

BED BATH & BEYOND

2019 CORPORATE **Responsibility** REPORT

A Message to Our Stakeholders:

On behalf of our 60,000 Associates serving customers in more than 1,500 stores in the United States, Puerto Rico and Canada, we are pleased to present Bed Bath & Beyond's 2019 Corporate Responsibility Report. Since we first opened our doors in 1971, Bed Bath & Beyond's top priority has been our commitment to customer service and being a responsible corporate citizen, which remains true today.

This past year, our teams have been focused on driving the Company's transformation efforts and

finding new ways to delight our customers, enhance our competitive position, improve our financial performance, and drive shareholder value. While progress has been made, there is still more work to be done. During 2019, we also significantly transformed Bed Bath & Beyond's Board governance structure, including the appointment of ten new independent directors, with seven female directors, a rich diversity of perspectives, backgrounds, ages, gender, race and ethnicity. As a result of these changes, our Board better reflects the diversity of the Company's loyal customers and dedicated Associates.

As we evolve our business, we will continue to improve our approach to corporate social responsibility and the way in which we communicate with stakeholders. This year's Corporate Responsibility Report is presented in a more streamlined, user-friendly format and highlights the areas in which we have been making meaningful strides, and we look forward to enhancing our performance and disclosures on environmental, social and governance issues in the future.

Led by a cross-functional Corporate Responsibility Committee, we are guided by the following priorities:



Manage the environmental impact of our business operations.



Ensure we have a positive social impact on our customers, associates and the communities we serve.



Uphold the highest corporate governance standards, engage with our stakeholders and deliver long-term value.

WE ARE PROUD of our long-standing commitment to our customers and the communities we serve, and we remain focused on identifying ways we can add value for our shareholders, associates, vendors, customers and society.



Mark Tritton
PRESIDENT AND CHIEF
EXECUTIVE OFFICER



Patrick R. Gaston
CHAIRMAN OF THE BOARD

About This Report

This report was completed in December 2019 by **Bed Bath & Beyond Inc.**, the parent company that, together with a group of subsidiaries, is an omni-channel retailer selling a wide assortment of domestics merchandise and home furnishings, which operates under the names Bed Bath & Beyond, Christmas Tree Shops, Christmas Tree Shops andThat! or andThat!, Harmon, Harmon Face Values or Face Values, buybuy BABY and

World Market, Cost Plus World Market or Cost Plus. In addition, the Company operates One Kings Lane, an online authority in home décor and design offering a unique collection of select home goods, designer and vintage items; PersonalizationMall.com, an industry-leading online retailer of personalized products; and Decorist, an online interior design platform that provides personalized home design services. The

Company also operates Linen Holdings, a provider of a variety of textile products, amenities and other goods to institutional customers in the hospitality, cruise line, healthcare and other industries. Additionally, the Company is a partner in a joint venture which operates retail stores in Mexico under the name Bed Bath & Beyond.

The Company operates multiple retail channels, including retail stores in the United States, Puerto Rico and Canada, and various websites and applications.

bedbathandbeyond.com | bedbathandbeyond.ca | worldmarket.com

buybuybaby.com | buybuybaby.ca | christmastreeshops.com | harmondiscountry.com

onekingslane.com | personalizationmall.com | decorist.com

harborlinen.com | t-ygroup.com



- References contained within this report to "**Bed Bath & Beyond Inc.**" or "**the Company**" refer to the enterprise as a whole or, depending on context, to the parent entity in its corporate capacity, while references to an individual brand discuss topics specific to that individual brand. Because domestic Bed Bath & Beyond stores constitute the vast majority of the Company's locations and activity, in the absence of a specific designation indicating otherwise, these materials should be read as applying to the U.S. operations of Bed Bath & Beyond stores and bedbathandbeyond.com.
- This report presents data from calendar year 2018, except where otherwise noted.
- The Company reviewed various methodologies for sustainability reporting in the development of this report, though no single set of protocols has been exclusively adopted. In particular, the Company referenced the Sustainability Accounting Board's Sustainability Accounting Standard for Multi-line and Specialty Retailers & Distributors in assessing the environmental, social, and governance issues most relevant to its operations.
- If you have any comments or suggestions relative to this report, please feel free to contact us at **corporateresponsibility@bedbath.com**, where they will be considered, acted upon if appropriate, and in all cases appreciated.
- ©2020 Bed Bath & Beyond Inc. and its subsidiaries.



Forward-looking Statements

This report may contain forward-looking statements. 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, and similar words and phrases. The Company's 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 housing market, a challenging overall macroeconomic environment and related changes in the retailing environment; consumer preferences, spending habits and adoption of new technologies; demographics and other macroeconomic factors that may impact the level of spending for the types of merchandise sold by the Company; civil disturbances and terrorist acts; unusual weather patterns and natural disasters; competition from existing and potential competitors across all channels; pricing pressures; liquidity; the ability to achieve anticipated cost savings, and to not exceed

anticipated costs associated with organizational changes and investments; the ability to attract and retain qualified employees in all areas of the organization; the cost of labor, merchandise and other costs and expenses; potential supply chain disruption due to trade restrictions, political instability, labor disturbances, product recalls, financial or operational instability of suppliers or carriers, and other items; the ability to find suitable locations at acceptable occupancy costs and other terms to support the Company's plans for new stores; the ability to establish and profitably maintain the appropriate mix of digital and physical presence in the markets it serves; the ability to assess and implement technologies in support of the Company's development of its omnichannel capabilities; uncertainty in financial markets; volatility in the price of the Company's common stock and its effect, and the effect of other factors, on the Company's capital allocation strategy; risks associated with the ability to achieve a successful outcome for its business concepts and to otherwise achieve its business strategies; the impact of intangible asset and other impairments; disruptions to the

Company's 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; reputational risk arising from challenges to the Company's or a third party product or service supplier's compliance with various laws, regulations or standards, including those related to labor, health, safety, privacy or the environment; reputational risk arising from third-party merchandise or service vendor performance in direct home delivery or assembly of product for customers; changes to statutory, regulatory and legal requirements, including without limitation proposed changes affecting international trade; changes to, or new, tax laws or interpretation of existing tax laws; new, or developments in existing, litigation, claims or assessments; changes to, or new, accounting standards; foreign currency exchange rate fluctuations; and the integration of acquired businesses. The Company does not undertake any obligation to update its forward-looking statements.

