

# BED BATH & BEYOND

2021 ESG REPORT

we believe that  
everyone deserves  
the opportunity to  
home, happier



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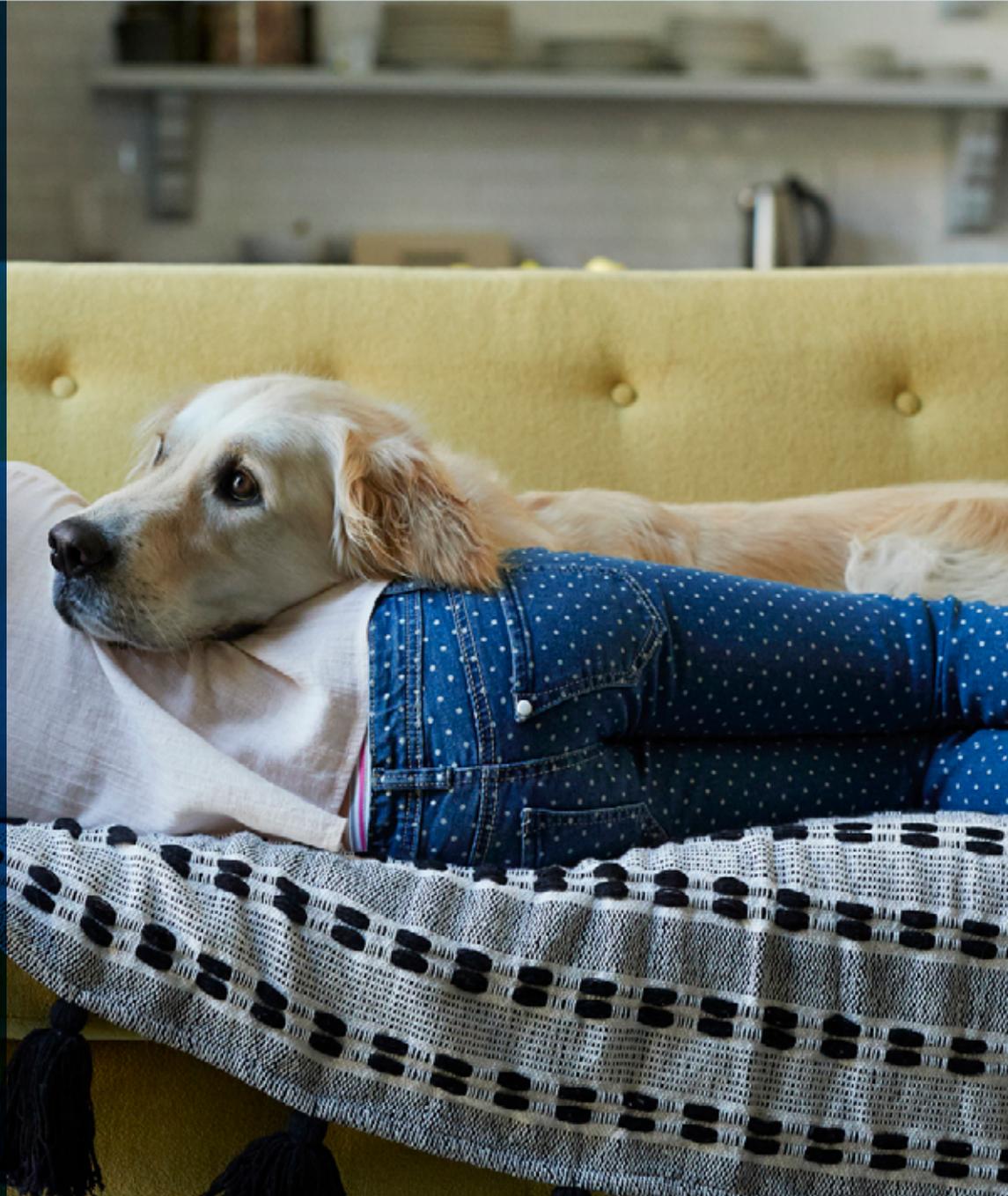
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# introduction

an ESG strategy embedded into our comprehensive transformation plan





## about this report

### This is the 2021 Environmental, Social and Governance (ESG) report of Bed Bath & Beyond Inc., which includes subsidiaries Bed Bath & Beyond, buybuy BABY, Harmon Face Values, and Decorist

The report was completed in May 2022 and covers the 2021 calendar year unless otherwise indicated. Where relevant and available, more recent data points or data prior to calendar year 2021 have been included. Our 2020 ESG report, completed in May 2021, can be found [here](#).

The report provides a look back at our ESG highlights and outlines future aspirations

and plans in accordance with our three ESG strategy pillars: 1) people, 2) community, 3) planet – all of which are enabled by a transparent and strong governance structure. We include disclosures determined to be most meaningful to our shareholders and other stakeholders that are informed by the guidance and reporting frameworks of leading sustainability

organizations, such as the Value Reporting Foundation's Sustainability Accounting Standards Board (SASB) standards, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the United Nations Sustainable Development Goals (SDGs).

## a letter from our ceo, mark tritton

Over the past year, Bed Bath & Beyond Inc. has been hard at work reforming every aspect of our business during the first year of our comprehensive, multi-year transformation. During this time, we have remained steadfast in our commitment to our robust ESG strategy announced last year. With the work our team has been able to execute during this first year of our ESG journey, I have tremendous faith in our ability to achieve our focused mission: making it easy to feel at home. This is our purpose, and fuels our actions, ambitions, and definition of success – all anchored by our ESG commitments.

Everything we do at Bed Bath & Beyond starts with our three pillars of action: people, community, and planet. They represent the foundation around which Bed Bath & Beyond seeks to create value – and I am proud to share updates to our commitment in our 2021 ESG Report.

I want to thank our Associates for their unwavering passion and determination. Even through the continual challenges of COVID-19, our teams traversed unprecedented global supply chain issues that created macroeconomic and operational impediments to our business. Our Associates rose to every occasion, and it's their tireless dedication that has allowed our strategy to progress. Our People are this company's greatest asset and we will continue to support them in return. Our priorities are focused on offering compelling total rewards, learning and development, and upskilling opportunities – while also taking concrete actions to achieve our DE&I goals. I am pleased to share that in

2021, we continued to support these endeavors internally, starting with our own 'home'. In addition to elevating and enhancing support for our ESG team, we appointed our first Chief Diversity Officer as we continued delivering on our commitment to change.

In 2021, we began to implement our multi-year transformation plan with ESG embedded into our initiatives and business activities:



### People:

**Create an equitable, inclusive work environment where all Associates feel at home and can thrive**



### Community:

**Provide a sense of home to the people and communities we serve**



### Planet:

**Do our part to protect the planet we call home**

Underpinning the above pillars, Bed Bath & Beyond is committed to strong corporate governance and stakeholder engagement as we elevate and embed strong ethical values and a robust governance framework.

In 2021, we began to execute against the ESG goals we laid out for each pillar as part of our long-term transformation. A few highlights include: creating our Stronger, Together Relief Fund to provide a resource for Associates facing immediate hardships, launching our first two Associate Resource Groups to continue promoting a culture of belonging, partnering with Rebuilding Together and Good360 to contribute to our communities, and

accelerating our greenhouse gas reductions estimates for Scopes 1 and 2 to achieve our no net greenhouse gas emissions goals by 2030 (10 years earlier than originally planned). As we enter 2022, we will carry our momentum into the new year by delivering key action items that will continue to drive our mission.

The challenges facing business and society today require collective action. Our ESG initiatives underpin our commitment to ensuring a people-powered culture when tackling global issues like reducing our contribution to climate change. Our collective focus on the fundamental issues that impact our global society will ensure Bed Bath & Beyond is part of the solution. We look forward to facilitating positive change at home, wherever that may be.

### Mark Tritton

President & Chief Executive Officer



**Everything we do at Bed Bath & Beyond starts with our three pillars of action: people, community, and planet. They represent the foundation around which Bed Bath & Beyond seeks to create value – and I am proud to share updates to our commitment in our 2021 ESG Report.**



## who we are

### a renewed commitment to our purpose

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For 50 years, Bed Bath & Beyond has been driven to provide a sense of home to Associates and communities through our products and services. Our purpose anchors our actions, ambitions, and definition of success.

As an omni-channel retailer, we offer a wide assortment of products and services in the Home, Baby, Beauty, and Wellness markets with a presence in North America. Our ESG strategy and goals outlined within this report aim to reflect the breadth of our business in terms of ESG impact and opportunity.

# our corporate strategy



**Purpose:**

make it easy to feel at home

**Mission:**

re-establish our authority and be the preferred omni-channel home destination driven by teams consistently delivering balanced durable growth

**Principles:**

customer-inspired, omni-always, people-powered, performance-driven

**Pillars:**

product, price, promise, place, people

**Proficiencies:**

reconstruct & modernize, stabilize & optimize, invest in & construct, operationalize

**Practices:**

stay curious & bold, be transparent & collaborate, act with empathy & integrity, champion diversity & community

# our ESG strategy and pillars

**Aligned with our purpose to make it easy to feel at home, our ESG vision and principles are embedded in all business activities.**

We recognize that our ESG journey is only beginning – and we are committed to making continued progress in 2022 and beyond. Our ESG vision and principles are embedded across our business, with key pillars and our 2021 progress highlighted throughout this report.



## People:

create an equitable, inclusive work environment where all Associates feel at home and can thrive



## Community:

provide a sense of home to the people and communities we serve



## Planet:

do our part to protect the planet we call home



## Governance & stakeholder engagement:

elevate and embed strong ethical values and a robust governance framework

We actively incorporate stakeholder perspectives into our ESG strategy. In 2020 we conducted an assessment to inform our ESG strategy and goals. The results of the assessment can be found on page 11 of our [2020 ESG Report](#). In 2021, we focused on establishing the foundational elements to support operationalizing this program across all banners. In 2022, we plan to undertake an in-depth materiality assessment to further understand and integrate the perspectives of major stakeholders, including shareholders, Associates, customers, suppliers, and community groups. The results of this materiality assessment<sup>1</sup> will be published in next year's 2022 ESG Report.

