



2020 Sustainability Report

macy's inc

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A Message from Our CEO



To Our Stakeholders:

At Macy's, Inc. we are committed to operating with integrity and creating a more just and sustainable future. Our relationships with our customers, colleagues and the communities we serve drive our deep sense of stewardship in how we interact with our stakeholders and underpin our commitment to promoting sustainability.

The guiding principles of our sustainability strategy are managing the environmental impact of our business, promoting positive social impact and continuing to ensure strong governance that holds us accountable. These principles apply across our value chain when interacting with our customers, colleagues, brand partners, investors and other groups advocating for a thriving society and environment. We believe operating by these principles will enable us to create long-term value, while addressing the shared needs of society.

We continue to advance our sustainability strategy as we respond to evolving stakeholder expectations. Our recent sustainability accomplishments include:

- Publishing our first Human Capital Report that details our culture and engagement, diversity and inclusion, future of work, health and safety, people analytics and total rewards
- Launching a portal on macys.com that lets customers easily find products we sell that are certified to a third-party sustainability standard
- Including diversity, equity and inclusion performance as part of executive compensation, underscoring our deep commitment to equity

- Continuing our work to develop and implement our first Private Brand Restricted Substance List covering apparel, footwear and home textiles in 2022 and non-apparel product categories beginning in 2024
- Expanding free electric vehicle charging to 37 locations, which in FY2020 powered approximately 1,714,040 electric miles and avoided 763,482 pounds of CO₂
- Taking precautions to help protect our colleagues and customers from the spread of COVID-19
- Continuing to expand our active solar sites and producing approximately 65 million kWh, avoiding 46,000 metric tons of CO₂e

We proactively and continually engage with our stakeholders on issues that span the breadth of our operations—this includes transparency, product responsibility and supply chain management, energy management, diversity and inclusion and building resilient communities. We are guided in our actions and our reporting by our stakeholders and by third-party frameworks, including SASB's multiline and specialty retailers and distributors standard and the Task Force on Climate-Related Financial Disclosures (TCFD).

I invite you to read further about our commitment to, and progress toward, a more inclusive and sustainable future.

Sincerely,

Jeff Gennette
Chairman & Chief Executive Officer

Macy's at a Glance

Macy's, Inc. is one of the nation's premier omni-channel retailers. The company comprises three retail brands: Macy's, Bloomingdale's and Bluemercury. With a robust e-commerce business, rich mobile experience and a national stores footprint, our customers can shop the way they live—any time and through any channel.

162

Years in Business

~90,000

Colleagues

727

Stores

as of December 31, 2020



For more than 160 years, Macy's, the largest retail brand of Macy's, Inc., has served generations at every stage of their lives. Macy's is proud of its heritage and the unique role it plays in American culture and tradition.



A New York icon for nearly 150 years, Bloomingdale's is truly like no other store in the world. Its unique curation of luxury labels and emerging contemporary designers across fashion and accessories, beauty and home, has made it a destination for tastemakers from around the globe.



Bluemercury is the friendly neighborhood beauty store where clients can get honest, expert beauty advice. The brand is widely recognized as the nation's largest and fastest-growing luxury beauty products and spa retail chain.

Responding to COVID-19



The health and safety of our colleagues and customers comes first. In line with the Centers for Disease Control and Prevention (CDC) recommendations, we have taken steps to help mitigate the spread of COVID-19 to our colleagues and customers. Out of an abundance of caution, we based our safety standards on our most vulnerable colleague population and used these as the standard for company-wide policies. This has resulted in safety and cleanliness consistently ranking in our top NPS scores, driven by customer satisfaction with our enhanced health and safety measures in-store.