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Environmental

Energy Management Program | Powering Bed Bath & Beyond with Solar
Cumulative Effect of Energy Management Initiatives | Logistics and Transportation
Sustainable Paper Procurement | Product Packaging



Energy Management Program

Bed Bath & Beyond's Energy Management Program is a multi-pronged approach to energy management that focuses on the twin goals of reducing our energy consumption and our energy expenses. In our view, prudent energy management is a classic example of a win-win scenario: better for the environment and the Company's bottom line.

We achieve these goals through the cumulative effects of various energy reduction programs, including solar projects, electric supply contracts, rate reviews, and changes in store operating conditions.

2018 Highlights

We implemented energy saving measures in connection with maintaining the optimum operating temperature in our data centers, which both reduces the energy used and costs associated.

We are working towards retrofitting qualifying stores for all concepts with LED lighting, which reduces energy associated with lighting consumption by approximately 18% per store. By the end of fiscal year 2018, 1022 stores were retrofitted. The Company's goal is for all qualifying stores to be converted to LED lighting by the end of fiscal year 2020.

We have been updating our HVAC fans in our stores to allow for them to operate at a slower speed during certain hours of the day. This capacity typically reduces energy use for the fan motor by over 33%. All qualifying HVAC units were retrofitted with this update by the end of 2018. Since 2016, all new HVAC units have been installed with this technology.



Powering Bed Bath & Beyond with Solar

- Solar Installation

Began In 2010

at the Bed Bath & Beyond Corporate Offices in Union, New Jersey

- Since then, we have installed rooftop solar at

41 Sites In 6 States

- As of April 2019, the 41 SunPower® systems have

Generated Over 125

Million Kilowatt Hours (Kwh) Solar Energy

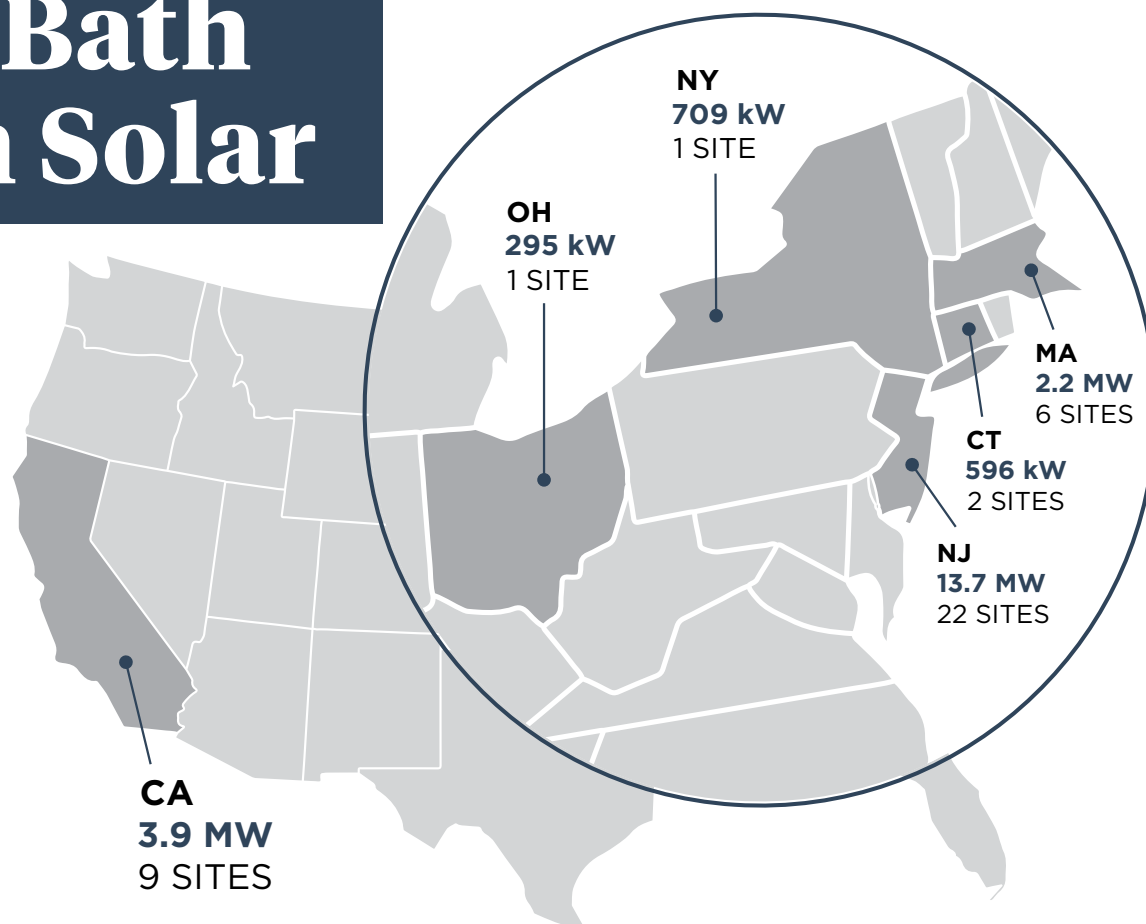
Offsetting Over 88,000

metric tons of carbon dioxide emissions

- More than half of our 41 solar installations provide

More Than 50%

of the facility's energy, generating significant annual cost savings to the Company