<sup>1</sup>Materiality, as defined for this report, refers to our current and evolving view on what is most impactful for the Company's ESG performance. This definition is different than the definition of materiality used for filings with the U.S. Securities and Exchange Commission (SEC).



Pillar	Goals	Progress in 2021
 <b>people</b>	>50% women at each level by 2030 <sup>2</sup>	Women at each level: Manager: 58% Non-management: 72% Total Workforce: 70%
	>25% racial and ethnic diversity <sup>3</sup> at each level by 2030	Racial and ethnic diversity at each level: Manager: 32% Non-management: 56% Total Workforce: 52%
	100% parental leave at all job levels starting in Q2 2021 <sup>4</sup>	Achieved
	>\$1 million contribution to Associate Relief Fund by 2030 <sup>5</sup>	Approximately \$300,000 contributed to Associate Relief Fund
	>10,000 Associates engaged with upskilling trainings by 2030	2,700 Associates engaged with upskilling trainings
 <b>community</b>	Donate \$500 million of products by 2030 <sup>6</sup> <b>Revised</b>	\$29.65 million of products donated
	Commit to 1 million hours of volunteer service by 2030 <b>Revised</b>	We will report on progress toward this goal in 2022 <sup>7</sup>
 <b>planet</b>	No net greenhouse gas (GHG) emissions for Scopes 1-2 by 2030 <sup>8</sup> <b>Revised</b>	162,627 MT CO <sub>2</sub> e
	100% of waste diverted from landfill in our own operations by 2050	44.3% waste diverted
	50% improved water efficiency across all facilities we operate by 2035	27.5% reduction in water usage in our overall footprint compared to 2019 <sup>9</sup>
	50% of cotton responsibly sourced <sup>10</sup> in Owned Brand lines by 2025	14.9% of cotton responsibly sourced
	50% of wood sustainably sourced <sup>11</sup> in Owned Brand lines by 2030 <sup>12</sup> <b>Revised</b>	0% of wood sustainably sourced <sup>13</sup>
	>50% of packaging weight from recycled materials in Owned Brand packaging by 2030	28.4% of packaging weight from recycled materials

<sup>2</sup>While we have reached this goal at the summary manager and non-manager levels, our internal metrics show we are still working to achieve this goal at each level.

<sup>3</sup>Note that we are committed to regularly monitoring the representation of all racial and ethnic diversity cohorts and to implementing changes to drive higher representation at all levels where needed. To this end, we are implementing regular tracking and review of representation of each of these groups. While we have reached this goal at the summary manager and non-manager levels, our internal metrics show we are still working to achieve this goal at each level.

<sup>4</sup>For U.S.-based full-time Associates.

<sup>5</sup>Including Associate contributions and matched donations by the Company.

<sup>6</sup>Includes total donations since 2020, not just donations to Good360. This goal was adjusted following an updated assessment of store inventory and footprint.

<sup>7</sup>COVID-19 impacted our ability to make meaningful progress toward this goal. This goal was adjusted and updated progress will be reported in 2022.

<sup>8</sup>We are accelerating our greenhouse gas reductions goals for Scopes 1 and 2 emissions, because we understand the urgency of climate change and know the most important action we can take is to reduce our emissions and integrate renewable energy into our mix, faster. We changed our terminology from "net zero" to "no net emissions" as that more accurately reflects our approach to this goal.

<sup>9</sup>This reduction in our water footprint is primarily driven by our evolving store footprint and the reduction in store foot traffic during COVID-19.

<sup>10</sup>Responsibly sourced as defined by third-party certifications such as the Better Cotton Initiative, the Global Organic Textile Standard, or OEKO-TEX®.

<sup>11</sup>Sustainably sourced as defined by third-party certifications such as the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI).

<sup>12</sup>We adjusted this timeline due to supply chain and sourcing complexities and recognizing that this material requires a holistic approach to sustainable sourcing.

<sup>13</sup>Our first Owned Brand since we established this goal was launched in July 2021 and our data therefore covers half the year. In 2022 we will be able to report a full year of the progress toward our goal.

# people

create an equitable, inclusive work environment where all Associates feel at home and can thrive





## We are committed to creating a workforce where all Associates thrive.

Associates are our greatest asset – that’s why being people-powered is one of the key principles in our corporate strategy.

**our people pillar goals and 2021 progress:  
becoming a top retail employer by 2030**



<sup>14</sup>While we have reached this goal at the summary manager and non-manager levels, our internal metrics show we are still working to achieve this goal at each level.

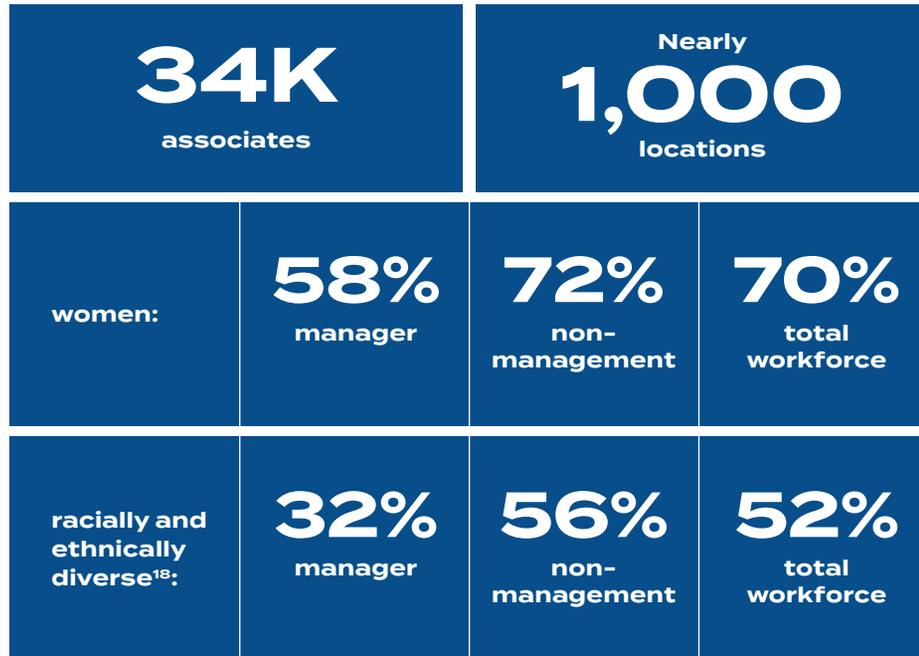
<sup>15</sup>Note that we are committed to regularly monitoring the representation of all racial and ethnic diversity cohorts and to implementing changes to drive higher representation at all levels where needed. To this end, we are implementing regular tracking and review of representation of each of these groups. While we have reached this goal at the summary manager and non-manager levels, our internal metrics show we are still working to achieve this goal at each level.

<sup>16</sup>For U.S.-based full-time Associates.

<sup>17</sup>Including Associate contributions and matched donations by the Company.

**We strive to establish an engaging workplace environment by supporting all Associates’ physical, mental, social, and emotional well-being and providing upskilling opportunities and other tools for future success.**

*We want all Associates to be proud to work at Bed Bath & Beyond.*



<sup>18</sup>Includes all racially and ethnically diverse groups.



### associate engagement

To prioritize Associate engagement and promote a culture of listening and learning, we expanded opportunities for all Associates to provide feedback over the last year. In 2021, more than 70% of Associates participated in our first enterprise-wide Associate engagement survey. We shared the results from the survey – including key themes, top strengths, and priority areas – in addition to providing next steps to continue the dialogue with our Associates. We are committed to continuous listening through regular engagement surveys every 18 months and pulse surveys to ensure we have open channels to gather frequent feedback from our associates. Our engagement survey process is in addition to other two-way communication vehicles we will continue, such as listening circles. The survey results provide an important baseline as we continue to improve our work environment to ensure Associates thrive.

In our commitment to leadership transparency and keeping Associates informed, we regularly share the Company's strategy and business updates through CEO communications, including emails, weekly bulletins, videos, and town halls.

### associate well-being

We believe that physical and mental well-being is essential for a productive, engaged, and thriving workforce. In 2021, we continued to provide the well-being programs launched in 2020, including our Associate Assistance Program, Beyond Wellness, which offers free and confidential assessments, counseling, and other services to Associates with personal and work-related challenges, as well as a subscription to Headspace, a leading mindfulness and meditation digital platform. The results of our enterprise-wide Associate survey highlighted the competing demands placed on women in 2021. We held four listening circles throughout the year to provide a platform for our female leaders focused on work/life harmony, stress of the pandemic, and self-care, as well as ideas for how we can better support women in the workplace.

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*In 2021, we focused on giving our Associates time to recharge, rest or spend time with loved ones celebrating important life moments. Eligible retail and supply chain Associates were able to carry over up to 40 hours of vacation and we provided our corporate Associates with an additional 40 hours of vacation to start the year.*

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We also provided all time-off eligible Associates with two additional personal days and a Mental Health Day for our corporate Associates in recognition of World Mental Health Day. Based on the feedback Associates raised in the in the engagement survey, we implemented a flexible time off policy for 2022 to support U.S. based corporate Associates, supply chain, and multi-unit retail leaders. Instead of accruing a limited number of paid vacation days, our flexible time off policy now allows employees to take the number of days they need. We also increased paid time off for eligible full-time hourly Associates.

In 2021, our Well-being Champions Group, an Associate-led cross-functional initiative, helped to provide direction and feedback as well as launch key programs and support well-being events, such as virtual meditations, an Earth Day gardening program, and a Laughter and Mental Health event. In 2022, the Well-being Champions group will evolve into an Associate Resource Group, enabling greater impact across the enterprise.

### stronger, together relief fund

Our Stronger, Together Relief Fund was created in July of 2021 as a resource for Associates facing a short-term financial hardship in the event of an unforeseen personal event or natural disaster. Associates are eligible to apply for grants to help cover costs associated with natural disasters, unexpected medical expenses, impacts to Associates' homes from fires and floods, the death of an immediate family member, escaping domestic abuse, and epidemics.