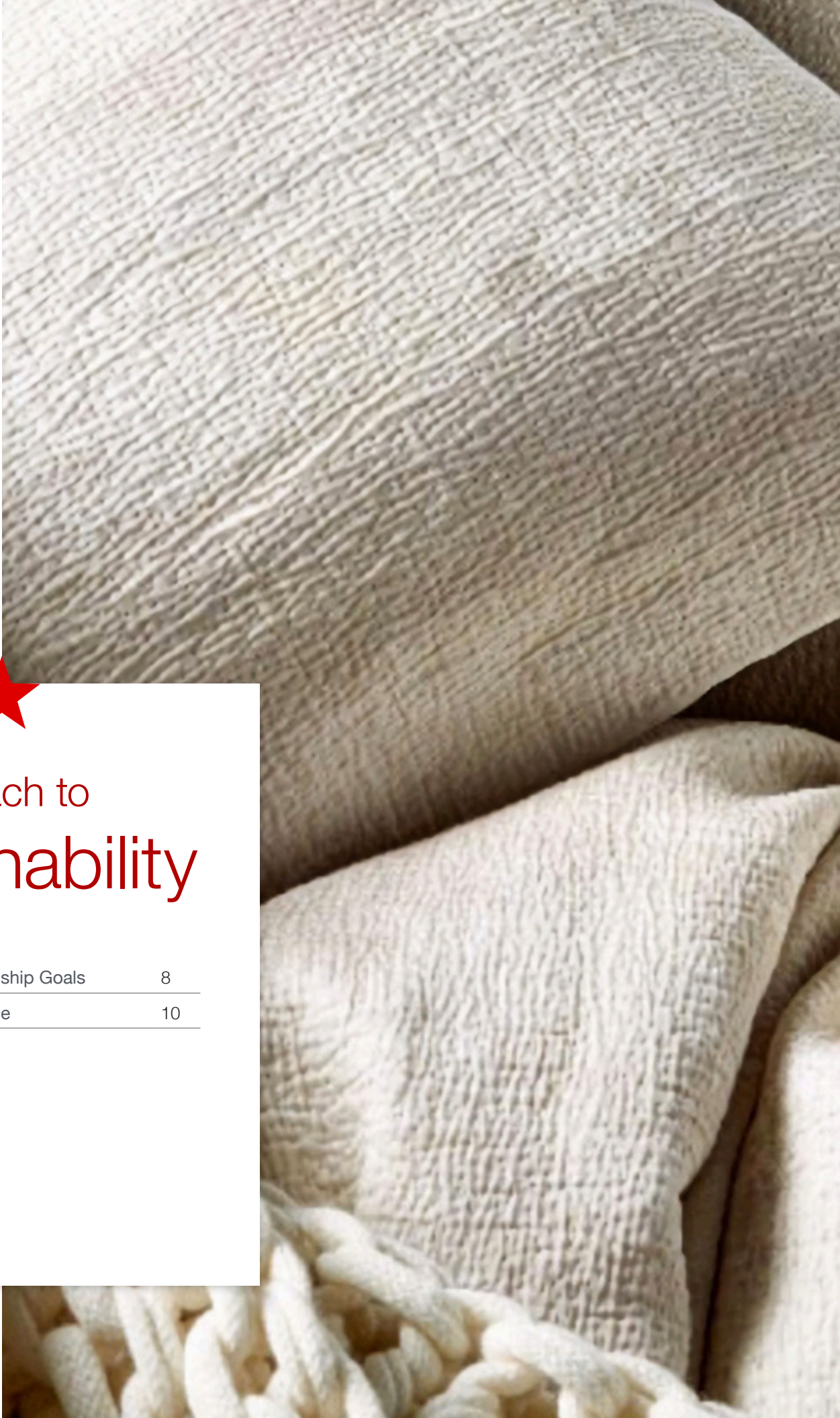
Customer Safety

- Enforced social distancing guidelines (throughout the store and at check out)
- Increased safety equipment in-store (barriers, plexiglass shields)
- Frequent and enhanced cleaning
- Contact-less shopping opportunities (curbside pickup, no-touch beauty consultations)
- Sanitation depots throughout the store
- Robust cleaning guidelines in states where fitting rooms are open and requirements that clothes that have been tried on to be left off the selling floor for a period of time

Colleague Safety

- Colleague communication and support, including contact tracing and direct colleague messaging
- Company-provided personal protection equipment (masks, gloves, hand sanitizer, plexiglass shields, etc.)
- Wellness checks (on-site or phone-in)
- Social distance signage and enforcement
- Leadership reporting: cluster outbreak monitoring and mitigation
- Frequent and enhanced cleaning for bathrooms, fitting rooms, break rooms and commonly accessed areas
- New cleaning measures (including the use of hand sanitizer and disinfectant wipes) for frequently touched areas like signature pads, phones and shared equipment, such as hand trucks and pallet jacks
- Air circulation that complies with CDC ventilation guidelines

Our newly
launched *oake*
collection of
modern bedding
is mindfully made.