21 Mw total system size

125,183,382 kWh =

offsetting 88,000 + metric tons of CO₂ since 2010

Source: EPA calculator



104,185 ACRES
of U.S. forests
in one year

OR



10,600 HOMES
energy use
for one year

OR



216 MILLION
miles driven
by an avg. vehicle

Cumulative Effect of Energy Management Initiatives

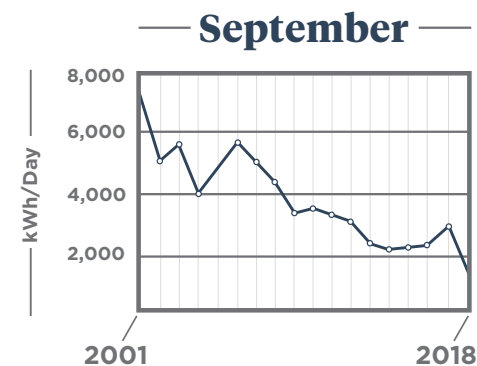
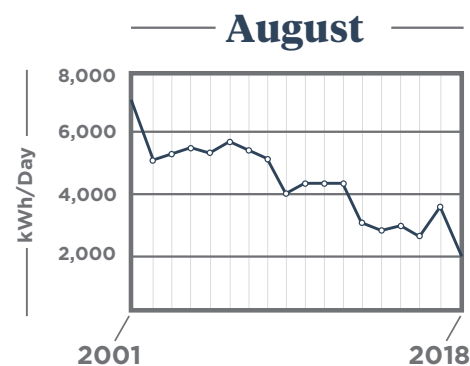
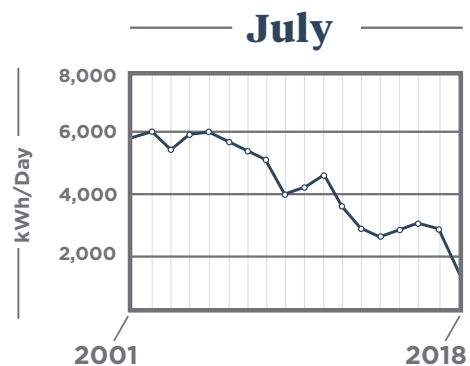
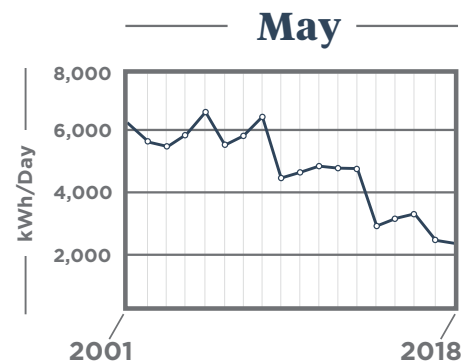
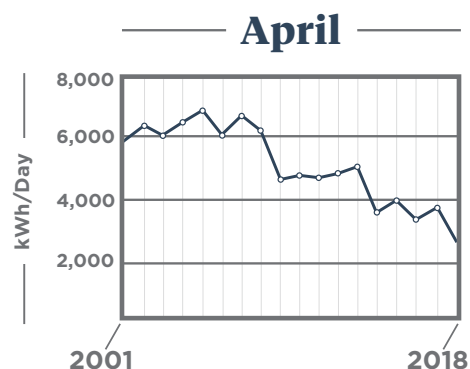
Store 247

in Elmsford, NY provides an example of the cumulative effect of the various energy strategies.

The charts to the right show Store 247's daily kWh average since 2001, for the peak months of April through September, showing a significant overall decline.

In addition, a comparison of the energy expenses of this store during a 6 month period in 2001 vs. the same period in 2018 reveals a **58% reduction** in energy expenses.

Store 247 kWh/Day Since 2001



Logistics and Transportation

Pool and Consolidation

Since 2004, the Company has been expanding its use of Pool and Consolidation (P&C) cross-docking to reduce the number of Less-than-Load (LTL) shipments moving between our suppliers and to our store locations. This P&C program enables us to consolidate store replenishment quantities by grouping them together by geographic region to build larger single shipments. Consolidating our shipments has had the effect of reducing the number of individual trucks transporting products to our stores. As a result, we have reduced our emissions and fuel consumption per unit and the number of touch points our products pass through before arriving at our stores and warehouses. 75% of the overall volume for inbound Bed Bath & Beyond merchandise moves through this network.

Additionally, we are actively improving the utilization of trailer space used for shipments in our network. We accomplish this by further reducing the number of shipments from suppliers through consolidating multiple suppliers together on fewer trailers. This multi-stop load consolidation also reduces the total number of individual carrier shipments on the road.

Intermodal Rail

Since 2007, the Company has moved an increasing percentage of its domestic shipments via intermodal transportation rather than traditional “over the road” trucking. In 2018, we moved 83% of our bulk freight miles via intermodal services that utilize the four major U.S. rail systems. Furthermore, in 2019, we are on pace to move an equivalent percentage of freight volume via rail. This projected goal will equate to more than 400 million lbs. of freight taken off the interstate highways. In addition, by using intermodal rail solutions, we estimate that we will reduce our Carbon Footprint by 50%. This reduction is equivalent to 18,459 vehicles’ CO emissions.

SmartWay®

SmartWay® was launched by the U.S. Environmental Protection Agency (“EPA”) in 2004 to identify products and services that reduce transportation-related emissions. SmartWay® symbolizes environmentally cleaner, more fuel efficient transportation options. In 2018, Bed Bath & Beyond shipped 81% of its Ton-miles of freight with SmartWay® carriers. Furthermore, 69% of our freight is moved by carriers that rank in the top three efficiency ranges. We are working with our carrier base to encourage non-SmartWay carriers to strive for increased CO₂ efficiency.



FREIGHT
Off The Road



OF BULK FREIGHT
Moved Via Rail

Sustainable Paper Procurement

Our advertising circulars and other print ads remain an essential way of connecting with our customers. However, we seek to reduce the environmental footprint of our marketing where possible, by encouraging the continuing environmental performance improvement of our paper suppliers.

Fiber from Non-Endangered, Sustainable Forests

Suppliers must demonstrate that none of the fiber in the paper they supply the Company originates in forests that are illegally harvested or endangered, as defined by the Forest Stewardship Council® (FSC), Sustainable Forestry Initiative® (SFI), or Programme for the Endorsement of Forest Certification Schemes (PEFC™) standards.

The Company prefers suppliers who document that all of the fiber in the paper they supply is at least "controlled wood" as defined by the FSC standard or the SFI Fiber Sourcing standard.