Bed Bath & Beyond provided an initial investment of \$250,000 and a 50% match on Associate donations.

Including this initial investment, we raised nearly \$300,000 for the Stronger, Together Relief Fund, approving 97 grants totaling \$84,000 in 2021. These grants included \$30,000 for Associates impacted by Hurricane Ida. We encourage Associates to apply for grants and make application information available through our internal communications and our Associate portal. All fund activities, including accepting donations, reviewing and approving applications, and awarding and distributing grants are administered by a third-party 501(c)(3) non-profit administrator.

### diversity, equity and inclusion

We strive to be industry leaders on diversity, equity, and inclusion (DE&I) and model a culture that is safe and built on trust and accountability where all Associates know they belong. By building upon our recruitment, development, and promotion practices, we seek to provide equitable opportunities and achieve a workforce that reflects the world we live in and the consumers we serve.

We monitor the representation of women and racially and ethnically diverse Associates at all levels of our organization. Our goal is to focus on mid-career Associates in order to build a bench of senior leaders that is reflective of the world we live in and our consumer base.

In 2021, we took steps to educate, celebrate, and recognize DE&I, including establishing Martin Luther King Jr. Day as a formal Company holiday. We implemented educational programming to increase awareness, empathy, and understanding. While we are proud of the steps we have taken to date, we recognize there is still much more we must do to create a sense of home for all Associates.

#### racial and ethnic diversity at each level:

**32%**  
manager

**56%**  
non-management

**52%**  
total workforce

#### women at each level:

**58%**  
manager

**72%**  
non-management

**70%**  
total workforce

## DE&I leadership

A robust diversity, equity, and inclusion program requires strong governance and accountability. While DE&I is overseen at the Board level, in 2021 we enhanced the functional management of DE&I by hiring a Senior Vice President and Chief Diversity, Equity, and Inclusion Officer (CDEIO). Our CDEIO is responsible for developing and implementing our DE&I strategy and meeting with our C-suite quarterly to ensure we embed DE&I into all aspects of our business. The CDEIO reports directly to the Chief People and Culture Officer.

## associate resource groups (ARGs)

Our Associate Resource Groups (ARGs) play a critical role in advancing a culture of diversity, equity, and inclusion across the enterprise at all levels of the organization. In 2021, we launched the Beyond Black Associate Coalition and the Asian-American and Pacific Islander ARGs. In the beginning of 2022, we further expanded our ARGs from two to six to include LatinX, LGBTQ+, Well-being, and Women.

### Asian-American and Pacific Islander (AAPI)

The AAPI ARG hosted panel discussions and awareness events in 2021, including a panel discussion on being Asian in the Workplace with our Chief Customer Officer, Rafeh Masood, and Vijay Talwar, the former CEO of Footlocker, EMEA, as well as an AAPI awareness video and listening circles to provide a safe and supportive space for our AAPI Associates to discuss the rise in Asian hate crimes.

### Beyond Black Associate Coalition (BBAC)

The BBAC works to build awareness and create a platform for discussion. In 2021, highlights included our first annual Black History Month celebration, which focused on education and listening circles for Associates to openly discuss current events such as the Derek Chauvin verdict. BBAC also led a Juneteenth celebration, facilitated ongoing education efforts to foster awareness and open dialogue, and supported a fireside chat during Black History Month with Psyche and Vontoba Terry, Founders of Urban Hydration, a black-owned beauty products company and one of our suppliers.

### Women's History Month Panel

In 2021, Deb Elam, President and CEO of Corporate Playbook™, moderated a panel discussion on being a woman in the workplace with female leaders in the company, including Chief People and Culture Officer Lynda Markoe and Chief Legal Officer Arlene Hong. They shared their personal and professional journeys along with tips on creating work-life harmony.

## Hispanic Heritage Month Fireside Chat

In 2021, Bed Bath & Beyond hosted a fireside chat with Juan Guerrero, our Senior Vice President and Chief Supply Chain Officer; Yai Vargas, Vice President Strategic Engagement & Initiatives for the Hispanic Association on Corporate Responsibility and founder of The Latinista, Inc.; and Carlos Medina, President and CEO of the Statewide Hispanic Chamber of Commerce of NJ, President of Robinson Aerial Surveys, and Executive Producer & Host of the PBS Show "Que Pasa NJ." The chat, moderated by Cristal Lambert, Corporate Counsel, Litigation, shared key insights around the Hispanic/LatinX community and the importance of Hispanic Heritage Month from the perspective of influential LatinX business leaders.

Every year, the Human Rights Campaign (HRC) releases an annual Corporate Equality Index (CEI) to measure corporate policies and practices related to LGBTQ+ workplace equality. As the nation's foremost benchmarking survey, CEI rates companies based on the following criteria: non-discrimination policies across business entities, equitable benefits for LGBTQ+ workers and their families, supporting an inclusive culture, and corporate social responsibility. In our first year participating, Bed Bath & Beyond earned a score of 70 out of 100. We are committed to using the learnings to improve our score in 2022.

## DE&I training

In 2021, we introduced Conscious Inclusion training for Associates, beginning with the leadership team and senior Associates. This training reinforces our policy and aims to help increase awareness of the presence of bias to position us to actively fight against potential bias in interactions with each other, customers, and key stakeholders. In 2022 we will continue to roll out this training to more Associates and aim to implement required DE&I training for all Associates.

## Learning and development

We strive to maintain an engaging workplace culture that provides upskilling opportunities for Associates as well as other tools to set up Associates for future success.

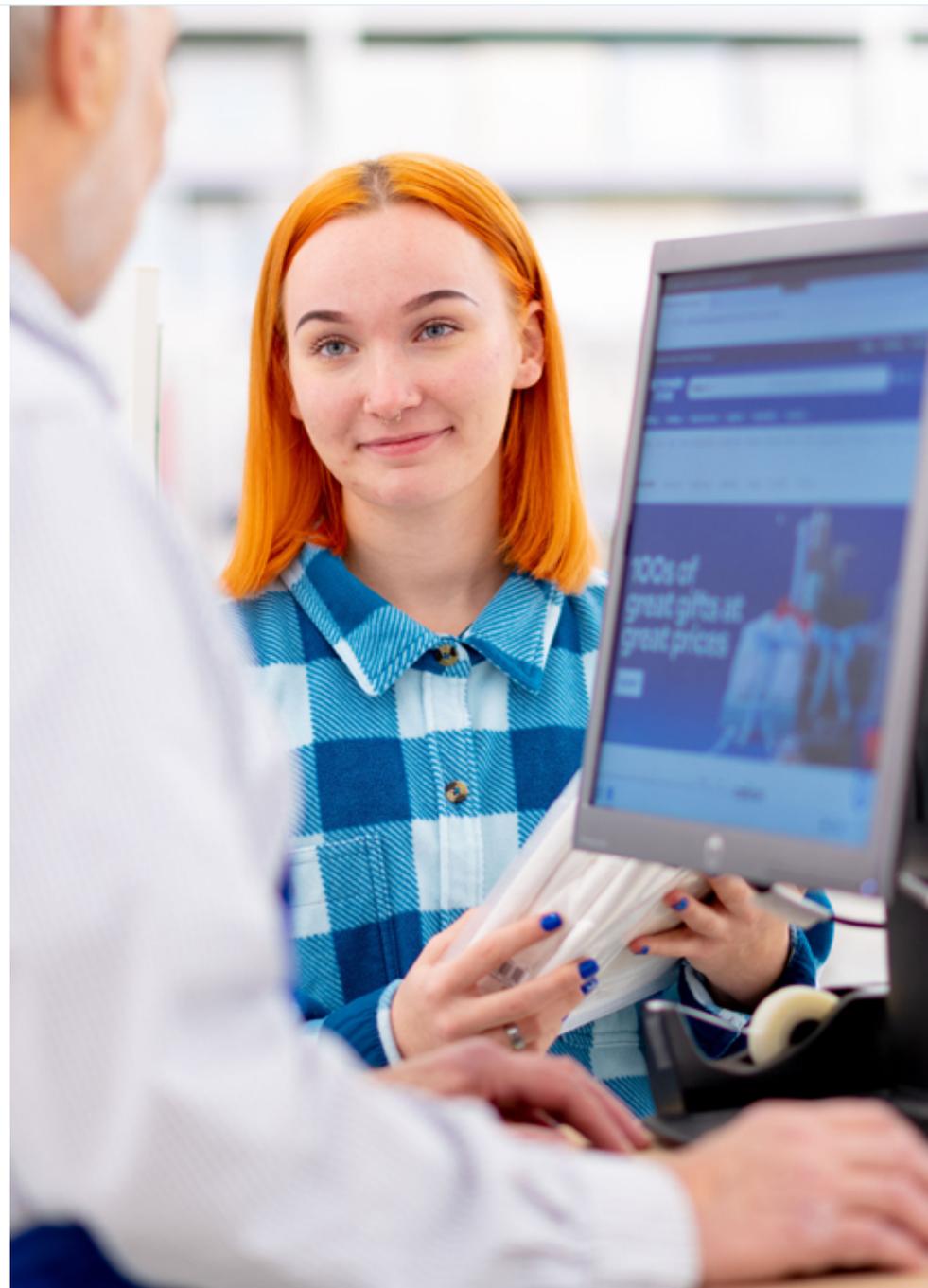
We are in the process of building a comprehensive learning and development (L&D) offering to create a center of excellence. We plan to launch the program in 2022, which will include an expansion of our skill development programs and upskilling training courses designed to provide Associates with technical and competency-based skills applicable across a range of career paths.

Our regional and district store leaders, as well as supply chain leaders, participate in a Foundational Leadership Course, which provides them with the tools and resources needed to lead Associates and create a strong culture in our stores and our distribution and fulfillment facilities. Our role framework, which provides the foundation for career path options and development opportunities, serves as a further point of clarity for the development and advancement of Associates.

