



HUDSON'S BAY COMPANY

# SUSTAINABILITY REPORT



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Founded in 1670, HBC is the oldest company in North America. From the earliest days, we’ve embraced innovation and adventure, and learned to change with the times. This tradition continues today as we commit to meeting our customers’ evolving needs, while addressing the pressing challenges facing our communities and planet.

About This Report

In this report, we outline the 2019 sustainability management approaches, highlights and initiatives undertaken in our North American businesses, including Hudson’s Bay, Saks Fifth Avenue, and Saks OFF 5TH. As a signatory to the United Nations Global Compact, this report also meets our commitment to submit an annual Communication of Progress. All dollar amounts are in Canadian dollars, and all performance data refers to the 2019 calendar year, unless otherwise stated. The 2019 Sustainability Report is available exclusively online on our corporate website at [hbc.com](http://hbc.com).





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# OVERVIEW

HBC is a diversified retailer focused on driving the performance of high-quality stores and their omni-channel platforms and unlocking the value of real estate holdings. Founded in 1670, HBC is the oldest company in North America. HBC’s portfolio today includes formats ranging from luxury to premium department stores to off price fashion shopping destinations, with nearly 250 stores and approximately 39,000 employees around the world.

HBC’s leading businesses across North America include Saks Fifth Avenue, Hudson’s Bay, and Saks OFF 5TH. HBC also has significant investments in real estate joint ventures. It has partnered with Simon Property Group Inc. in the HBS Joint Venture, which owns properties in the United States. In Canada, it has partnered with RioCan Real Estate Investment Trust in the RioCan-HBC Joint Venture.

**244 stores**

**~39,000  
associates**





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# Where We Are

We serve customers in prime urban and suburban markets across North America with nearly 250 stores and our businesses' digital platforms.

## HUDSON'S BAY

 **89 stores**

Canada

[thebay.com](http://thebay.com)



 **41 stores**

3 Canada / 37 United States

[saksfifthavenue.com](http://saksfifthavenue.com)



 **114 stores**

18 Canada / 96 United States

[saksoff5th.com](http://saksoff5th.com)



**Corporate locations**  
**19 offices, distribution**  
**centers, call centers**

8 Canada / 9 United States /  
1 Ireland / 1 India

[hbc.com](http://hbc.com)





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# Our Approach to Sustainability

Our approach to sustainability is built around four pillars of action, which are integral to our company and critical for driving the long-term success of our businesses. Through these pillars, we enable our associates, customers and vendors to make a positive impact on social and environmental issues that matter to us all.



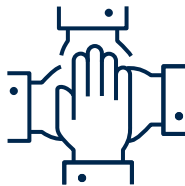
## ETHICAL SOURCING

We are determined to build our business together with our suppliers based on the principles of trust, teamwork, honesty and respect for the rights of others.



## ENGAGING OUR PEOPLE

We offer our associates a wealth of career development and advancement opportunities, and a culture that empowers them to think and act like owner-operators.



## INVESTING IN OUR COMMUNITIES

Our company's success is inextricably linked to the social and economic well-being of our associates, customers and communities, and we work to help them thrive.



## CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

We challenge ourselves to reduce our environmental impact, recognizing the connections between a healthy planet, healthy communities and a sustainable future for us all.



## Codes of Conduct

The HBC Code of Business Conduct (the Code) and Supplier Code of Conduct set out the behaviors we expect of ourselves and of our suppliers. Each year, associates across all businesses receive training on the Code and related policies that are at the core of how we do business. They must also digitally acknowledge that they agree to adhere to these policies. Training in 2019 included, but was not limited to, basic principles, conflicts of interest and associate responsibility.



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# ETHICAL SOURCING

We hold ourselves and our suppliers to high standards of responsible, sustainable and socially aware business practices. Ethical conduct, labor, human rights and environmental protection are the foundation of our [Supplier Code of Conduct](#). We partner with suppliers and industry peers to continually improve working conditions in the factories that manufacture products on our behalf.

## 711 factories

approved for production based on their  
2019 social compliance audit scores

## ~280,000 factory workers

covered by HBC's mandatory social compliance  
program in 2019





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# Our Approach to Sourcing

We believe that we have a responsibility to uphold fundamental human and labor rights, as well as to be mindful of our environmental impact throughout our supply chain.