Certified Fiber

All paper sold to the Company must be certified to either a chain-of-custody or recognized sustainable fiber procurement standard.

Environmentally Superior Manufacturing

All suppliers must demonstrate to the Company that they operate in an environmentally responsible manner, encourage pollution prevention and seek continuous environmental performance improvement.

The Company prefers suppliers who:

- Report their environmental and sustainability performance using Metafore's Environmental Paper Assessment Tool® ("EPAT");
- Have adopted, implemented and maintained an Environmental Management System ("EMS") with elements the same as or comparable to the ISO 14001:2004, EMAS including equivalent company programs; or
- Qualify for eco-labels like Blue Angel and Nordic Swan.

Energy and Greenhouse Gas Reduction

The Company prefers suppliers who demonstrate continuous energy-related performance improvement, including increased overall energy efficiency in the amount of process waste, finding beneficial uses for their process waste, decreased fossil fuel use, reductions in the amount of process water used per ton of product produced, increased use of renewable energy and decreased greenhouse gas emissions per ton of production (intensity).

Product Packaging

For our Owned Brand products,

we have ongoing efforts in place to reduce printed surfaces, to use less ink, and to increase our use of packaging with less environmental impact.

For example,

we have been working to increase our use of self-fabric bags for sheets, duvets, and comforters when possible, decreasing the need for vinyl. We continue to seek to identify ways we can increase our use of other alternative materials.



WAM SUTTA.
VINTAGE
since 1846



OLIVIA & OLIVER™



Social

Our Associates | Workplace Health and Safety
Community Impact | Product Safety and Compliance
Supply Chain-Social Compliance | Conflict Minerals Policy
Cyber Security

BEYOND

Christmas
Tree Shops

buybuy
BABY

WORLD MARKET

T-Y GROUP
YOUR GUESTS WILL THANK YOU

and
That!

HARMON
FACE VALUES

Flower
Power



Our Associates

Bed Bath & Beyond considers our Associates to be our greatest strength. We have developed a culture that believes in empowering our people with a management structure that allows our Associates to be entrepreneurs, differentiate their Stores, and select local products that reflect the communities in which our stores are located.

We pride ourselves in fostering a code of conduct that prioritizes intellectual honesty, mutual respect, and an open-door policy under which managers are available to assist Associates with any issue that may arise.

Diversity

The Company celebrates diversity and believes that our diverse workforce contributes to the strong bond our Associates have with our customers. We also believe that our commitment to diversity and the outstanding opportunities for professional and personal growth we offer to all Associates, regardless of background, contribute to the high associate retention rate that we have long enjoyed.

We continuously seek out a wide range of candidates from diverse backgrounds, including by attending diversity specific career fairs and events. We partner with DiversityWorking.com, an online career opportunity resource and job search engine that focuses on representing communities such as:



We are proud to be AARP Pledge Signers, which demonstrates our commitment to equal opportunity for all workers, regardless of age, and our recognition of the great value of experienced workers. We are also proud to attend career fairs sponsored by Recruitmilitary.com which serves veterans and their spouses in their job searches.

For more information,
see our complete **Commitment to Equal Opportunity and Diversity Statement**

Work Environment

The Company is also committed to maintaining a working environment completely free from discrimination, harassment, intimidation, and retaliation of any kind. We have policies, procedures, and training in place to discourage such conduct and enable Associates to report such conduct (including anonymously) so that it can be promptly and fairly addressed. Appropriate disciplinary action will be taken against any Associate who harasses or unlawfully discriminates in violation of this policy.

Recruitment

Employment at any of our locations is based solely on job-related qualifications: we recruit, hire, train, promote, and compensate our Associates and provide all other conditions of employment including company sponsored events without regard to race, color, creed, religion, national origin, ancestry, age, sex, gender identity or gender expression, genetic information, marital status, lawful alien status, sexual orientation, physical or mental disability, citizenship status, veteran status, employment status, or any other basis prohibited by applicable law. Employment actions are based upon our operating needs and individual Associate or applicant merit, including but not limited to: qualifications, experience, ability, availability, cooperation, and job performance.

Our Associate Referral Bonus Plan is designed to provide incentive to Associates to encourage and recommend friends, acquaintances, former work Associates, or people met while shopping who provided excellent customer service for possible employment with us.

Training and Education

- Associates receive formal training which includes functional, product, sales, and culture training.
- The Company partners with educational institutions and leading compliance training vendors to develop training programs on topics such as:
 - LEADERSHIP DEVELOPMENT
 - SUPERVISOR DEVELOPMENT
 - ANTI-HARASSMENT
 - DIVERSITY AND INCLUSION
- The Company's talent pipeline development strategy includes mid-year and annual skills and performance assessments used to identify talent needs and high potential Associates.
- 100% of Associates participate in development reviews.

Bed Bath & Beyond Inc. provides its eligible associates with a variety of benefits, including:

Medical, RX, Dental & Vision Benefits	Life Insurance Plans	Short & Long Term Disability Plans
Associate Purchase Discounts (Internal & External)	Dependent Care Spending Accounts	Health Care Savings and Flexible Spending Accounts
Paid Sick Days	Paid Vacation	Paid Personal Days
401(k) Savings Plan	Commuter Benefit Account	Bereavement Days

Workplace Health and Safety

Bed Bath & Beyond is committed to providing a safe work environment for our Associates. Our safety program is a collaborative effort with Associates and management working together to reinforce safe work practices, identify potential hazards, and reduce workplace accidents.

At our warehouses, we focus on Manager Engagement, Training, and Accountability to

constantly improve our safety program. In addition, in each of our warehouses, we have an Associate-led Safety Committee. Those Committees set the tone throughout each building by reinforcing our training, reviewing monthly safety training topics, and relaying safety observations to management. Our leadership teams use the results to reinforce training, reiterate expectations, and administer accountability when appropriate.