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*We aim to further advance our L&D program by emphasizing equitable participation across Associate groups and developing more formal career development and mentorship programs, with a goal of engaging more than 10,000 Associates with upskilling trainings by 2030.*

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### supporting all associates

To reflect the changing needs of all Associates and to help them succeed, we redesigned our total rewards programs to continue to invest in Associates' financial, physical, mental, social, and emotional well-being. Our compensation packages include, but are not limited to, competitive wage rates, an annual short-term incentive program, a long-term incentive program, a 401(k) plan with matching contributions of 50% up to 6%, paid vacation and holidays, flexible time off policy, health, dental and vision insurance, paid parental leave, paid short-term disability and long-term disability insurance, life insurance, health savings and flexible spending accounts, free health and wellness subscriptions, and support via an associate relief fund. Eligibility for, and the level of, benefits vary depending on associates' full-time or part-time status, work location, role, and tenure.

### expanding our benefits

*In 2021, we implemented a paid parental leave program, where we provide 100% of pay for up to eight weeks following the birth of a child, adoption, or the placement of a foster child for either parent within twelve months of birth or placement.*

We also conducted an in-depth review of our benefits programs through the lenses of diversity, equity, and inclusion and affordability. As a result of this analysis, we made a number of enhancements. Effective January 1, 2022:

- Provide for a flat or reduced Associate contribution to health benefits for those making less than \$30,000 per year
- Provide for a dental subsidy
- Offer enhanced life insurance coverage
- Offer expanded coverage to opposite sex domestic partners

### LGBTQ+ Benefits

In addition, we provide more inclusive benefits coverage for our LGBTQ+ community, including coverage for voice and communication therapy and gender re-affirming services. Our benefits also include coverage for travel charges of up to \$5,000 based on provider access due to geographic limitations.

### Family Forming

We expanded our family forming benefits, allowing for coverage for egg and sperm cryopreservation for those rendered infertile due to a treatment or illness (including gender transition), including storage for up to 24 months. We also enhanced our maternity program, providing coverage for midwives and child birthing classes.

### Compensation

We conduct ongoing compensation benchmarking and strive to provide Associates with competitive compensation. In 2021, we continued to make adjustments to pay within all segments of our business. In support of our DE&I goals, we also conducted our first comprehensive analysis in late 2021 of compensation gaps among Associates, including by gender, race, and ethnicity, with the aim to systematically address discrepancies over time. As we complete this analysis, we will have a baseline for pay equity as a first and fundamental step toward truly supporting Associate economic empowerment. We will implement a phased plan to address any gaps and ensure a sustainable, long-term solution is integrated into our business.

### health, safety, and security

The health and wellbeing of our customers and associates is one of our top priorities. We implement health, safety, and security programs and strive to maintain a safe and secure environment for Associates and customers. We tailor our programs to address potential risks in all of our workplaces, from stores, distribution centers, and corporate offices to business travel. These efforts extend to our customers' health, safety, and security while shopping in our stores or online.

In 2021, we took deliberate steps to upskill our Security & Loss Prevention team to better anticipate, prevent, contain, and manage critical risks and incidents and to safeguard our people and assets. We are actively recruiting a dedicated health and safety expert to review and update our initiatives and programs.

### Safety Standards and Training

All Associates complete safety training commensurate with the risks and exposures in their areas of responsibility. In addition, we adopted specific safety and security standards and protocols to address and prevent workplace hazards, including workplace violence prevention, fire safety, and other relevant topics. We reinforce training participation through meetings and safety reminders. Managers and supervisors play a significant role in promoting safe and secure behaviors and environments. Safety compliance is a metric we take into account for supply chain during performance management discussions and evaluations.

### Emergency Response and Crisis Management

Emergency response and crisis management are integral to our health, safety and security efforts. In 2021, we initiated a comprehensive review and update of our protocols and plans, and we will continue this work through 2022.



### Keeping associates and customers safe during the pandemic

Throughout the pandemic, we prioritized the safety of all Associates and customers by implementing Associate rapid response programs with COVID-19 protocols and safety tips to keep our teams safe. In our stores and distribution centers, we mitigated risk by introducing a Store Safety Plan, which required the use of face masks, rigorous cleaning, social distancing, and Associate temperature checks.

At the height of the public health crisis, our safety measures allowed us to provide immediate access to essential baby, health, and hygiene items through our buybuy BABY and Harmon Face Values Stores. At the same time, we re-engineered our distribution network to mobilize some Bed Bath & Beyond stores as local fulfillment centers.

# community

provide a sense of home to the people and communities we serve



We believe a sense of home is critical for the well-being of individuals and communities. In partnership with local and national non-profits, we are working to positively impact communities in need and to support our communities with product donations and Associate volunteering. We plan to accomplish this by:

- Joining forces with Rebuilding Together to revitalize communities across the country
- Partnering with Good360 to deliver essential items to communities in need and provide post-disaster relief
- Enabling Associates to give back to communities in need through volunteer opportunities
- Creating donation programs that inspire Associates and communities to give back

### our community pillar goals and 2021 progress

Donate \$500 million  
dollars of products  
by 2030<sup>19</sup>

Revised



**\$29.65M**  
of products donated in 2021

Commit to 1 million  
hours of volunteer  
service by 2030

Revised



We will report on  
progress toward this  
goal in 2022<sup>20</sup>

<sup>19</sup>Includes total donations since 2020, not just donations to Good360. This goal was adjusted following an updated assessment of store inventory and footprint.

<sup>20</sup>COVID-19 impacted our ability to make meaningful progress toward this goal. This goal was adjusted and updated progress will be reported in 2022.



## our national community partners

### rebuilding together: revitalizing homes in need

Rebuilding Together is a national non-profit that repairs homes, revitalizes communities, and rebuilds lives to foster independence and increase safety, economic stability, and connection for local residents. As a proud partner with Rebuilding Together, Bed Bath & Beyond invests home goods, volunteer time, and resources to help provide safe and healthy homes in underserved communities.

In 2021, we officially launched five pilot home projects as part of our Rebuilding Together partnership. Store Associates partnered with local chapters to volunteer time and donate home goods to families in need, and we pledged to expand our corporate partnership in 2022 to include a \$500,000 financial contribution to reach more than 25 families in communities across the U.S.



**“In partnership with Bed Bath & Beyond, we not only make houses safer but also provide neighbors with home décor that turn houses into homes.”**

**Caroline Blakely**, President & Chief Executive Officer, Rebuilding Together



## community spotlight

### Creating a Safe and Healthy Home for the Farmer Family in Miami

Through our partnership with Rebuilding Together, we helped people like Stephanie Farmer, who took care of her mother, grandmother, husband, and daughter amid challenging circumstances. When her husband suffered from a stroke, the Farmer family did not have a wheelchair ramp to safely get him into their home. Rebuilding Together and Bed Bath & Beyond stepped in to help. By providing critical home repairs and home goods, our partnership helped the Farmers create a safe sense of home during a time of need.

### Helping Atlanta volunteers age in their multi-generational family home

Barbara Leath moved to Atlanta to care for her mother, and after she passed away in 2010, she left a house for Barbara and her family. Barbara and her husband, Jerry, actively support their local community and homeless population through their involvement with their church and as volunteers with Rebuilding Together. At 78 and 76 years old and on a fixed income, however, their own home repairs quickly spiraled out of their control. Through the support of Bed Bath & Beyond, Rebuilding Together made critical repairs to the Leath's roof, bedroom, bathroom, and added handrails to the home to help the Leaths age in place.

### Good360: a 20+ year heritage of donating home goods

We are proud to have partnered for more than 20 years with Good360, a non-profit that enables us to donate essential items to communities in need across the U.S.

*In response to the Surfside condominium tragedy, our Aventura Bed Bath & Beyond store team came together to support the community by donating more than \$6,400 in critical items to affected families.*

Our partnership enables hundreds of vetted local charities to provide disaster relief support in times of crisis or other challenging life circumstances. Moving forward, we will deepen our relationship with Good360 to further embed this program across all stores.



**“For more than 20 years, Good360’s collaboration with Bed Bath & Beyond has had a significant positive impact on individuals and families around the country to re-establish a sense of home and belonging when and where it is needed most.” ”**

**Matt Connelly**, Chief Executive Officer, Good360



# planet

protecting the planet we call home



At Bed Bath & Beyond, we understand the urgency of the environmental issues that face us today. We focus our sustainability efforts on the critical issues of climate change, sustainable products, and eliminating waste. As we transform our business, we have the unique opportunity to deeply embed environmental considerations in the business decisions we make.

### our planet pillar goals and 2021 progress

**No net greenhouse gas (GHG) emissions for Scopes 1 and 2 by 2030<sup>21</sup>**

Revised



**162,627**  
MT CO<sub>2</sub>e

**100% of waste diverted from landfill in our own operations by 2050**



**44.3%**  
waste diverted

**50% improved water efficiency across all facilities we operate by 2035**



**27.5%**  
reduction in water usage  
in our overall footprint  
compared to 2019

**50% of cotton responsibly sourced<sup>22</sup> in Owned Brand lines by 2025**



**14.9%**  
of cotton responsibly  
sourced

**50% of wood sustainably sourced<sup>23</sup> in Owned Brand lines by 2030<sup>24</sup>**

Revised



**0%**  
of wood sustainably  
sourced<sup>25</sup>

**>50% of packaging weight from recycled materials in Owned Brand packaging by 2030**



**28.4%**  
of packaging weight from  
recycled materials

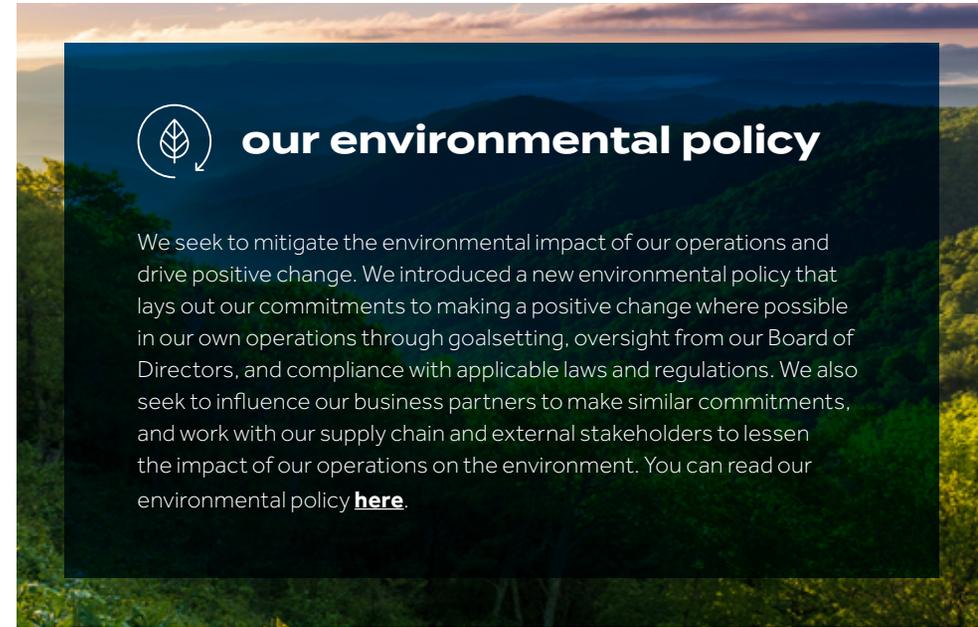
<sup>21</sup>We are accelerating our greenhouse gas reductions goals for Scopes 1 and 2 emissions, because we understand the urgency of climate change and know the most important action we can take is to reduce our emissions and integrate renewable energy into our mix, faster. We changed our terminology from "net zero" to "no net emissions" as that more accurately reflects our approach to this goal.