Our Approach to Sustainability

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Our Approach to Sustainability

At Macy's, Inc., we have a deep sense of stewardship for managing our resources and maximizing our positive social impact. We proactively engage on issues that span the breadth of our operations—this includes transparency, product responsibility and supply chain management, energy management, diversity and inclusion and building resilient communities. Operating by these principles enables us to create value for our shareholders while addressing the shared needs of society. What we do, what we stand for and how we get the work done are all equally important equally important. We have a cohesive strategy that focuses on our culture and providing our people with the programs and support that matter the most to their professional growth and development.

We practice continual stakeholder engagement, including with our colleagues, customers and communities to understand our material issues, building on the work of our 2018 formal materiality assessment. We are guided in our actions and our reporting by our stakeholders and third-party frameworks including the Sustainability Accounting Standards Board (SASB) multiline and specialty retailers and distributors standard.

We are committed to fostering a sustainable business that generates value for all our stakeholders and offers our colleagues and communities an opportunity to participate in positive value creation.

Our Guiding Principles



Environment

We will manage the environmental impact of our business, including our supply chain and suppliers, as well as our stores and distribution network.



Social

We will optimize the positive social impact our business has on our colleagues, customers and communities.



Governance

We will continue to ensure strong governance so that we are held accountable to all stakeholders and contribute to long-term value creation.

Our Sustainable Stewardship Goals

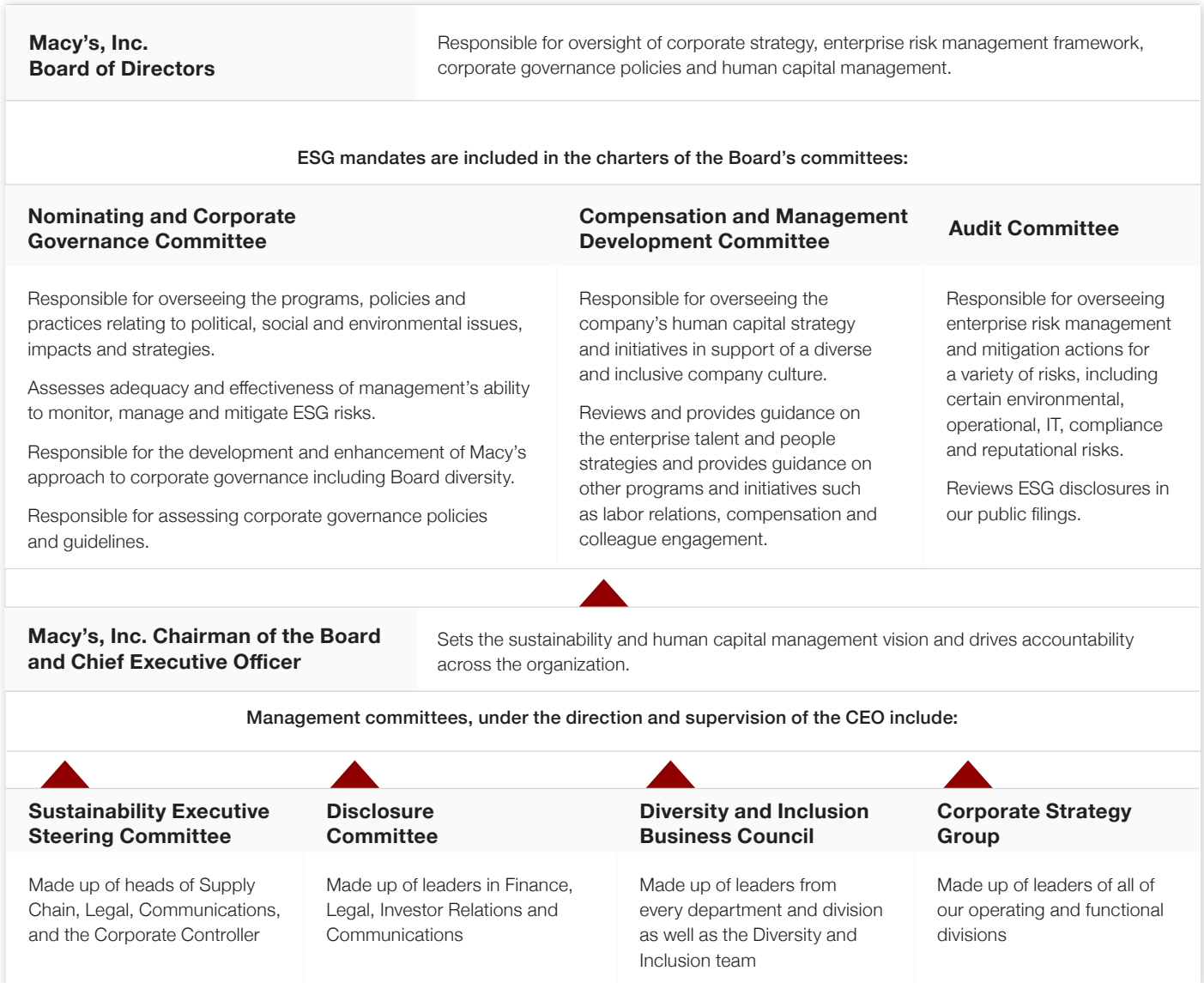
We developed our Sustainable Stewardship Goals to align with and advance our corporate strategy and to create shared value for our company and our stakeholders. First established in 2018, in 2021 we enhanced our goals to reflect our more ambitious sustainability aspirations.