The Safety Program Is Dependent Upon Three Critical Elements:

Established Safety Standards

- Lifting and Ladder Certification
- Fire Safety
- Knife Safety
- Workplace Violence Prevention
- Code Adam Alerts

Workplace Training

- Conducted for all Associates upon hire
- Repeated as needed to maintain skill levels and awareness
- Reinforced through Monthly Safety Topics and stand-up meetings

Strictly Enforced Safe Work Practices

- Fair and consistent approach
- Counseling and retraining provided when unsafe practices are observed



Community Impact

Corporate Campus Charitable Drives

At the Corporate Campus in Union, NJ, we sponsor a number of philanthropic initiatives through partnerships with local charities and organizations. These programs are held on-campus and all Corporate Associates are encouraged to participate:

- Annual food drive supporting the Community Food Bank of New Jersey
- Annual holiday gift drive that collects toys for children and clothing items for homeless veterans in conjunction with the Union New Jersey Police Department's "Santa in Blue" program
- Annual back-to-school drive for school supplies
- Regular blood drives that support the Blood Center of New Jersey

Corporate Campus Partnership with Union, NJ School District

The Corporate Campus partners with the local school district to provide enrichment opportunities for students. We host field trips to our corporate office, participate in classroom projects as mentors and project judges, and serve as guest speakers.



Partnership with Good360

One of our core ways of giving back to the community is through our product donation program, which enables participating Bed Bath & Beyond and buybuy BABY stores to be matched with local charities across the United States, Canada and Puerto Rico, so that we can provide product donations that match the local community's needs. Our program is made especially effective by our longtime partnership with Good360, a non-profit organization that has developed a network of pre-qualified, fully vetted 501(c)(3) nonprofits and matches those nonprofits to corporate partners. Our product donation program finds new life for merchandise that might otherwise go to a landfill, while helping our communities at the same time. It's just one of the ways Bed Bath & Beyond strives to be a local neighborhood store within each community it serves. Merchandise donations provide relief and assistance to many people in difficult situations, such as victims of natural disasters, transitional housing needs for families in crisis, youth in low income situations, and support for mentally and physically disabled individuals.

For 2018, we estimate the fair value of our product donations to have been \$40 million. The Company has been recognized by Good360 for outstanding corporate citizenship and effective product philanthropy. Stories of some of our donations are available on **Good360's website**.

Product Safety and Compliance

BED BATH & **BEYOND**[®]

is committed to providing its customers with safe, high quality products.

To achieve this goal, the Company maintains a Product Safety & Compliance Program, which includes:

*Corporate
Policies*

*Chemical
Management*

*Product
Testing*

Corporate Policies

Animal Welfare:

The Company is committed to sourcing materials of animal origin in a humane, ethical and sustainable manner with respect to animal welfare, and proper handling, of all animals that are used in the production of products sold at the Company. The Company has adopted an Animal Welfare Policy. Under this policy, the Company will no longer purchase products containing Mohair. A copy of the Animal Welfare Policy can be found [here](#).



Down and Feather Products:

Bed Bath & Beyond is working with suppliers for all down and feather products that we sell to be certified by the Responsible Down Standard (RDS). The RDS is an independent, voluntary global standard that aims to ensure that down and feathers come from animals that have been treated humanely.



Furniture Tip-Over:

The Company has established a policy to mitigate the risk of furniture tipping by requiring a tip resistant kit and warnings to be included with any furniture item 27 inches or more in height that can be placed on the floor and against a wall. The Company also makes information available to consumers on the importance of using tip resistant kits, including via online guides and store signs like the one shown here.



Chemical Requirements for Owned Brand Products

The Company has established chemical requirements for owned brand products. This initiative is aimed at reducing the use of lead, cadmium, and phthalates in owned brand products beyond current regulatory requirements.



Chemical Management

The Company recognizes our customers' interest regarding chemicals of potential concern in consumer products. In addition to diligent monitoring of regulatory and industry developments in this area we have established the following:

- RESTRICTED SUBSTANCES LIST
- PRIORITY CHEMICAL LIST
- FLAME RETARDANT LIST

Restricted Substances List

The Company maintains a Restricted Substances List ("RSL") identifying substances that are of potential concern to human health and the environment, although they may not be the subject of current legislation in North America. It is recommended that vendors exercise efforts to reduce or eliminate these substances of potential concern in their products. Vendors are reminded to avoid replacing substances of potential concern with another substance of equal or greater concern. Vendors are encouraged to always seek safer known alternatives. The RSL is reviewed and updated at least annually. A copy of the Restricted Substances List can be found [here](#).

Priority Chemical List

The Company has implemented a Priority Chemical List for household cleaning, personal care and cosmetic products. It is the Company's expectation that vendors of all household cleaning, personal care, and cosmetic products will remove, or at minimum, reduce the use of Priority Chemicals in their

products, including parabens, phthalates, formaldehyde donors, NPEs, Toluene, and Triclosan. In moving to eliminate these chemicals from formulations, the Company expects 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. See www.epa.gov/saferchoice. The Company is committed to eliminating Priority Chemicals from owned brand baby personal care products and is working collaboratively with suppliers to evaluate those products and reformulate where necessary to eliminate intentionally added Priority Chemicals, including in fragrances, by the end of 2020. In addition, the Company will strive for ingredient disclosure on owned brand baby personal care products both online and on product packaging beginning in 2020. The Company also encourages all vendors of household cleaning, personal care, and cosmetic products to include ingredient disclosures on product packaging. A copy of the Priority Chemical List can be found [here](#).

Flame Retardant List

The Company has developed a banned Flame Retardant list, which is a policy of prohibiting use of certain flame retardants in all products. In addition, buybuy BABY makes available to customers information regarding the chemical flame-retardant content of the crib mattresses, nursery gliders and ottomans, and foam changing pads it offers for sale on its website.

Product Testing Program

Our product safety and compliance teams work to deliver a safe, quality product to our customers. We continually review, refine, and update our Testing Program.

The Company testing program requires third-party independent lab testing for direct import and owned brand products. Working with a third-party independent lab we have established extensive test protocols, which may vary by retail concept, to evaluate product for compliance with applicable regulations, industry safety standards, and Company product standards.

Product Safety & Investigations

If the Company learns about a potential problem with one of our products, we investigate and, when necessary, quickly remove it from our stores and websites. If a product is recalled, we implement measures to prevent its being sold in store or online. We also alert customers who purchased a recalled item on our website and post in-store notices.