<sup>22</sup>Responsibly sourced as defined by third-party certifications such as the Better Cotton Initiative, the Global Organic Textile Standard, or OEKO-TEX®.

<sup>23</sup>Sustainably sourced as defined by third-party certifications such as the Forest Stewardship Council (FSC) or the Sustainable Forestry Initiative (SFI).

<sup>24</sup>We adjusted this timeline due to supply chain and sourcing complexities and recognizing that this material requires a holistic approach to sustainable sourcing.

<sup>25</sup>Our first Owned Brand since we established this goal was launched in July 2021 and our data therefore covers half the year. In 2022 we will be able to report a full year of the progress toward our goal.



On our path to no net emissions for Scopes 1 and Scope 2 by 2030, we are taking steps to reduce emissions that come from our stores, warehouses, and offices. We also know that in order to reach the goals of the Paris Agreement, we need to do more – and as such, we are actively working to calculate and reduce our Scope 3 emissions.

Our commitment starts with the products we offer – they are the essence of our business. We have challenged ourselves to offer sustainable products that everyone can afford across all categories by 2030. Our Owned Brand strategy represents the perfect starting point for this commitment.

For our external product assortment, we are expanding our sourcing practices to be more inclusive of diverse-owned businesses and to focus on affordability and transparency for our customers.



## energy & climate: our 2030 commitment to no direct net emissions

We recognize that reducing our carbon emissions is one of the most critical actions we can take as a Company to protect the planet we call home – and in line with the goals of the Paris Agreement, we need to take action to combat the most severe impacts of climate change.

We aim to have no net greenhouse gas emissions for Scopes 1 and 2 by 2030 and are working to establish and publish science-based targets that include our Scope 3 emissions by the end of 2023. Our path to achieve our current target of no net emissions for Scopes 1 and 2 focuses on decreasing emissions in our stores and warehouses in four key areas:



**Energy Management Systems**



**Renewable energy generation and procurement**



**Installation of LED lighting**



**Heating, ventilation, and air conditioning (HVAC) system updates**

*To further underscore our commitments to mitigating the impacts of climate change, we have accelerated our goal by ten years and aim to set science-based targets by the end of 2023.*

Last year, we conducted a baseline assessment to develop an understanding of our direct carbon emissions. Using those results, we are in the process of implementing an internal data collection system that will leverage the expertise of our internal audit team to validate the credibility of the data and the data gathering process.

## store network and warehouses

With 40 warehouses and nearly a thousand stores across the U.S., Canada, and Mexico<sup>26</sup>, our store network and warehouses are critical for addressing our environmental impact and a key way we will meet our goal of no net emissions for our Scope 1 and Scope 2 by 2030. To date, we have targeted four main priority areas to reduce emissions and facilitate responsible energy use: Energy Management Systems (EMS), renewable energy, LED lighting, and HVAC systems.

### Energy Management Systems

We utilize two different types of Energy Management Systems (EMS) in our stores, both of which exceed ISO standards. By connecting our HVAC and lighting systems and allowing for scheduling and remote management, these systems help us monitor, control, and optimize energy use in our stores, warehouses, and distribution centers.

For example, one of our systems is directly integrated with store HVAC units. Through this integration, we are able to remotely control blower motor speed to reduce energy usage outside of the pre-programmed factory settings.

Further, our EMS allows us to participate in peak pricing response programs as well as capacity management programs. We actively use demand load shedding to reduce our overall grid demand during peak times.

### Renewable Energy

Since 2010, we have generated renewable energy using our own solar panels and wind power in Texas and solar

panels in New Jersey – an important first step in reducing emissions. In addition, we source renewable energy from third-party providers, given that self-generation does not currently provide enough energy to power our stores.

As we move forward with our strategic investments, we are evaluating alternative energy sources at all leased facilities and stores where applicable.

### LED Lighting

Given the significance of lighting in our overall energy use, we began to retrofit our stores with LED lighting in 2016 and utilize LED lighting in all new stores and warehouses. Currently, 90% of our sites are retrofitted and we expect to have 100% of stores retrofitted by the end of 2022. To further reduce our energy use, we introduced motion-sense lighting to ensure that lights automatically turn off when people are not present. Through this process, we reduced energy usage by approximately 18% per store.

### HVAC Systems

Our climate-controlled stores and warehouses rely on HVAC systems to keep our customers and Associates comfortable and healthy. We are actively working to update and replace existing HVAC systems with more efficient systems, which will curb energy consumption and thereby reduce our emissions and electricity costs.

### Our Scope 3 Emissions

As we look to set science-based targets by the end of 2023, we are working to baseline our Scope 3 emissions related to logistics and transportation.



<sup>26</sup>Mexico operations are part of a joint venture.



## logistics and transportation

We continue to build out our regional distribution centers (RDCs) strategy, where we locate RDCs in strategic geographic areas to serve our customers better. This strategy enables us to move our products more efficiently and with lower overall carbon intensity.

### Intermodal Transport

Our primary mechanism to reduce carbon emissions is to shift our product transportation from trucking to rail – a process that has been implemented since 2007. We are maximizing this mode of transportation where possible to make continual improvements as it relates to logistics and transportation.

### SmartWay

The U.S. Environmental Protection Agency (EPA) developed SmartWay to help companies identify and select products and services that reduce transportation-related emissions. SmartWay transportation providers measure, benchmark, and report their emissions, allowing us to reduce the environmental impact of our supply chain. This positions us to make informed decisions about transportation-related emissions and to select more efficient freight carriers and transport modes.

### Optimized Shipping

Consolidating our shipments has reduced the number of individual trucks transporting products to our stores, and consequently reduced our emissions and fuel

consumption per unit. We continue to utilize a pool and consolidation network to reduce the number of Less-than-Load (LTL) shipments moving between our suppliers and our store locations.

We are exploring additional opportunities to reduce emissions and drive down fuel consumption, including optimizing the fulfillment process, electrifying trucks, reducing idling, optimizing store deliveries, and consolidating our overseas shipments.

### Electric Vehicle Charging Stations

In an effort to enable Associates to make sustainable choices, we are working to provide infrastructure for electric vehicles (EVs). In 2021, we began the process of installing EV charging stations to make it easier for corporate Associates to charge their vehicles at work. We will have four charging points for vehicles at our corporate headquarters in 2022, with the potential to add more in the future.

## embedding environmental considerations into our supply chain

We are committed to building a more efficient supply chain while lowering emissions. To do so, we are embedding environmental criteria into our regional distribution centers (RDCs), third-party logistics, and landlord agreements. We select third-party logistics partners such as those that serve our Frackville, PA, and Southern California RDCs that have strong environmental programs and we continue to evolve our working model together.

In 2022, we plan to introduce emissions data collection and disclosure mechanisms into our request for proposal (RFP) process for trucking transportation partners, allowing us to assess potential partners against their emissions. As we modernize our supply chain, we will seek opportunities to operate RDCs in strategic locations to bring our products home faster and more efficiently — whether to the store or directly to our customers.

## reducing waste

We are committed to reducing, reusing, and recycling waste. Our goal is to divert 100% of waste from landfills in our own operations by 2050, and in 2021 we diverted 44% of our operations' waste. To deliver on this commitment, we optimize scheduled landfill trips and utilize our compactor "on call" model. We are exploring additional waste diversion targets and supplier waste targets and are committed to providing waste solutions to our customers for durable product categories.

In 2021, buybuy Baby launched our first circular economy initiative in partnership with GoodBuy Gear to take back used baby gear in exchange for store credit to keep these goods at their highest use for as long as possible. The partnership offers a convenient way for our consumers to upcycle their old baby gear, resulting in less landfill waste and a smaller product carbon footprint.

*Since 2014, our home goods donations have enabled us to divert more than 145,000<sup>27</sup> tons of waste from landfills, positively contributing to our environmental goal of zero waste to landfill by 2050.*

## Improving Inventory Efficiency

We are in the process of implementing dynamic allocation, supplier-to-distribution-center forecasting, and automated ordering tools to better predict and respond to inventory turnover. This will foster more accurate product allocation and decrease inventory waste.

## water

We are committed to reducing our water footprint across our stores, offices, and distribution centers. Given almost all of our water use comes from the plumbing in our stores, warehouses, and offices, we plan to accomplish this by understanding and implementing relevant best practices regarding water consumption, including harvesting, low flow fixtures, and reusable water bottle filling stations.

<sup>27</sup>Includes total donations and liquidations since 2014, not just donations to Good360.



## sustainable products

We rolled out eight Owned Brands in fiscal year 2021, with more to come in 2022. Owned Brands made up 10% of our overall product sales in 2020 and is expected to grow by three times or more over our 3-year business transformation.

