten.”

“I was delighted to be collaborating with Macy’s to discuss my favorite subjects in the world, fashion, photography and Sri Lanka. Growing up with my Sri Lankan mother working as a model through the 1960s and 1970s had a profound effect on my view of beauty and the modeling business at-large, I enjoy sharing my stories,” said Barker.
Black History Month
Culture-defining trends took center stage as Macy’s examined the Soul Era of Black Style in celebration of Black History Month in February 2015. From elegant high glamour to the hottest looks on the street, Black Style has influenced trends and designers that have shaped American and global culture. Celebrity fashion stylists and designers June Ambrose and Johnetta Boone led a panel discussion on Soul Era style and took a look back at the fashion, accessories and attitude that rocked the runways of the 1960s and 1970s, which had an undeniable effect on the way people look and dress today.

“As a retailer with more than 150 years of fashion history, Macy’s has seen the evolution of Black Style first hand and we were thrilled to recognize and celebrate the style icons and trends of the Soul Era in honor of Black History Month,” said Dineen Garcia, Macy’s vice president of diversity strategies. “As part of our annual celebration, this series of events took a look at the cultural and historical contributions made by African Americans throughout the ’60s and ’70s – a defining era in fashion history.”

June Ambrose is a celebrity fashion stylist and costume designer and has worked with some of the biggest names in the entertainment industry for the past 22 years. Author of the book “Effortless Style,” Ambrose has won numerous awards in recognition for her contributions to the fashion and music industry. Ambrose recently celebrated the launch of her “June by June Ambrose” collection.

“I was excited to be working with Macy’s as we celebrated and recognized revolutionary African American designers and style icons that inspired me as a child and my own experiences through fashion,” Ambrose said.

For more than three decades, Boone has served as fashion stylist and costume designer for editorial and print campaigns, television shows, national commercials and feature films. Some of her most notable costume designs can be seen in Cadillac Records, Tyler Perry’s Temptation, The Notebook and a host of others. In addition, Boone also designs a clothing line entitled Z2 Wear.

“With the broad explosion of freedom in the late ’60s and ’70s, many fashion designers and musical artists reached for higher realms of expression in dress, inspired by Black Style,” said Boone. “It was all about pure fun. Bright, exuberant color showcased excitement like never before, both in prints and in fabrication. Shapes and lengths were no longer dictated by previous tastes. Men wore their hair long and sported exciting patterns, while women’s style took a more daring turn for the time with shorter skirts and midriff-baring tops.”
Diversity and Inclusion in Action

04 Support for Hispanic Communities
Macy’s and Bloomingdale’s are well known for their support of diverse Hispanic communities across the country – supporting customers and associates with family roots in Mexico, Puerto Rico, the Caribbean, and Central and South America.

For example, Macy’s presence was hard to miss in New York where this year we were again the hosting site of the Puerto Rican Day Parade Queen coronation. We were also supporters and hosts of the Latino Commission on AIDS Cielo Latino 25th anniversary kickoff celebration naming 2014 Miss Universe Paulina Vega as the newest Madrina (Godmother) of the organization.

Across the nation in Salt Lake City, Macy’s sponsored and hosted the opening reception of the 86th League of United Latin American Citizens (LULAC) National Convention and Exposition. LULAC is the oldest Hispanic civil rights organization in the United States. Macy’s took the opportunity to present an inaugural $15,000 check for the creation of the LULAC National Education Service Centers emergency scholarship fund.

Throughout the country, Macy’s continues to have a presence with national and local organizations, including the Congressional Hispanic Caucus Institute, ASPIRA, the Association of Latino Professionals For America, and the Hispanic Heritage Foundation Youth Awards where this year Macy’s was again the official wardrobe sponsor.

Macy’s exclusive Thalia Sodi apparel line launched in spring 2015. Thalia is an internationally recognized Latina actress, recording artist, music producer, author and philanthropist. Her line focuses on the fit, color and style preferences of Hispanic women.