Supply Chain-Social Compliance

including disclosures under the California Transparency in Supply Chains Act of 2010

Bed Bath & Beyond Inc. is committed to sourcing quality merchandise while developing meaningful, long-term relationships with vendors who share common principles of social responsibility. In connection with this effort, we encourage our vendors to adopt a comprehensive program of responsible practices and to prepare a corporate responsibility (or “sustainability”) report if they do not already do so.

All vendors and their factories must adhere to our **Code of Conduct** which details our policies in regard to child labor, involuntary labor, human trafficking, disciplinary practices, non-discrimination, health and safety, environmental protection, wages and benefits, working hours, employee relations, and other items. The Company engages with non-governmental organizations and industry peer groups to stay up to date on social supply chain issues. Vendors must also follow our Conflict Minerals Policy, described below. Information on the Social Compliance Audit Program, the Code of Conduct and Conflict Minerals Policy are made available to vendors in our Product Safety & Compliance Manuals.

Vendors and factories have primary responsibility for monitoring compliance throughout their supply chains and correcting non-compliances. Vendors are responsible for disclosing and scheduling audits for all factories within the Company’s disclosure and audit scope. If the Company discovers a Vendor producing merchandise in or subcontracting to an unauthorized facility, the Vendor may become ineligible to do business with the Company. In addition, compliance with the Code of Conduct is verified in part through our Social Compliance Audit Program (“Audit Program”) detailed below.

The structure of the Audit Program varies by retail Concept and can consist of vendor self-validation, review of existing third-party audits, and/or onsite factory audits. The Company has partnered with a third-party provider to help facilitate and manage the Audit Program. The Audit Program covers all aspects of the Code of Conduct including assessing risks of human trafficking and slavery. When third-party on-site audits are conducted they include meetings 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 date is unannounced. Onsite audits are scored as below:

Red

Red ratings identify factories that have serious violations

Orange

Orange ratings identify factories whose audits indicate some major violations

Yellow

Yellow ratings identify factories whose audits indicate general compliance

Green

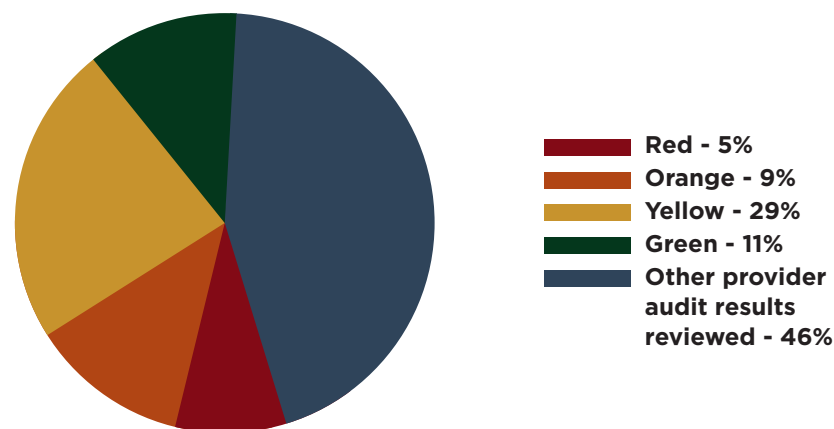
Green ratings identify factories whose audits indicate a high level of compliance

When an area of noncompliance is identified, the factory is required to develop a corrective action plan. We take appropriate action if non-compliances are found; actions may include: working with our Vendor to ensure that adequate steps are taken to address deficiencies, following up with unannounced audits for verification, or canceling affected orders. Whenever possible, we attempt to bring noncompliant factories into compliance rather than terminating the business relationship. If all avenues are exhausted with failure to remediate then this may result in consequences, up to and including termination of the business relationship with the vendor and/or a factories' ability to produce goods for sale at the Company. The Company reserves the right to audit or inspect a factory at any time.

In 2018, Bed Bath & Beyond retail Concept conducted direct import sourcing from 15 countries.

The Product Safety & Compliance team meets with Company executives at least annually, and typically more frequently, to review the Audit Program. The Board of Directors is also updated periodically on the status of the Audit Program. The Product Safety & Compliance team, as well as other Associates with roles related to the supply chain, participates in meetings and webinars provided by third-party providers to stay current regarding the issues of human trafficking and slavery and to further develop the Audit Program. The Code of Conduct and specifically issues of human trafficking and slavery are addressed in the Company's training of new Associates with supply chain responsibility. The training is repeated annually for those associates. All Company Associates are expected to adhere to the Code of Conduct and Company Ethical Policies and report any violations to the General Counsel.

For the Bed Bath & Beyond retail Concept direct import audits conducted by our nominated third-party provider, 14% of the factories scored red or orange and are working on implementing corrective action and improvements.



Conflict Minerals Policy

The Securities Exchange Act requires U.S. publicly traded companies that manufacture or contract to manufacture products to report to the Securities and Exchange Commission ("SEC") annually on whether those products contain tin, tungsten, tantalum, and/or gold necessary to the functionality or production of the products and whether those minerals were derived from Covered Countries. The "Covered Countries" include: the Democratic Republic of the Congo; Angola; Burundi; Rwanda; South

Sudan; Tanzania; Central African Republic; Uganda; Republic of the Congo; and Zambia. Additional information can be found at www.sec.gov/news/press/2012/2012-163.htm

Bed Bath & Beyond Inc. takes its obligations under SEC regulations and other regulations seriously. Bed Bath & Beyond Inc. has adopted the supplier requirements contained herein as part of our Conflict Minerals Program. Suppliers are expected to review the Conflict Free

Sourcing Initiative's lists of compliant (conflict-free) smelters and refiners and strive to only accept tin, tungsten, tantalum, and gold that derive from smelters and refiners on these lists, including smelters and refiners that source from the Covered Countries. The lists are available at www.responsiblemineralsinitiative.org/smelters-refiners-lists/

In furtherance of the foregoing, Bed Bath & Beyond Inc. also specifically expects all suppliers of Bed Bath & Beyond Inc. imported and domestically sourced private label products to:

1. Adopt and comply with a conflict free sourcing policy that is consistent with these requirements and Bed Bath & Beyond Inc.'s publicly posted Code of Conduct, and to require its direct and indirect suppliers to do the same.
2. Determine which of the products incorporate tin, tungsten, tantalum, or gold, regardless of country of origin.
3. Map its supply chains associated with those products, including by engaging its suppliers to identify the smelters and refiners used in its supply chain to process the tin, tungsten, tantalum, or gold and determining whether those minerals are recycled, scrap or original extraction.
4. Obtain and prepare documentation supporting the origin determination for any tin, tungsten, tantalum, or gold incorporated into the products.
5. Otherwise put in place policies, procedures and frameworks that are consistent with the Organisation for Economic Co-operation and Development's Due Diligence Guidance for Responsible Supply Chains of Minerals From Conflict-Affected and High-Risk Areas.