A critical way to ensure our suppliers comply with local laws and the [HBC Supplier Code of Conduct](#) is through our mandatory Social Compliance Program. The program applies to all first-tier suppliers producing private label merchandise for HBC and any non-merchandise items that have one of HBC's company logos, such as shopping bags and gift boxes.

To work with HBC, these suppliers are required to disclose the names and addresses of their factories and subcontractors. Since 2014, we've been publishing on our corporate website a list of factories that produce private brand apparel and home products for us.

Factories must also submit third-party audit reports from accredited organizations to demonstrate that their employees are paid a fair wage, their working conditions are safe and clean, and all social and environmental aspects of production and the surrounding communities are considered. From these reports, we may approve a factory for production, approve production subject to required improvements, or decide against or discontinue sourcing from that factory.



## Learn more

[HBC Supplier Code of Conduct](#)

[HBC Manufacturers List](#)

[California Transparency in Supply Chains Act Disclosure](#)



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# Factory Audits and Results

## amfori BSCI Audits

HBC is a long-time member of amfori BSCI (formerly known as the Business Social Compliance Initiative), a leading supply chain management system that helps companies drive social compliance and improvements within the factories in their global supply chains. As a member, HBC must adhere to the 11 principles of amfori BSCI's code of conduct and ensure that our factories are socially responsible.

We encourage our suppliers to use the amfori BSCI social auditing methodology, which rates factories on a scale from A to E, where A is outstanding and E is unacceptable. We then collaborate with the auditors, vendors and factory managers to help implement corrective action plans aimed at improving working conditions. Factories that are issued corrective action plans are re-audited annually or biannually to ensure that improvements are made.

For factories rated C or lower, amfori BSCI offers free online and in-person capacity-building courses and workshops. These courses address the issues most

commonly observed during audits: social management systems, occupational health and safety, fair remuneration and decent working hours. They are designed to educate factory managers on how to create a fair and equitable work environment for their employees. We strongly believe that with this knowledge, producers will be able to fix the key issues contributing to violations and improve their long-term performance.

## Alternative Audits

Factories may also submit a third-party audit report produced by an HBC-approved social audit standard, such as the Social Accountability International (SA8000), SEDEX Members Ethical Trade Audit (SMETA) or Worldwide Responsible Accredited Production (WRAP). If a supplier has an internal social compliance program that satisfies the requirements of our program, it may submit substitute documentation. These alternative options help factories alleviate audit costs and reallocate resources to making improvements.

## amfori BSCI Audited Factory Grades 2019



**We accepted 432 non-BSCI audit reports in 2019,** which accounted for 61% of all audit reports received.

**Of the 711 factories approved for production,** 63% were located in three countries (China, India and Bangladesh) and 69% were subject to improvements being made.

**In 2019, HBC joined Nirapon** to continue developing worker empowerment and building safety initiatives that began through the Alliance for Bangladesh Worker Safety. Learn more at [nirapon.org](https://nirapon.org).





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HBC offers associates rewarding jobs in communities across North America and in India – in stores, corporate offices, logistics and supply chain, or in our call centers. We strive to foster a culture of inclusivity, where our associates feel valued and empowered, and are provided opportunities to learn, grow and achieve their career goals.

**39,570 associates**  
working in Canada (19,440), the U.S. (19,615)  
and around the world (515)

**800,000+**  
online modules completed by associates



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# Our Approach to Talent Management

To attract, retain and engage the best talent, our people strategies are focused on what matters most to our associates and to our business, namely:

- Providing on-the-job training and continuous learning
- Offering rewarding career advancement opportunities
- Fostering a collaborative culture that embraces diversity and inclusion, empowers associates to think and act like owner-operators, and promotes health and well-being
- Offering competitive benefits that include medical, vision and dental for full-time associates, associate discounts, and the Employee Assistance Program (EAP) for everyone – full-time and part-time associates alike

We prioritize communication as a way of engaging associates and driving our teams and businesses forward. Forums include daily huddles for store associates, weekly in-person or phone team meetings, a weekly e-newsletter for all associates, and quarterly town hall meetings. Engagement surveys and leader-led focus groups help us gather associate feedback, address workplace issues and adapt our people strategies as needed.