Our Owned Brands strategy gives us an opportunity to provide our consumers with more sustainable choices.

### Sustainability in Packaging

One of the biggest end-of-life impacts of our products is packaging waste. For our Owned Brands, we are actively working to mitigate the environmental impacts of our packing, reduce the materials we use in our packaging, and design packaging that uses more sustainable materials.



## Our sustainable packaging strategy includes:



### Plastic Reduction:

We are currently baselining our plastic usage in order to identify and address the most significant areas of plastic use in packaging, as well as to track our progress.



### Recycled Plastics:

We are exploring the use of recycled plastics in our packaging as a first step to eliminate virgin plastic from our product packaging. In 2021, recycled plastics made up nearly 30% of our product packaging by weight. In 2022, we are focusing on recycled options for polybag usage.



### Paper Procurement:

When sourcing paper for our product packaging, we maximize use of Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) certified paper products.

## We have already implemented initiatives to reduce, reuse, or recycle components of our secondary and tertiary packaging



### Reduce:

To reduce waste and material use in our operations, we have reduced label sizes, replaced airbags with paper dunnage, and replaced carton shipping containers with envelopes as available. Additionally, we now utilize electronic packing slips and minimize split shipments to reduce our paper use.



### Reuse:

Where possible we reuse shipping and storage materials, including inbound shipping cartons as well as pallets.



### Recycle:

We actively recycle used materials, including electronics, industrial metals, and inks and dyes. We also use biodegradable shipping materials.

# governance

**elevate and embed strong ethical values and governance throughout the business to enable the ESG strategy**



We work to uphold strong ethical values across the business through a robust governance framework that includes Board of Director oversight, ESG governance, policy training, and risk management.

### **a strong governance structure**

Our governance structure starts with an independent and diverse Board of Directors who provide oversight, direction, and leadership to management. To assist the Board with these oversight responsibilities, the Board maintains three committees: Audit, Nominating and Corporate Governance, and People, Culture, and Compensation. Each committee is comprised of independent directors and has a detailed charter outlining its duties and responsibilities.

Our Board takes steps to continually evaluate and enhance our governance policies and practices as part of our efforts toward best-in-class governance. At least annually, the Board reviews the Corporate Governance Guidelines and, together with its committees, each committee charter.

For more information about the overall governance structure of our organization, including committee charters and members, please refer to our latest Proxy Statement, the Corporate Governance section of our website, and our Corporate Governance Guidelines.



- Oversee the Company's accounting and financial reporting process and accuracy of financial statements
- Oversee the Company's compliance program and monitor compliance with legal and regulatory requirements and the Company's ethical conduct policy
- Oversee the control, audit and risk services function which evaluates the company's internal control system and the quality of internal control by management
- Oversee management's practices to ensure adequate risk management

- Advise the Board with respect to Board leadership, structure and composition, including evaluating potential director nominees
- Oversee corporate governance matters, including policies
- Oversee the Company's ESG program and strategies

- Oversee the Company's overall compensation and benefits philosophy and policies, plans and programs
- Oversee the Company's people and culture programs, including cultural initiatives and associate engagement
- Oversee the Company's DE&I program, policies and initiatives



### **a diverse, independent and highly qualified board**

Our commitment to diversity starts at the top of our organization with the Board of Directors. The Board values diversity in its broadest sense, reflecting, but not limited to, gender, age, race, ethnicity, sexual orientation, gender identity and life experience, and is committed to a policy of inclusiveness. For more information on our Board demographics, see our latest Proxy Statement.

The Board has undergone a complete transformation in recent years, with all our directors appointed within the last five years. Our Board has identified certain core skills necessary to effectively oversee management and implement our transformation strategy, including expertise or experience in digital, omni-channel, growth/business transformation, international, marketing (including digital marketing), personalization, customer experience, operations management, retail industry, senior leadership, and strategic planning. In addition, our Board values directors with experience successfully leading and serving on the Boards of other large, complex businesses.

Our Nominating and Corporate Governance Committee regularly assesses the current needs of the Board to help ensure that directors possess an appropriate mix of skills and experience. As a result of this process, the Nominating and Corporate Governance Committee may recommend new director candidates for service on our Board to ensure an ongoing pool of diverse, qualified candidates.

## ESG Governance Principles

- Build robust reporting and disclosure processes to track our progress
- Continuously improve our internal governance framework, embedding ESG throughout to ensure strong oversight
- Hardwire ESG into the organization and decision-making to drive more effective activation of our ESG vision
- Elevate a clear and robust set of business ethics to guide our decisions and practices
- Transparently communicate with stakeholders to receive feedback and share progress

## esg governance

### Board Oversight of ESG

Our Board of Directors provides our Company's highest level of oversight for our Environment, Social, and Governance (ESG) program. The Nominating and Corporate Governance also oversees the development and communication of the Company's ESG programs, strategies, policies, and practices. The ESG Program is also regularly reviewed by the full Board.

In 2022, we changed the name of our Compensation Committee to the People, Culture and Compensation Committee to reflect the Committee's increased focus on diversity, equity, and inclusion and human capital matters, and updated the Committee's charter to include oversight of certain culture-related programs, including cultural initiatives and associate engagement activities.

### Creating Strong Accountability for ESG

In addition to Board oversight, we recently appointed a Vice President of ESG to lead our ESG efforts across the Company. The VP of ESG's primary responsibility is to drive our ESG strategy and lead governance oversight as it relates to ESG. Reporting to the Executive Vice President, Chief Legal Officer and Corporate Secretary (CLO), the VP of ESG also updates the Nominating and Corporate Governance Committee and Board of Directors on the Company's ESG progress on a quarterly basis.

Comprised of the VP of ESG and cross-functional senior leaders from across the business, the ESG Steering Committee is responsible for the functional management of ESG. This committee assesses ESG risks and

opportunities, provides insights and guidance, measures and tracks our progress, and approves any changes to our ESG strategy. The ESG Steering Committee meets monthly and reports each quarter to the ESG Sponsor Committee, which is co-chaired by the CLO and VP of ESG and made up of executive-level managers. Together, these two committees make up our executive leadership over ESG topics.

### Risk Management

Bed Bath & Beyond employs enterprise risk management (ERM) practices designed to identify and assess risks to our business, including sustainability risks, and to develop strategies to mitigate and manage those risks. Our ERM risk assessment and related reporting involve cross-functional engagement to ensure appropriate prioritization and alignment across the Company. These activities, which are overseen by the Company's Controls, Audit and Risk Services team, were refreshed in 2021. The Audit Committee of our Board receives regular reports on the Company's risks, mitigation efforts and related controls to manage such risks. The Board is actively involved in the oversight of the Company's risks and is committed to Board-level oversight of the Company's risk management activities, which is facilitated through the work of the Board committees. The Board committees provide regular reports to the Board regarding risk-related matters within their responsibilities.

Please refer to the Risk Oversight section of our latest Proxy Statement for more information, which is available on our website.

## ethical business practices

We strive to be a company that embodies the highest ethical standards and we are committed to fostering a culture of uncompromising integrity. We take steps to ensure strong business ethics as we continue to strengthen governance procedures that increase transparency and accountability.

### “Speak Up” Ethics & Integrity Helpline

We expect honesty and personal accountability across the Company and provide opportunities for Associates to ask questions or report ethical concerns. Associates can voice feedback directly to our Chief People Officer, CLO, or through our anonymous helpline.

The “Speak Up” helpline is a confidential, anonymous tool for all Associates and external stakeholders to raise concerns and ask questions related to integrity, ethics, safety and related topics. The helpline is accessible 24/7 by phone and web and broadly communicated to Associates and stakeholders through the Company’s intranet and postings in common areas and breakrooms.

All reports are automatically escalated to the Security and Loss Prevention investigations department, where they are triaged and assigned for response or investigation. To preserve anonymity, the tool is managed by a third party; questions and responses to reporters are routed back through our helpline administrator.

We do not tolerate retaliation or discrimination for reports or complaints made in good faith.

### Policy of Ethical Standards for Business Conduct

Our governance commitments are outlined in our refreshed Corporate Governance Guidelines. In our Policy of Ethical Standards for Business Conduct, we detail the standards to which we hold all Associates and Directors accountable, including expectations around compliance with laws and regulations, bribery and anti-corruption, fair competition, conflicts of interest, and confidentiality.

Associates receive training on the Policy upon joining the company and on an annual basis thereafter. As part of this process, Associates are required to confirm they understand and are in compliance with the Policy. In addition, Associates receive annual training on a variety of other topics, which are targeted based on their roles and job function and focus on our commitment to high ethical standards and fostering a culture of honesty and integrity.



### Required annual ethics training

#### Business ethics

All Associates

#### Bribery and anti-corruption (FCPA)

Officers and buying teams

#### Insider trading

Corporate Associates and Store and supply chain team management

#### Regulation fair disclosure

Senior executives and certain other Associates

#### Anti-harassment

All Associates

## supply chain management

Our vendors and buying agents are required to adhere to our [Supplier Code of Conduct](#). The Supplier Code of Conduct details policies relating to child labor, involuntary labor, human trafficking, and slavery, hiring, employment, and disciplinary practices, non-discrimination, health and safety, environmental protection, wages and benefits, working hours, and Associate relations.

We validate social compliance for all factories manufacturing our Owned Brand products and all factories where we are the importer of record. Through our audit program, we review existing third-party audits and on-site factory audits. Our audit program covers all aspects of our Supplier Code of Conduct, including the assessment of potential human trafficking and slavery risks.

We partner with a third-party to help facilitate and manage our audit program, whose on-site audits include meeting with factory managers, a factory tour, and worker interviews outside the presence of factory management, as well as document review. Each supplier is notified in advance of a two-week window when an on-site audit is expected to take place, but the actual audit is unannounced.

We engage in dialogue with our suppliers through the remediation and RFP negotiation process as well as social auditing.