Bed Bath & Beyond Inc. will annually require sourcing and related information from certain suppliers in the form of a survey that must be completed for imported and domestically sourced private label products supplied to Bed Bath & Beyond Inc. Bed Bath & Beyond Inc. reserves the right to request this information on a more frequent basis and to request additional or supplemental information. If any information concerning the usage or source of tin, tungsten, tantalum, or gold furnished to Bed Bath & Beyond Inc. is later determined by the supplier to have been inaccurate, the supplier shall promptly (and in any event within 72 hours) notify Bed Bath & Beyond Inc.

Bed Bath & Beyond Inc. also reserves the right to periodically request documentation

evidencing a supplier's sourcing policies and practices and the efforts the supplier has taken to identify the source of the tin, tungsten, tantalum, or gold used in Bed Bath & Beyond Inc. imported and domestically sourced private label products.

Bed Bath & Beyond Inc. believes in establishing and maintaining long-term relationships with suppliers whenever possible. If Bed Bath & Beyond Inc. determines that a supplier may be violating any of the foregoing expectations, Bed Bath & Beyond Inc. may require the supplier to commit to and implement a corrective action plan within a reasonable timeframe. Continued failure to adhere to these expectations and refusal to address issues of concern may lead to termination of Bed Bath & Beyond Inc.'s

business relationship with the supplier. Nothing contained herein shall be interpreted to preclude Bed Bath & Beyond Inc. from terminating any supplier relationship at any time for any reason.

Violations of the Conflict Minerals Policy can be reported to Bed Bath & Beyond Inc.'s Legal Department (Attention: General Counsel) at 908-688-0888 so that the matter may be fully investigated and appropriate remedial action taken.

Failure to adhere to the above policy or to provide requested information to Bed Bath & Beyond Inc. may result in vendor chargebacks or vendor payment hold.

Cyber Security

Bed Bath & Beyond is committed to protecting its customers' and Associates' personal data and has established a security conscious culture throughout the organization. In concert with the transforming digital and cyber threat landscape, our Information Security team is continuously working to ensure that security and privacy is ingrained throughout our business practices.

Our Information Security Program is risk based and aligned with recognized information security standards (ISO/IEC 27000) and cybersecurity frameworks (NIST SP-800).

An Information Security Governance Committee reviews, approves, ranks, and treats all risks that could potentially impact the organization and is overseen by the Audit Committee of the Board of Directors.

Continuous internal and independent risk assessments and information security programs assessments are performed periodically inclusive of benchmark measurements of other retail companies.

A thorough vendor risk management process exists to understand the security readiness of prospective and active business partners.

A dedicated information security incident response team addresses all security incidents concerning malicious intent, data exfiltration, policy violation or confidential company information.

A targeted security awareness training program is provided annually to all 60,000+ Bed Bath Associates so that they are able to combat phishing and social engineering attempts.

The Company maintains a state of continual compliance with the Payment Card Industry Data Security Standards and the Sarbanes Oxley Act of 2002 and has undertaken a number of actions in connection with compliance with the General Data Protection Regulation and California Consumer Privacy Act.

Audits and penetration tests are conducted to ensure that our systems and applications are not vulnerable to threats and in compliance with necessary regulations.

Bed Bath & Beyond employs industry leading technology to monitor external threats, defend against malicious activity and ensure all company assets are current with proper levels of protection.

The Company is committed to protecting the confidentiality, integrity and availability of all data entrusted. Data protection and encryption strategies are in place for all data at rest and in transit within our data centers, to our third party facilities and in the cloud.

Safe application development coding standards are in practice by the information technology teams and our third party partners.

The information security team prides itself in the retention of talent and continuous training and education.

Governance

Governance Principles | Stakeholder Engagement



Governance Principles

Code of Conduct

Bed Bath & Beyond conducts all business transactions in accordance with the highest ethical standards. The Company's **Policy of Ethical Standards for Business Conduct** sets forth the ethical standards all Associates, including Officers, and members of the Board of Directors are expected to abide by when acting on behalf of the Company. This policy includes our policies on business ethics and conduct, conflicts of interest, associate honesty standards, use of company property, privacy, and confidential information. These policies are reinforced frequently through training programs and the "tone at the top" set by our senior leaders, Officers, and Board Directors. Associates are reminded of the absolute importance of conducting business in an ethical manner and are encouraged to speak up if they

ever have any questions or concerns, including via an anonymous hotline if the Associate prefers.

Governance Structure

The Company provides a list of its Directors and Executive Officers in the investor relations section of its website.

Board Leadership

On April 21, 2019, Patrick R. Gaston was named Independent Chairman of the Board. Effective May 1, 2019, five new independent directors were appointed to the Board, and effective May 29, 2019, four new independent directors were appointed. As Independent Chairman, Mr. Gaston presides at all meetings of the shareholders and of the Board of Directors, and

shall have such powers and perform such other duties required by statute or the Company's Amended and Restated By-Laws or as the Board may from time to time determine. Effective November 4, 2019, Mark Tritton joined the Company as President and Chief Executive Officer and as a member of its Board of Directors.

Board Independence

The Board's independence determination is analyzed annually in both fact and appearance to promote arms-length oversight.