Three associate engagement surveys were conducted in 2019 – one for all associates and two pulse surveys for corporate associates and specific stores. More than 28,600 people completed the surveys, providing valuable insight into their level of engagement and other dimensions of the HBC work experience. For the first time, we introduced a diversity index to help measure associates' sense of inclusion. Leaders were also given their own team reports from which to develop relevant action plans.

Our overall engagement score of 72 was in the average-to-good range compared to other employers. Our lowest score of 70 related to whether or not associates felt they had the resources they needed to do their job well. The top two scores related to how well we serve our customers:

**85** “Customer needs are the top priority in this organization.”

**84** “I am empowered to do what is necessary to effectively service my customers.”



## Building a winning culture

“Getting radically better” is a rallying call aimed at inspiring HBC associates to embrace change and foster a culture of accountability. Five principles guide our approach to getting radically better:

- Be accountable
- Fix the fundamentals
- Keep it simple
- Fail fast, fail cheap
- Always be customer champions

In 2019, we worked to embed these principles deeper into our culture, both through our internal communications and through our work processes. Leaders were given talking points for team huddles and were encouraged to lead their teams in finding better ways of working.





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# Diversity and Inclusion

With customers and associates from around the world, we want – and need – to reflect the diversity of our stakeholders and embrace different backgrounds, viewpoints, skills and talents.

In 2019, we conducted a company-wide survey, 38 follow-up focus groups and 20 one-on-one interviews with senior leaders to better understand the current state of our diversity and inclusion (D&I) practices. The learnings are guiding the development of a D&I strategy, which will focus on attracting diverse talent, fostering an inclusive culture, developing diverse leaders, and engaging and celebrating our diverse customers, associates and communities. Among our first steps, we now require that the shortlists provided by search firms recruiting executives on our behalf include diverse candidates.

Additionally, our Employee Resource Groups (ERGs) are associate-led networks composed of individuals who join together based on common interests, backgrounds or demographic factors. They organize networking events, speaker series, professional development workshops and other events for their members. We have seven ERGs in total, four of which are geared to women.

# Learning and Development

HBC offers opportunities to learn and grow at every stage of a person’s career. Retail is a great first job for many of our associates, and we have development programs tailored to their needs. Experienced people, who join us later in their careers, are able to hone their leadership skills, chart new paths or simply keep learning.

MyCompass@HBC is a robust talent development approach designed to give associates and their leaders a clear and simple way to track career goals, growth and success. Training ranges from a selection of more than 6,000 e-learning courses that associates can access at a time and place that suits them, to structured, instructor-led leadership development programs.

LinkedIn Learning was a new addition to our training curriculum in 2019, giving associates free access to another 16,000 online courses for developing their technical, soft and leadership skills. We ran a communication campaign encouraging people to sign up for courses, which helped boost registrations, particularly among our Bangalore-based associates.



2019 e-learning totals	801,180 modules completed	191,787 training hours completed
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# Health and Well-being

We know there's a strong connection between associates' health and well-being and their ability to do their best work. We want our associates to make their health and safety a priority, and we take a holistic approach that supports their physical, emotional, social and financial well-being.

In addition to medical and dental benefits for full-time associates, we offer work/life programs that provide greater flexibility in how associates manage their time. This includes flexible paid time off for corporate and distribution center salaried associates, and varying leaves of absence.

As part of our commitment to destigmatizing mental health and supporting access to care, we organize workshops, panels and forums to create a safe place for dialogue on this critical societal issue. In addition, more than 400 associates have volunteered to be mental health ambassadors and have been trained to support engagement across our company.

In select Canadian locations, associates were offered one-on-one consultations and group workshops aimed at helping them become more financially prepared.

**8,800+**

active Canadian associates participate in the HBC Retirement & Savings Program, and benefit from the company's contribution to the program, which totaled over \$12 million in 2019.



## Safety

We take all reasonable care to prevent injuries through hazard recognition, risk assessment and control, regular communication, active associate involvement, and continuous improvement of systems, procedures and training. Should an accident occur, it is investigated to identify the root cause and corrective actions are implemented.