We have also adopted supplier requirements as part of our Conflict Minerals Program, as set forth in our [Conflict Minerals Policy](#). As part of this program, we annually require sourcing and related information from certain suppliers in the form of a survey conducted by a third party covering in-scope Owned Brand products supplied to Bed Bath & Beyond that may contain tin, tungsten,

tantalum or gold. The results of this inquiry are included in our annual Conflict Minerals Report filed with the SEC.

## product standards

We maintain standards on cotton sourcing, animal welfare, and restricted substances and chemicals. We expect our products to meet all applicable regulatory requirements and industry safety standards, including but not limited to American Society for Testing and Materials (ASTM) standards and additional corporate requirements.

### Cotton Sourcing

We do not knowingly buy or sell products that were made, in whole or in part, using forced or underage labor. Since forced and underage labor is actively used in the cotton fields of Uzbekistan, Turkmenistan, and Xinjiang, China, we will not knowingly accept products containing cotton from those regions.

### Animal Welfare

We are committed to sourcing materials of animal origin in a humane, ethical, and sustainable manner and expect the highest standards of animal welfare, and proper handling of animals used in the production of products we sell.

We set high standards for our products, and expect any products derived from animals to be produced in accordance with the Five Freedoms of the Farm Animal Welfare Committee (FAWC). Detailed information is provided in our [Animal Welfare Policy](#).

### Restricted Substances and Priority Chemicals

We are committed to providing our customers with safe and sustainable products, and our Product Safety & Compliance team works to deliver safe, quality products

to our customers. As part of this commitment, we have established certain chemical standards, including restriction lists, to identify and reduce the use of certain chemical materials in the products we sell. These lists apply to all vendors, including for our owned brands, national brands and third parties. In moving to reduce or eliminate these chemicals, we expect suppliers to select ingredients identified as Safer Chemicals by the U.S. Environmental Protection Agency (EPA) Safer Choice program, or to use EPA Safer Choice criteria or the safer alternatives marketplace to evaluate and select safe substitutions.

- **Restricted Substance List (RSL)** includes substances that may or may not be subject to current legislation but are of potential concern to human health and the environment. Vendors are expected to review and exercise efforts to reduce or eliminate the chemicals listed on the RSL.

See our [Restricted Substances List](#).

- **Priority Chemical List (PCL)** is a subset of the RSL identifying certain chemicals of concern in household cleaning, personal care and cosmetic products. Vendors must remove or reduce the use of chemicals listed on the PCL and select safe substitutions.

See our [Priority Chemical List](#).

- **Flame Retardant List** prohibits the use of certain flame retardants in all products.

See our [Flame Retardant List](#).

Each of these lists, as well as our other chemical standards, are communicated and made available to our vendors during the onboarding process as part of our comprehensive Product Safety & Compliance ("PS&C") Manual. Vendors are required to acknowledge compliance with our PS&C Manual at the time of onboarding. These lists are reviewed and updated as necessary, and at least on an annual basis, and were last updated in 2022.

As part of our testing program from direct import and owned brands products, we engage a third-party independent lab to test and evaluate these products for compliance with applicable laws, regulations, industry safety standards and certain Company policies.

In 2019, we committed to eliminating chemicals on the PCL from private label baby personal care products by the end of 2020. We achieved this goal, together with our vendors, as of the target date. In addition, Bed Bath & Beyond and buybuy BABY owned brand textile products are certified to, at a minimum, the OEKO-TEX® STANDARD 100, which certifies that products have been tested for harmful substances.

## Cybersecurity

We recognize the ever-increasing need to protect all Associates, customers, and business partners against potential data and cybersecurity risks. Our cybersecurity programs are overseen by the Audit Committee of the Board. Our cybersecurity strategy, investments, and defenses are reviewed by the full Board of Directors at least once per year.

Our information security and privacy programs are functionally managed by the Executive Information

Security & Privacy Steering Committee (EISPPSC). This Steering Committee leverages a top-down approach to information security initiatives to optimize spending, manage information and information assets, and reduce risk to the organization. We perform periodic incident response procedural reviews and exercises to ensure adequate response and timely reporting of incidents to key stakeholders for appropriate disclosure.

Over the last year, we conducted two reviews, facilitated by independent parties, to assess our current data protection and cybersecurity programs. The first of these reviews focused on baselining and benchmarking our current process against best practices in information security controls. The second review consisted of a business continuity maturity assessment based on the internationally accepted security framework ISO 27000. We are actively working on addressing improvements that resulted from these assessments.

### Data Protection

We maintain a risk-based framework to protect the confidentiality, integrity, and availability of customer and Associate data. We continue to advance our data protection capabilities to address the continuously evolving threat landscape. We are focusing on embedding security and privacy by design in our Company processes and technology solutions.

Our Senior Director, Information Security Officer, operates as our Chief Information Security and Privacy Officer and is responsible for overseeing information risk governance and our privacy functions.

### Cybersecurity Compliance

We are compliant with the Payment Card Industry (PCI) Data Security Standards, the Sarbanes Oxley Act (SOX), and California Consumer Privacy Act (CCPA).

Our information security program is aligned with recognized information security management system standards (ISO/IEC 27001) and cybersecurity frameworks (NIST SP-800 series), and related policies are annually approved, continuously reviewed, and made available to Associates. A targeted security awareness training program is administered annually to all Associates to reinforce proper identification and reporting of social engineering attempts.

Our Security Operations Center continuously monitors external threats, defends against malicious activity, and ensures all Company assets are enabled with multiple layers of protection. A dedicated information security incident response team addresses security incidents concerning malicious intent, data exfiltration, policy violation, and confidential Company information.

Annual audits, performed by internal and external resources, and penetration tests are conducted on our systems and applications to continually monitor vulnerability and compliance with governmental and industry regulations.

# appendix





### **[Policies, guidelines, and procedures](#)**

Our actions and decisions, the way we conduct ourselves, and the way we do business are guided by a set of policies and procedures. Below are the policies most relevant to our company and to our ESG priorities. Beyond these external policies and guidelines, we also maintain a number of internal policies and guidelines, including, but not limited to, a Mutual Respect/Anti-Harassment Policy and COVID-19 policies and procedures. Please refer to our [website](#) for a more current list of policies.

#### **[Animal Welfare Policy](#)**

#### **[Commitment to Equal Opportunity and Diversity](#)**

#### **[Compensation Recoupment Policy](#)**

#### **[Conflict Minerals Policy](#)**

#### **[Corporate Governance Guidelines](#)**

#### **[Environmental Policy](#)**

#### **[Flame Retardant Chemicals](#)**

Other Social Compliance Audit Program Policies<sup>28</sup>

#### **[Policy of Ethical Standards for Business Conduct](#)**

#### **[Priority Chemical List](#)**

#### **[Privacy Policy](#)**

#### **[Restricted Substances List](#)**

#### **[Supplier Code of Conduct](#)**

### **[past ESG reports](#)**

Bed Bath & Beyond's past reports offer a snapshot of year-over-year business impact across three areas: Environmental, Social and Governance (ESG). As a reference, please find the last two years of ESG reports:

#### **[2020 ESG Report](#)**

#### **[2019 Corporate Responsibility Report](#)**

<sup>28</sup>This includes non-public policies such as the Product Safety & Compliance manual, internal alerts to suppliers, etc.

## SASB: Sustainability Accounting Standards Board disclosure

The Sustainability Accounting Standards Board (SASB)'s objective is to enable companies to communicate industry-specific sustainability accounting standards to their shareholders. As part of our commitment to ensure ESG transparency we are reporting ESG metrics in accordance with the SASB standards for the Multiline and Specialty Retailers & Distributors industry.

Topic	Code	Accounting Metric	Response	
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed (GJ), (2) percentage grid electricity, (3) percentage renewable	<b>Total energy consumed</b>	1,508,029 GJ (excludes non-operated building electricity)
			<b>% grid electricity</b>	91.4%
			<b>% renewable</b>	8.6%
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	Bed Bath & Beyond is committed to protecting its customers' and Associates' data throughout the organization. Data protection measures are in place for data at rest and in transit within our data centers, with our business partners, and in the cloud. Information security policies are reviewed, approved annually, and made available to all Associates. The Bed Bath & Beyond information security program is aligned with recognized information security management system standards (ISO/IEC 27001/2) and cybersecurity frameworks (NIST SP-800). We are compliant with the Payment Card Industry (PCI) Data Security Standards, the Sarbanes Oxley Act (SOx), and California Consumer Privacy Act (CCPA).	
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected <sup>29</sup>	Not reported for 2021.	

<sup>29</sup>Disclosure shall include a description of corrective actions implemented in response to data breaches.

Topic	Code	Accounting Metric	Response														
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	<table border="1"> <thead> <tr> <th colspan="2">2021</th> </tr> <tr> <th>Segment</th> <th>Average wage</th> </tr> </thead> <tbody> <tr> <td>Distribution center</td> <td>\$ 15.80</td> </tr> <tr> <td>Retail – store Associates</td> <td>\$ 12.50</td> </tr> <tr> <td>Retail – all hourly</td> <td>\$ 13.30</td> </tr> </tbody> </table> <p>We invest in our retail wages to ensure all Associates are paid above federal minimum wage and in line with the locally applicable minimum wage. We are continuously investing in initiatives to ensure greater market alignment and to promote equitable pay for Associates.</p>	2021		Segment	Average wage	Distribution center	\$ 15.80	Retail – store Associates	\$ 12.50	Retail – all hourly	\$ 13.30				
			2021														
			Segment	Average wage													
Distribution center	\$ 15.80																
Retail – store Associates	\$ 12.50																
Retail – all hourly	\$ 13.30																
CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	<table border="1"> <thead> <tr> <th colspan="3">2021</th> </tr> <tr> <th>In-store Segment</th> <th>Voluntary turnover</th> <th>Involuntary turnover</th> </tr> </thead> <tbody> <tr> <td>Manager</td> <td>13%</td> <td>22%</td> </tr> <tr> <td>Supervisor</td> <td>24%</td> <td>18%</td> </tr> <tr> <td>Individual contributor</td> <td>85%</td> <td>14%</td> </tr> </tbody> </table>	2021			In-store Segment	Voluntary turnover	Involuntary turnover	Manager	13%	22%	Supervisor	24%	18%	Individual contributor	85%	14%
2021																	
In-store Segment	Voluntary turnover	Involuntary turnover															
Manager	13%	22%															
Supervisor	24%	18%															
Individual contributor	85%	14%															
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Not reported for 2021.															