	Our Ambition	Enhanced 2025 Goals
Natural Resources	Operate efficiently and adopt environmentally friendly solutions	<p>Reduce energy consumption by 10% from a 2018 baseline.</p> <p>Implement policy to guide claims that products reduce water consumption.</p> <p>Reduce water use by Private Brand's third-party manufacturing by 25% against a 2019 baseline in areas of high water stress.</p>
Waste & Recycling	Recycle as much material as possible	Increase in-store recycling rate to 80%.
Materials & Fibers	Incorporate more sustainably sourced raw materials and fibers into our Private Brand products	<p>Implement policies for Macy's key materials, including cotton, synthetic and all wood-based materials, that support achieving 100% preferred materials in Private Brand by 2030.</p> <p>40% of Private Brand products made with preferred sustainable fibers, as defined by policies for each of Macy's key materials.</p>
Chemical Management	Continue to remove unwanted chemicals and increase transparency of designated Private Brand product lines	<p>Develop and implement our first Private Brand Restricted Substance List (RSL) covering apparel, footwear and home textiles in 2022, with additional lists to follow through 2025.</p> <p>Implement a corporate chemical policy laying out our key principles for management, restriction and disclosure.</p> <p>Require ingredient disclosure on Macy's website for all beauty, baby care, personal care and household cleaning products.</p> <p>75% of Private Brand apparel and soft textiles will be OEKO-TEX STD 100 certified and compliant to the hazard profile established in the Macy's RSL/MRSL.</p>
Products	Offer more products that are sustainable and eco-conscious	<p>Expand the current sustainable products offering beyond third-party certifications to include sustainable innovations, specifically in the area of circular solutions. Prioritize opportunities that extend the life of a product.</p> <p>Help our customer find and choose more sustainable products, by adding an additional 5,000 product pages to the macys.com sustainability sitelet. This will include merchandise from all product categories in Macy's digital assortment.</p>