### In Canada



**8%**

reduction in claims reported



**9%**

increase in lost-time claims



**90 of 119  
(76%)**

of locations achieved 100% compliance for monthly Health & Safety committee meetings and workplace inspections



**61 of 119  
(51%)**

of locations achieved a full year without a lost-time injury

### In the United States



**10%**

reduction in Workers' Compensation claims, including 21 fewer lost-time claims





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# INVESTING IN OUR COMMUNITIES

Community has always been at the core of who we are. Our stores are an integral fixture of neighborhoods across North America and a majority of our associates live nearby. We recognize that the health of our company is inextricably tied to the health and vitality of our communities, and we do all we can to support them.

**\$1,267,932 CAD**

donated by the Canadian  
HBC Foundation

**\$ 1,628,435 CAD**

in corporate donations made by HBC and  
customer fundraised dollars in Canada

**\$1,201,474 USD**

donated by the U.S. HBC Foundation\*

**\$1,451,884 USD**

in customer fundraised dollars in the U.S.

\* The HBC Foundation in the United States has been renamed the Saks Fifth Avenue Foundation, beginning January 2020.





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# Our Approach to Giving

We're proud to invest in the communities where we work and live. Our giving programs – which include the work of our foundations as well as our corporate donations, fundraising and volunteering – promote health and well-being and tackle critical social issues.

Both the Hudson's Bay Foundation in Canada and the Saks Fifth Avenue Foundation (formerly known as the HBC U.S. Foundation) in the United States have made mental health a top priority since 2017. They recognized then, as they do today, that mental illness prevents too many North Americans from living their best lives.

Together, HBC and the Foundations pledged to distribute \$6 million CAD to mental health needs in communities and reach at least 500,000 people through mental health services, support and education over three years. Both goals were exceeded by the end of 2019. This success was achieved through partnerships with best-in-class organizations working to deliver innovative mental health programs that could be implemented locally and achieve national scale. These partners provided us with annual impact reports to help assess the effectiveness of our investments.

While mental health will remain a priority in 2020 and beyond, both Foundations will refocus their mandates slightly. In Canada, the Hudson's Bay Foundation will focus on equipping more Canadian families to support positive mental health at home, and on closing the gender gap in mental health. In the United States, the Saks Fifth Avenue Foundation will target specific communities that are uniquely affected by mental health issues – namely, LGBTQIA+, youth, women and communities of color.

In addition to its mental health focus, the Hudson's Bay Foundation has a longstanding partnership with the Canadian Olympic Foundation and the Paralympic Foundation of Canada, and has delivered more than \$50 million CAD since 2006.



**More than \$6 million CAD**

distributed to mental health needs over three years

**500,000+ people**

reached with mental health services, support and education over three years





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# Focus on Mental Health

Mental health issues are increasingly prevalent across North America. In fact, the Centers for Disease Control and Prevention (CDC) cites that one in five Americans experiences a mental illness in any given year. While many mental health concerns can be managed with treatment, studies show that shame, stigma and secrecy often prevent people from seeking the help they need.

Envisioning a world where mental health is as unstigmatized as the common cold, our Foundations embarked on a journey in 2017 to address mental health issues across North America, focused on:

- Increasing awareness and education – by fostering conversation and understanding through educational training and global communication campaigns
- Improving access to care – by providing funding to increase the availability of accessible resources and treatment programs for youth, teens and adults in every community
- Supporting overall well-being as a contributor to mental wellness – by reinforcing the intersection of physical and mental health as a crucial factor in the overall well-being of individuals and families

We not only achieved our own three-year quantitative targets in 2019, but also established partnerships and supported programs that are changing lives forever.

## Hudson's Bay Foundation (Canada)



Hudson's Bay Foundation granted \$1.25 million over three years (starting in 2018) to support the Centre for Addiction and Mental Health's Game Changers Program, a national mental health education and prevention program designed to reach students across Canada and help young Canadians feel more comfortable talking about mental health, seeking help for themselves, and supporting friends in need.

Resources include a conversation starter guide adapted for youth, a self-care toolkit and a mental health 101 online tutorial. The program also involves workshops held across the country at high schools in rural and urban communities. The target is to reach more than 334,000 youth through the online and in-person programming.



Beginning in 2017, Hudson's Bay Foundation is donating \$500,000 over three years to CAF to provide youth transitioning out of foster care with the urgent mental health support needed to improve their overall physical and psychological well-being. The intent is to help at least 738 youth over the three years.