05 Pride + Joy
Macy’s is a proud sponsor and active participant in Pride Parades across America each year, and included 23 cities again in 2015. These festive celebrations and community initiatives showcased our company’s steadfast commitment to inclusiveness in all aspects of our business. From our welcoming Wedding & Gift Registry to our long-standing support of national and local LGBTQ community organizations, Macy’s remains dedicated to the fundamentals of diversity, inclusion and respect for all.
Employment
Our company employs about 166,900 individuals (as of Jan. 31, 2015) - a number that has risen over the past several decades along with the company’s sales volume. In addition, more than 80,000 seasonal associates are hired by Macy’s and Bloomingdale’s each year to serve customers through the peak holiday shopping period.

Macy’s, Inc. provides good jobs at all levels. Included in the company’s workforce are more than 20,000 executive positions representing the highest quality talent in a wide range of fields – including merchandising, planning, marketing, human resources, finance/accounting, e-commerce, store management, product development, information technology, credit, logistics, law, communications, store planning, design and construction.

Retail employment is a key driver of the U.S. economy. According to research conducted by PricewaterhouseCoopers LLP (PwC) for the National Retail Federation, the retail industry (including food services and drinking establishments) directly and indirectly accounts for 42 million jobs and $1.6 trillion in labor income, and contributes $2.6 trillion annually to the Gross Domestic Product.

Retail directly provides 29 million full-time and part-time jobs, making it the largest private sector employer in the nation, significantly larger than the 19.9 million jobs in health care and social assistance, 12.6 million in manufacturing and 12.2 million in professional, scientific and technical services, according to the PwC report.
A Responsible Manager of Human Capital

Employee Turnover
Macy’s, Inc. employs a large workforce at all levels of the business. Of our approximately 166,900 employees, about 20,000 are executives. The bulk of the workforce consists of about 150,000 employees who work largely as sales associates in our stores. Store associate positions often are filled by students, those just entering the workforce and individuals supplementing other household income. As a result, retailing is an industry with a traditionally high turnover rate. That said, Macy’s is focused on internal talent development that provides opportunity for advancement within the organization. Historically, most of Macy’s management and support openings in store, district and regional positions have been filled internally.

Length of Service
Ours is a company well-regarded for being a good employer and that leads to stability in service – especially given the nature of a retail workforce and the number of new positions that have been added as a result of organic growth. It is not unusual for Macy’s associates to be celebrating 35 or 40 years of service. (In fact, one Macy’s associate in New York retired after 73 years of continuous service to the company!) Currently, the average length of service among hourly associates at Macy’s, Inc. is about five years. The average length of service among executives is about 10 years.

Employee Absence
Employees who average at least 15 hours of work each week are eligible for a paid time off (PTO) benefit that covers sick and personal days.
Training & Development Programs

Macy’s, Inc. is a retail industry pacesetter in talent development. The company’s training and development initiatives encompass a wide range of programs and include an in-house Leadership Institute for continuing education and leadership development, as well as an online Talent Center that is used as a resource across the company. The company invests tens of millions of dollars each year in training and development programs, and the number of hours that our associates spend in formal training and informal mentoring each year is substantial.

Compensation/Remuneration

In every case, we seek to pay competitive wages and benefits based on performance and experience, treat our people fairly, and cultivate an inclusive and respectful workplace. In cases where associates are paid hourly, we have increased wages every year and have avoided blanket wage freezes during tough economic times. Macy’s is a stable employer. At senior executive levels, compensation is largely tied to the company’s performance and is disclosed in the annual Proxy Statement. Macy’s, Inc. believes in equal pay for equal work across genders, ages, races, cultural backgrounds, physical abilities and lifestyle preferences.

Employee Engagement

Macy’s, Inc. conducts an employee engagement survey each year in every function of the company, and we have seen an improvement in engagement scores over time. The feedback from these surveys is used to develop action plans to address associates’ concerns and to encourage dialogue in how to create great workplaces.