Topic	Code	Accounting Metric	Response															
<b>Workforce Diversity &amp; Inclusion</b>	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	<table border="1"> <thead> <tr> <th></th> <th colspan="2">2021</th> </tr> <tr> <th>Segment</th> <th>Female</th> <th>Racially/ethnically diverse*</th> </tr> </thead> <tbody> <tr> <td>Manager</td> <td>58%</td> <td>32%</td> </tr> <tr> <td>Non-management</td> <td>72%</td> <td>56%</td> </tr> <tr> <td>Total workforce</td> <td>70%</td> <td>52%</td> </tr> </tbody> </table> <p>*Includes all racially and ethnically diverse groups, inc. Black, Asian-American, LatinX, Pacific Islander, and other racially and/or ethnically diverse groups.</p>		2021		Segment	Female	Racially/ethnically diverse*	Manager	58%	32%	Non-management	72%	56%	Total workforce	70%	52%
		2021																
Segment	Female	Racially/ethnically diverse*																
Manager	58%	32%																
Non-management	72%	56%																
Total workforce	70%	52%																
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Not reported for 2021.															

Topic	Code	Accounting Metric	Response
<b>Product Sourcing, Packaging &amp; Marketing</b>	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	While we do not currently track revenue from products certified to third-party environmental and/or social sustainability standards, Bed Bath & Beyond prefers suppliers who report their performance using Metafore's Environmental Paper Assessment Tool (EPAT) and meet other criteria as discussed in the Planet pillar. We use clear guidelines for exclusionary criteria (e.g., restricted chemicals, animal welfare). We hold all suppliers accountable to our Supplier Code of Conduct. We set bold goals to grow our use of responsible cotton and wood in our Owned Brands.
	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	We established a Restricted Substance List (RSL) to identify chemicals of potential concern. These substances may or may not be subject to current legislation but are of potential concern to human health and the environment. The Priority Chemical List, which is a subset of the RSL, was established to further reduce the use of certain chemicals of concern in household cleaning, personal care, and cosmetic products.
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Our approach to tackling sustainable packaging is oriented along a material hierarchy. While we acknowledge that in the near-term, it is a necessity to increase recyclability of packing solutions, we are committed to identifying more sustainable options in the long term.
<b>Activity Metrics</b>	CG-MR-000.A	Number of (1) retail locations and (2) distribution centers	991 retail locations 40 warehouses
	CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers in square meters	Retail space: 2,709,268 m <sup>2</sup> Warehouse space: 544,004 m <sup>2</sup>

## UN SDGs: United Nations Sustainable Development Goals Disclosure

Bed Bath & Beyond recognizes its role in addressing key issues that the global community faces to create a more sustainable future. As such, we are committed to joining forces with companies around the world to support the United Nations Sustainable Development Goals (SDGs).

While all 17 SDGs are critical for achieving global sustainable development, the table below highlights the SDGs where we have the most significant contributions. We will continue to deepen these contributions and expand our alignment as we evolve our ESG program.

SDG	Alignment	Reference
	<p>We provide fair wages and other benefits that support well-being to ensure our Associates and those in our supply chain are paid a living wage. We are obtaining a baseline for pay equity as part of our commitment to fair compensation.</p> <p>We are expanding our sourcing practices to proactively include more diverse-owned businesses in our supply chain.</p>	People, Governance
	<p>We foster an inclusive workplace that promotes women's equal participation and prohibits discrimination through our DE&amp;I program and <a href="#">Commitment to Equal Opportunity and Diversity</a>.</p> <p>We achieved 100% parental leave at all job levels in 2021 and provide LGBTQ+ benefits.</p>	People, Governance
	<p>As part of our goal to achieve no net emissions for Scopes 1 and 2, we are increasing our investment in renewable energy through our own solar panels and wind power and sourcing renewable energy from third-party providers.</p> <p>We utilize energy management systems to improve energy efficiency in our stores, warehouses, and distribution centers.</p>	Planet
	<p>To contribute to full and productive employment and increase access to employment and training, we've pledged to engage more than 10,000 Associates in upskilling training by 2030.</p> <p>We promote decent work and protect labor and human rights through our Vendor Code of Conduct.</p>	People, Governance
	<p>Through our DE&amp;I program we strive to build a diverse and inclusive work environment where all Associates know they belong.</p> <p>To ensure our company represents the diversity of the communities where we live and work, we've pledged to have at least 50% of roles be filled women at each level and achieve 25% racial and ethnic diversity at each level by 2030.</p>	People

SDG	Alignment	Reference
	<p>Our partnerships with Rebuilding Together, Good360, and our product donations help ensure those in our communities have access to safe and healthy homes.</p>	Community
	<p>Our commitment to responsible production starts with our own products. In our Owned Brands line, we have set targets to responsibly source 50% of our cotton and sustainably source 50% of our wood by 2030. We also set a goal to achieve more than half of our packaging weight from recycled materials by 2030.</p> <p>To reduce waste, we set a goal to divert 100% of our waste in our operations from landfill by 2050. buybuyBABY also launched the company's first circular economy initiative in partnership with GoodBuy Gear.</p>	Planet
	<p>Climate change is one of the biggest threats to our planet, and reducing our emissions is one of the most important steps we can take. We set a goal to achieve no net emissions for Scopes 1 and 2 emissions by 2030, and we are working to establish and publish science-based targets that include Scope 3 emissions by 2023.</p>	Planet

## TCFD: Task Force on Climate-related Financial Disclosures

Bed Bath & Beyond provides disclosure on climate-related risks and opportunities to promote transparency to our shareholders and other stakeholders in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The following table outlines our climate-related discussions in accordance with the TCFD framework. We will work to build more robust analysis and reporting in future years.

TCFD Topic	Metric	Our Response
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities	Governance: A Strong Governance Structure, ESG Governance, Risk Management
	Describe management's role in assessing and managing climate-related risks and opportunities	Governance: ESG Governance, Risk Management
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Planet: Introduction, Governance: ESG Governance
	Describe impact of climate-related risks and opportunities on the businesses, strategy, and financial planning	Planet: Introduction, Energy & Climate: Our 2030 Commitment to No Direct Emissions
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Not relevant this year, but Bed Bath & Beyond is committed to building toward more robust analysis and reporting in future years.
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks	Governance: Risk Management, ESG Governance
	Describe the organization's processes for managing climate-related risks	Governance: Risk Management, ESG Governance
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Governance: Risk Management, ESG Governance

TCFD Topic	Metric	Our Response
<b>Metrics and Targets</b>	Disclose metrics used to assess climate related risks and opportunities in line with strategy and risk management process; describe whether related performance metrics are incorporated into remuneration policies	We report according to relevant SASB and TCFD metrics. Bed Bath & Beyond is committed to building tracking and reporting capabilities to increase transparency in impact of business activities.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Scope 1 & 2: 162,627 MT CO <sub>2</sub> e Market-based method used
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Planet: Introduction, Energy & Climate: Our 2030 Commitment to No Direct Net Emissions

# BED BATH & BEYOND

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## forward-looking statements

This ESG Report contains forward-looking statements within the meaning of Section 21 E of the Securities Exchange Act of 1934 including, but not limited to, our progress and anticipated progress towards our long-term objectives, as well as more generally the status of our future liquidity and financial condition and our outlook for our 2022 Fiscal year. Many of these forward-looking statements can be identified by use of words such as may, will, expect, anticipate, approximate, estimate, assume, continue, model, project, plan, goal, preliminary, and similar words and phrases, although the absence of those words does not necessarily mean that statements are not forward-looking. Our actual results and future financial condition may differ materially from those expressed in any such forward-looking statements as a result of many factors. Such factors include, without limitation: general economic conditions including the recent supply chain disruptions, labor shortages, wage pressures, rising inflation and the ongoing military conflict between Russia and Ukraine; a challenging overall macroeconomic environment and a highly competitive retailing environment; risks associated with the ongoing COVID-19 pandemic and the governmental responses to it, including its impacts across our businesses on demand and operations, as well as on the operations of our suppliers and other business partners, and the effectiveness of ours and governmental actions taken in response to these risks; changing consumer preferences, spending habits and demographics; demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by us; challenges in executing our omni-channel and transformation strategy, including our ability to establish and profitably maintain the appropriate mix of digital and physical presence in the markets we serve; our ability to successfully execute our store fleet optimization strategies, including our ability to achieve anticipated cost savings and to not exceed anticipated costs; our ability to execute on any additional strategic transactions and realize the benefits of any acquisitions, partnerships, investments or divestitures; disruptions to our information technology systems, including but not limited to security breaches of systems protecting consumer and employee information or other types of cybercrimes or cybersecurity attacks; damage to our reputation in any aspect of our operations; the cost of labor, merchandise, logistical costs and other costs and expenses; potential supply chain disruption due to trade restrictions or otherwise, and other factors such as natural disasters, pandemics, including the COVID-19 pandemic, political instability, labor disturbances, product recalls, financial or operational instability of suppliers or carriers, and other items; inflation and the related increases in costs of materials, labor and other costs; inefficient management of relationships and dependencies on third-party service providers; our ability to attract and retain qualified employees in all areas of the organization; unusual weather patterns and natural disasters, including the impact of climate change; uncertainty and disruptions in financial markets; volatility in the price of our common stock and its effect, and the effect of other factors, including the COVID-19 pandemic, on our capital allocation strategy; changes to statutory, regulatory and other legal requirements or deemed noncompliance with such requirements; changes to accounting rules, regulations and tax laws, or new interpretations of existing accounting standards or tax laws; new, or developments in existing, litigation, claims or assessments; and a failure of our business partners to adhere to appropriate laws, regulations or standards. A further description of these and other risks and uncertainties can be found in the Company's Annual Report on Form 10-K for the year ended February 26, 2022. Except as required by law, we do not undertake any obligation to update our forward-looking statements.