In October 2019, Hudson's Bay stores partnered with Leesa Sleep, a mission-driven premium mattress company, to donate 500 mattresses to families and individuals served by the Canadian Mental Health Association, along with a \$25,000 donation.

“The Game Changers resources are designed by youth with lived experience of mental health challenges. Because of this, I believe they have real potential to help youth start and continue conversations around mental health and self-care.”

Em Hayes, Game Changers advisor and CAMH youth engagement facilitator



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The Saks Fifth Avenue Foundation (United States)

The Saks Fifth Avenue Foundation donated nearly \$1 million USD to support mental health organizations and reached 1.6 million people with messages that combat the shame and stigma surrounding mental health struggles in 2019.

Cyndi Lauper headlined a cocktail fundraiser held at L’Avenue at Saks in New York City in May 2019, which raised \$2.2 million USD in support of the Saks Fifth Avenue Foundation’s mental health mission. In 2019, the Foundation supported the following partners:



Founded by Glenn Close, Bring Change to Mind strives to end the stigma and discrimination surrounding mental illness. The organization has launched student-led mental health clubs in high schools to provide a safe space for educated conversation about these issues. Together with the New York City Mayor’s Office, Bring Change to Mind wanted to scale this program to local schools with a pilot launch in fall 2019. The Saks Fifth Avenue Foundation’s grant funded staff in New York City, high school club activities, evaluation of the pilot and a regional meet-up for club members.



NAMI is the largest grassroots organization dedicated to building better lives for Americans affected by mental illness. Each year, the organization hosts NAMI Walks, which are the largest, most prominent mental health education and fundraising walks in the U.S. Proceeds from the walks fund education, advocacy and support services for those impacted by mental illness. In 2019, the Saks Fifth Avenue Foundation supported NAMI 5K Walks across the country to raise awareness for mental health.



The Jed Foundation is a non-profit that exists to protect emotional health and prevent suicide for our nation’s teens and young adults. In 2019, the Saks Fifth Avenue Foundation awarded a grant to JED that was used to support scholarships for schools to join JED Campus – a nationwide initiative designed to help guide colleges and universities through assessing and building upon their existing student mental health, substance abuse and suicide prevention efforts. The Saks Fifth Avenue Foundation’s grant helped JED expand its program to more college campuses nationwide.



NewYork-Presbyterian’s Youth Anxiety Center advances effective ways of diagnosing, treating and helping teens and young adults suffering from anxiety disorders through research, treatment and education. Through the support of the Saks Fifth Avenue Foundation, the Youth Anxiety Center was able to further its work in providing treatment services to young people and their families to facilitate the transition to adulthood and help them create the lives they want to live.



Columbia University Department of Psychiatry is a leader in understanding mental health and mental illness. The Saks Fifth Avenue Foundation supported three research programs on depression and mood disorders in 2019. These funds enabled Columbia Psychiatry to make game-changing advances in the diagnosis and treatment of depression and apply those advances to the care of patients through their clinical enterprise.





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# Supporting Canadian Athletes

Along with being the Official Outfitter of the Canadian Olympic Team from 2013 to 2020, we support individual athletes through partnerships with the Canadian Olympic Foundation and the Paralympic Foundation of Canada.

The HBC Foundation committed to investing \$2.5 million CAD between 2016 and 2020 to help Canadian Olympic athletes through its Athlete Bursary Program. The program awards 50 athletes \$10,000 per year for five years toward activities that benefit their development and mental well-being.

The Foundation also donated more than \$15,000 CAD to the Paralympic Foundation of Canada in 2019 to help athletes with disabilities get involved in sports, nurture their overall well-being, and compete on the world stage.



“

The support from Hudson's Bay has been remarkable. It's hard to put it into words, having that steadfast support from such an iconic and truly Canadian brand as Hudson's Bay. Over the last couple of years, I have used this bursary for different forms of training, outside of my team's scheduled training.”

A dual-season Olympian, Georgia Simmerling made history when she became the first Canadian to compete in different sports at three separate Olympic Games. An alpine skier at Vancouver 2010, she was a ski cross racer at Sochi 2014, and then a track cyclist at Rio 2016 where she won bronze in team pursuit.



