



## Bed Bath & Beyond Corporate Social Responsibility

While Bed Bath & Beyond (NASDAQ: BBBY) ranked below industry average in corporate social responsibility scores (CSR), the Undergraduate Student Managed Fund will continue with the purchase of the company for the following reasons:

### Business Pros

- A retailer that has demonstrated an ability to grow through both acquisitions, store increases, and same store sales growth for the past ten years
- The company has reward shareholders over the past ten years by purchasing \$7.5 billion of shares, and has authorized the purchase of another \$1.8 billion
- BBBY is a proven and profitable retailer that has the ability and market position to remain profitable throughout all phases of economic cycle

### Environmental Sustainability

- BBBY is very conscious of the impact that a retailer may have on environmental factors. In a 2006 report, the Chairman of the company stated: "The broader concerns over energy costs, our nation's dependence on foreign oil, the rate of consumption and environmental impacts of fossil fuels, deforestation, and global warming, must be our concerns as well. Our response to these broad concerns is local." Since then, this has been their guiding principle of environmental sustainability.
- The impact of single use plastic bags is one of the biggest impacts from the retailing industry. BBBY has introduced reusable bags to decrease the amount of single-use plastic bags the company puts into the environment.
- Revenue from the sale of reusable bags and savings from decreased investment in single-use plastic bags, are being reinvested into the environment to continue to lesson the impact of the retailer.
- One dollar of sales of the reusable bags goes to the National Fish and Wildlife Foundation. In 2012, donations to the NFWF totaled \$620,000.00.
- The company has also invested into local environmental recovery projects. BBBY has invested into 568 locally based environment-focused projects across 34 states.
- The Solar Energy Industries Association ranked BBBY in the top 20 of companies in terms of solar energy use.
- BBBY has multiple solar panels in its corporate offices that are estimated to save over 35,000 barrels of oil and 1.8 million pounds of CO<sub>2</sub> each year of operation.
- The company also has implemented 17 other internal operations in stores to decrease environmental impact. These other measures include, among other things, focusing on increasing recycling of packaging, decreasing electricity and lighting usage, and increasing efficiency of HVAC systems in the stores.

### Community Giving

- BBBY is focused on investing on local causes that support the communities that BBBY has stores. Managers of the stores are empowered and encouraged to invest in local projects, and do so on a frequent basis.
- BBBY participates with GOOD360 a non-profit company to provide donations of merchandise to those in need. The company donates merchandise at the local level on a weekly basis. Merchandise is provided to those in need of relief due to economic hardship, natural disaster, or other reasons.
- BBBY estimates that donations through this program surpassed \$129 million for the year of 2011, and intends to continue this program.
- The company was recognized as a recipient of the Light of Hope Award, which recognizes companies with outstanding corporate citizenship and product philanthropy.

Though the CSR ratings of Bed Bath & Beyond depict the firm in a negative manner, this firm actually has highly effective and leading programs in CSR. Though the retailer appears below industry average in terms of corporate responsibility ratings, Bed Bath & Beyond is working to better society in several ways, and policies in terms of CSR will not impact our investment thesis or decision.

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