Labor Rights

Macy’s, Inc. associates (non-management) have a right to collective bargaining, and approximately 10 percent of the company’s employees are unionized. We treat our people fairly, pay competitive wages and benefits, and cultivate an inclusive and respectful workplace. We believe in maintaining a direct and mutually productive relationship with our associates, and that third-party representation is unnecessary and frequently counter-productive.

Working Practices – Hours

At Macy’s, Inc. full-time employment currently is defined as 30 hours per week. Non-management employees are entitled to overtime when working additional hours, as defined by law (beyond 40 hours per week in most cases). Note that many of our associates in store prefer to work part-time, and Macy’s, Inc. staffs its stores with an electronic scheduling system through which associates can choose their own schedules within certain guidelines. We work to accommodate associates who request certain schedules to accommodate schoolwork, family obligations and other factors.

Working Practices – Health & Safety

In 2014, the company experienced fewer than 1,200 lost-time work-related accidents – representing a very small fraction of employees in our workforce of 166,900 associates.
Scores of college graduates look to industry leaders like Macy’s and Bloomingdale’s to start their retailing careers after graduation. Through its college recruiting program, the company again hired more than 1,000 students from America’s colleges and universities in 2015 for slots in the company’s Executive Development Program (EDP) and for summer internships nationwide.

These hires include 607 new college graduates for full-time EDP positions, which is an entry-level step in building a career as an executive with the company. In addition, 397 college students – primarily those between their junior and senior years – have joined Macy’s and Bloomingdale’s as interns in stores, merchandising, private brand development, e-commerce, information technology, logistics, finance, marketing and human resources functions.

The 2015 class of college hires was recruited from more than 200 American college and university campuses. To identify the highest potential talent, students were recruited via grassroots campus strategies as well as virtual recruiting methods and participated in a rigorous selection process.

For decades, Macy’s and Bloomingdale’s have been known as the training ground for the most impressive talent in the retailing industry. That legacy continues today, not only in recruiting outstanding college students with a wide range of backgrounds and perspectives, but in developing their talent and skills at every step along their career paths.

Many of the company’s executives started their careers after graduating from the highly regarded EDP, which has been an industry standard of excellence for decades.

The company’s training and development initiatives encompass a wide range of programs and include an in-house Leadership Institute for continuing education and leadership development.
Providing Opportunities for Returning Veterans

Macy’s continues to provide executive career opportunities for military veterans.

In July 2012, the company launched the Military Executive Development Program (MEDP), which enables Macy’s to recruit seasoned veterans for a variety of leadership positions within our organization.

Since the inception of this program, a total of 66 veterans have joined the Macy’s team and have attended a rotational development program designed to prepare them for management positions.

Unlike some companies that hire veterans and provide abbreviated training, Macy’s strategy is to invest nine-12 months, based on position, to develop each veteran and prime them for success. The company has learned that military veterans are wise, assertive, natural leaders, and our goal is to offer the training required to succeed in a department store retail environment.

The company recruits veterans from military base visits, veteran networking forums, and career fairs across the country. The company hired nearly 4,000 individuals identified as military veterans in 2014. Honors presented to the company for our work in military hiring include the Employer Support of the Guard and Reserve’s (ESGR) Patriot Award to a Macy’s store executive in Atlanta and the annual ESGR Above and Beyond award to Macy’s store on Guam.
Corporate Governance
Corporate Governance

Macy’s, Inc. strongly believes in good corporate governance and transparency in financial reporting. The company’s board of directors and management are committed to the highest standards of corporate governance.

Detailed information on the company’s Board of Directors and its principles and policies is available on the company’s corporate website using the following link:
macysinc.com/corporategovernance.

A copy of the Code of Conduct for all employees of Macy’s, Inc. can be accessed at: macysinc.com/codeofconduct.pdf.