## Partners for Change

HBC vendors, partners, customers and associates amplify our impact through their willingness to support social causes that are important to us all. In 2019, the HBC Foundation Golf Tournament & Spa hosted almost 650 vendor partners, HBC associates and Olympic and Paralympic athletes at its annual fundraiser. With proceeds supporting Canadian Olympic athletes and our mental health partners, CAMH and CAF of Canada, the event raised more than \$1.35 million CAD and brought the total to more than \$13 million since 2001.



**\$404,731 CAD**

raised for the Canadian Olympic Foundation through the sale of Hudson's Bay's iconic Red Mittens in 2019 (a non-Olympic year). Since their launch in 2009, the mittens have raised more than \$33 million CAD.





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# CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT

With our planet under increasing strain, we strive to reduce our environmental impacts and enable our customers to do their part as well. Our committed actions today can protect the planet for tomorrow, and this is important to every one of us.

**57%**  
waste diversion rate in 2019

**30% increase**  
in owned-brand products designed and made with the Earth in mind





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# Our Approach to Environmental Stewardship

As a large retailer, we recognize our responsibility in the fight against climate change, plastic pollution and nature loss. At a minimum, we comply with the environmental laws and regulations that apply to us – which includes meeting increasingly rigorous requirements in jurisdictions that, for example, have banned plastic bags or the disposal of foam packaging.

Beyond that, we focus largely on making operational improvements that increase energy efficiency, decrease water consumption, generate less waste, reduce greenhouse gas (GHG) emissions – and help us reduce costs. Waste diversion in particular has been an operational focus. HBC participates in recycling councils across North America and collaborates with companies working in the recycling sector to find innovative solutions to our waste management challenges.

With growing concerns worldwide about plastic pollution, we have stepped up our efforts to divert plastic waste. This has included creating branded reusable shopping bags to cut down on the number of single-use plastic bags given to customers. We’re assessing additional ways to reduce the plastic packaging our customers take home with them, while continuing to protect the products they buy.

We engage environmental consultants to help us collect and evaluate relevant environmental data from our operations. As the data collection methodologies become more robust, we will use the information to set meaningful reduction targets, identify opportunities for improvement, and track and report our progress.



## Purchases with Purpose

We work closely with our vendors to help customers find products that are designed and made with the environment in mind. The Hudson's Bay website (thebay.com) now has Purchases with Purpose, a shop offering products that support social and environmental consciousness.

In 2019, we increased our assortment of owned-brand products made with materials that create less environmental impact – like organic cotton and recycled flannel – by almost 30%. We plan to continue growing our array of purpose-driven products in 2020, and will begin to look at measuring their social and environmental impacts both in our supply chain and at the end of their product life.



OVERVIEW

ETHICAL  
SOURCING

ENGAGING  
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INVESTING IN OUR  
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CONTRIBUTING  
TO A SUSTAINABLE  
ENVIRONMENT

Our Approach to  
Environmental  
Stewardship

Operational Footprint

UN GLOBAL  
COMPACT  
COMMUNICATION  
OF PROGRESS



# Operational Footprint

Diverting waste from landfill through recycling or reuse is an ongoing priority, toward a 2030 goal of diverting 80% of all waste generated in our stores, distribution centers and offices. While our 2019 waste diversion rate was 57%, down from 61% in 2018, overall waste tonnage was 10% less – meaning we generated less waste to begin with.

Each year, we look for opportunities to reduce our energy use, primarily by optimizing our heating, ventilation and air conditioning (HVAC) systems, upgrading to more energy-efficient LED lighting, and improving operational practices. LED lighting retrofits were completed in eight Saks OFF 5TH stores in 2019.

We set a goal of reducing company-wide absolute GHG emissions by 10% by 2020 using a 2014 baseline, and are on track to meet that, having already achieved 8% as of January 2019. We are reviewing our operations and will reassess our GHG goals and targets in 2021.