Committees of the Board of Directors



Oversees the Company's accounting and financial reporting processes and the audits of the Company's financial statements and reviews the financial reports and other financial information provided by the Company to the public.



Reviews and recommends changes in certain policies regarding the nomination of directors to the Board for its approval, identifies individuals qualified to become directors, evaluates nominees, and recommends changes in the Company's corporate governance policies to the Board for its approval.

Oversees Board and management succession planning.



Considers and determines all matters relating to the compensation of the Chief Executive Officer of the Company, executive officers, and other key executives, including administering grants and awards of equity compensation, as well as reviewing and reporting to the Board on other matters as needed.



Reviews all aspects of the Company's business transformation, strategy and structure.

Responsible for ensuring that all aspects of the Company's ongoing business transformation are addressed and will work to identify opportunities for rapid performance improvement of both short and long-term results.

Risk Management

As part of its oversight responsibility, the Board receives at least annually a report on the material risks facing the Company, which are identified through the Company's Enterprise Risk Management ("ERM") process. This report is presented to the Board by a committee of key executives representing legal, compliance, finance, and internal audit, and results from a formal process where members of the committee meet with executives of each principal business function to identify and assess the significant risks in each such business function's areas of responsibility. The committee then analyzes with those executives what risk

mitigation efforts are or should be in place to eliminate or reduce such risks to acceptable levels, where possible, and then engages on these matters with the full Board. In the annual ERM report, areas of risk and mitigation efforts reviewed with the full Board in furtherance of its oversight responsibilities generally include: general business risks, such as economic forces, competition and weather; employment-related risks, such as recruitment and retention, succession, labor costs and associate relations; data security risks with respect to Company, associate and customer data; compliance risks associated with the range of legal, accounting,

tax and financial reporting systems under which the Company operates; supply chain risks, including disruption arising from political instability or labor disturbances, supplier financial and legal compliance; and compliance with a variety of product, labor, social and environmental standards. The Board is updated on certain risks more frequently than annually, upon request or as developments warrant. The ERM process and report to the Company's Board of Directors also informs the more detailed Risk Factor disclosure in the Company's annual report on Form 10-K, filed with the SEC.



Director Diversity

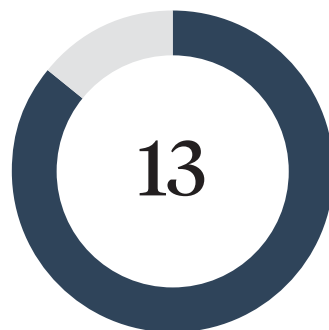
In 2019, following engagement with our shareholders, the Board of Directors was further refreshed. The Board Refreshment Initiative was intended to help ensure that directors possess an appropriate mix of skills and experience, including a balance between new and experienced directors and a further alignment of the Directors with the Company's strategic needs.



BOARD MEMBERS
Gender Split Evenly

DIRECTOR INDEPENDENCE

13 of 14



BOARD MEMBERS
Appointed Within
The Last Two Years

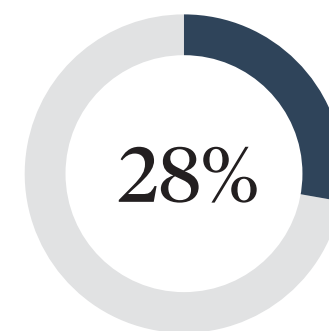
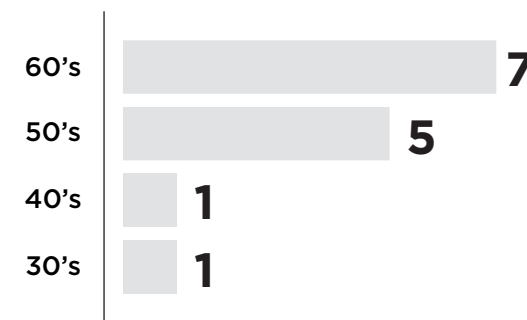
BOARD MEMBERS
Director Tenure



BOARD MEMBERS

Director Age

Average Age: ~56



BOARD MEMBERS
Ethnically Diverse

Stakeholder Engagement

Shareholders

The Board welcomes communications from the Company's shareholders. Shareholders may communicate directly to the Board of Directors, or to any particular Director, by sending correspondence to the following address: c/o Corporate Secretary, Bed Bath & Beyond Inc., 650 Liberty Avenue, Union, New Jersey 07083. Comments and questions made by shareholders are regularly reviewed and taken into consideration with regard to corporate policies or processes, in order to achieve further operational excellence. The Company's Investor Relations department also regularly communicates with shareholders.

Associates

The Company communicates with its Associates regularly through a series of internal communication formats, generally including daily store meetings, as well as email and intranet postings. Topics communicated include Company news, training, merchandising, and human resources and customer service policies and procedures. Associates may also use an anonymous hotline to report questionable conduct or theft concerns. Comments and questions from associates are encouraged and considered in our continuing effort to refine and improve operating and corporate policies and/or processes.

Customers

The Company seeks to continually improve and expand communications with our customers. Customers may communicate with the Company by direct contact with store Associates, using the toll-free customer service number, and by use of email available through the Company's customer-facing digital channels. The Bed Bath & Beyond, buybuy BABY, and Cost Plus World Market websites also accept customer reviews of specific products. In addition, Bed Bath & Beyond, buybuy BABY, Cost Plus World Market, Christmas Tree Shops and That!, Harmon Face Values, One Kings Lane, PersonalizationMall.com, and Decorist maintain Facebook pages, and Bed Bath & Beyond, buybuy BABY, Cost Plus World Market, One Kings Lane, PersonalizationMall.com, and Decorist maintain Twitter accounts. Customers engage through these channels on all matters, including merchandise and order issues, or questions or comments on corporate philosophy. Comments and questions from customers are reviewed daily by senior management and considered when making decisions with respect to store and corporate policies.

Other Stakeholders

The Company frequently communicates with other interested stakeholders, such as non-governmental organizations and advocacy groups. The Company listens to these organizations with an open mind, appreciates their input and advocacy, and, where appropriate for the business, considers their input when making decisions regarding corporate policies.