## Recycling Highlights (2019 vs. 2018)



**66%**

increase in metal  
materials recycling



**65%**

increase in paper recycling



**100 tonnes**

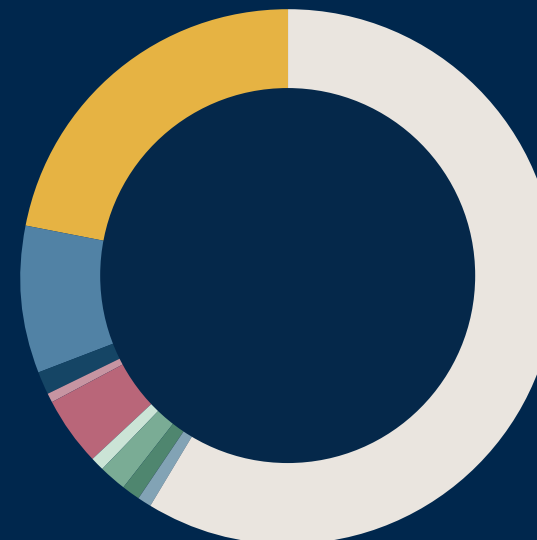
of plastic hangers were recycled at our Etobicoke, ON Distribution Centre, an increase of more than 20 tonnes compared to 2018. The recycled hangers are turned into new products.



**≈ 9 tonnes**

of bags, wrappers and other soft plastics were diverted from Hudson's Bay stores in 2019, compared to just one tonne in 2018.

## Total Waste by Stream (Mt)



22.55	Appliance
5,339.03	Cardboard
64.38	Furniture
2.13	Glass
101.06	Hangers
161.79	Mattress
75.84	Metal
391.39	Organics
32.63	Paper
123.60	Plastic
815.75	Single Stream
3.91	Styrofoam
1,991.41	Wood
9,125.48	TOTAL









- OVERVIEW
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- CONTRIBUTING TO A SUSTAINABLE ENVIRONMENT
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# UN Global Compact Communication of Progress

As a participant in the UN Global Compact, HBC has agreed to operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. This is our second UN Global Compact Communication of Progress, which details the work we’ve done and plan to do to embed the UN Global Compact’s Ten Principles for business into our strategies and operations.

PRINCIPLE	APPROACH, ACTIONS AND OUTCOMES	
 Human Rights	<div>1. Supporting and respecting the protection of internationally proclaimed human rights</div> <div>2. Making sure businesses are not complicit in human rights abuse</div>	<div>The company has an ethical sourcing policy and process, and membership in amfori BSCI.</div> <div>Suppliers are required to disclose all factories as a condition of doing business.</div>
 Labor	<div>3. Upholding the freedom of association and the effective recognition of the right to collective bargaining</div> <div>4. Eliminating all forms of forced and compulsory labor</div> <div>5. Effectively abolishing child labor</div> <div>6. Eliminating discrimination in respect of employment and occupation</div>	<div>Suppliers must abide by their country’s laws/regulations and comply with the HBC Supplier and amfori BSCI Codes of Conduct.</div> <div>As a member of amfori BSCI, suppliers are required to participate in training/education on how to eliminate forced labor, if any exists within their operations and activities.</div> <div>As a member of amfori BSCI, suppliers are required to participate in training/education on how to eliminate forced labor, if any exists within their operations and activities.</div> <div>As a member of amfori BSCI, suppliers are required to participate in training/education on how to eliminate discrimination (e.g., age, caste, disability, language, nationality, racial or ethnic, regional, religious, gender, sexual orientation), if any exists within their operations and activities.</div>
 Environment	<div>7. Supporting a precautionary approach to environmental challenges</div> <div>8. Undertaking initiatives to promote greater environmental responsibility</div> <div>9. Encouraging the development and diffusion of environmentally friendly technologies</div>	<div>Suppliers are assessed for their environmental management practices prior to production and during a social compliance audit.</div> <div>Corporately, HBC has strategies to reduce energy use, single-use plastic bags and greenhouse gas emissions. We have seen reductions in these areas and will continue to implement strategies and targets. We also implement strategies to manage water consumption.</div> <div>For consumers, HBC continues to expand and explore products that are made with recycled or organic materials.</div>
 Anti-corruption	<div>10. Working against corruption in all its forms, including extortion and bribery</div>	<div>The company has an associate Code of Conduct that all associates must review and sign each year. At a supplier level, all supplier agreements state a zero-tolerance for corruption in all its forms. Supplier education is provided by way of the social compliance program, and associate education by way of internal online training. To date, HBC has not had any reported anti-corruption incidents.</div>



[hbc.com](http://hbc.com) | [thebay.com](http://thebay.com) | [saks.com](http://saks.com) | [saksoff5th.com](http://saksoff5th.com)