	Our Ambition	Enhanced 2025 Goals
Sourcing	Improve social responsibility and environmental performance among our Private Brand suppliers	<p>Building upon our strong company culture, establish a workers' well-being culture with our suppliers, ensuring workers health and safety, access to proper grievance channels to receive complaints, women's empowerment, absence of any child or forced labor, reasonable working hours and protection of freedom of association, collective bargaining and the environment.</p> <p>Include compliance requirements that support a worker well being culture in our routine social and environmental audits of 100% of our Strategic Tier-1 Private Brand supplier facilities.</p>
Diversity	Integrate diversity and inclusion into all aspect of our business	<p>Colleagues</p> <ul style="list-style-type: none"> · Achieve 30% ethnic diversity at the senior director level and above <p>Marketing</p> <ul style="list-style-type: none"> · Achieve 58% diverse representation in casting for gender, size, ethnicity and age · Achieve 33% representation across all vendor and partner imagery <p>Suppliers</p> <ul style="list-style-type: none"> · Achieve 5% spend penetration on diverse suppliers (retail and non-retail) and triple our spend with Black-owned businesses by 2023

Sustainability Governance

We have embedded environmental, social and governance management at all levels of our company. Macy's, Inc. management is responsible for the development and implementation of our Environmental, Social and Governance (ESG) strategies and programs. Ultimate oversight by our Board of Directors is included in its committee charters and practices.



The Chief Financial Officer working with the Disclosure Committee engages with stakeholders on ESG issues and provides feedback to management and the Board. The Chief Supply Chain Officer reports directly to the Chief Executive Officer and is responsible for the teams that manage sustainability initiatives and supply chain transparency. The Sustainability Executive Steering Committee, Disclosure Committee and Corporate Strategy Group also approve the sustainability strategy

and priorities, guide risk management and link to growth opportunities.

The Diversity and Inclusion Business Council, Disclosure Committee and Corporate Strategy Group work together to maintain the company's performance-driven culture and operating model that encourages lifelong learners and empowers colleagues to be leaders regardless of title or function.



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Responsible Products and Sourcing

We are committed to offering our customers products that are produced ethically and with environmentally responsible materials and processes. We have well-established programs for overseeing the production of Macy's Private Brand products to ensure they meet our labor and environmental standards and that our suppliers/brand partners follow those standards.

Product Testing Program

Our product integrity team works to deliver safe, quality products to our customers. We continually review, refine and update our testing program.

Our Private Brand products are evaluated by third-party independent lab partners. We have developed extensive test protocols to evaluate products 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 Private Brand products, we investigate and, when necessary, quickly remove it from our stores and website. If a product is recalled, we implement measures to prevent it being sold in store or online. We also alert customers who purchased a recalled item on our website and post in store messages.

Sustainable Products

We want to enable our customers to find and choose more sustainable products—both our own Private Brand and products from brand partners. We seek to incorporate more sustainably sourced raw materials and fibers into our Private Brand products and to offer more products that are sustainable and eco-conscious, such as cleaner cotton, recycled polyester and sustainably sourced wood.

In September 2021, we launched a sitelet on macys.com that lists products that are certified to a third-party sustainability standard. The sitelet includes products in our Home Brands such as Martha Stewart, Charter Club and the Hotel collection, as well as products in apparel brands such as Sun and Stone, INC and Alfani. Using the ISEAL protocol, only certifications that have been vetted by

both the sustainability and product integrity teams will be accepted. This past year, the teams identified more than 20 certifications Macy's will accept to substantiate sustainable product claims. These are:

Sourced from Sustainable Materials Certifications:

- Recycled Claim Standard (RCS)
- Global Recycled Standard (GRS)
- REPREVE®
- LENZING™
- Global Organic Textile Standard (GOTS)
- Forest Stewardship Council (FSC) certification
- Roundtable on Sustainable Palm Oil (RSPO)
- USDA Organic
- EWG VERIFIED™

Responsibly Produced Certifications:

- MADE IN GREEN by OEKO-TEX®
- Fairtrade
- REPREVE®
- Rainforest Alliance
- Leather Working Group-Audited Tanneries
- Cradle to Cradle
- COSMOS ORGANIC

Made Safer of Cruelty-Free Certifications:

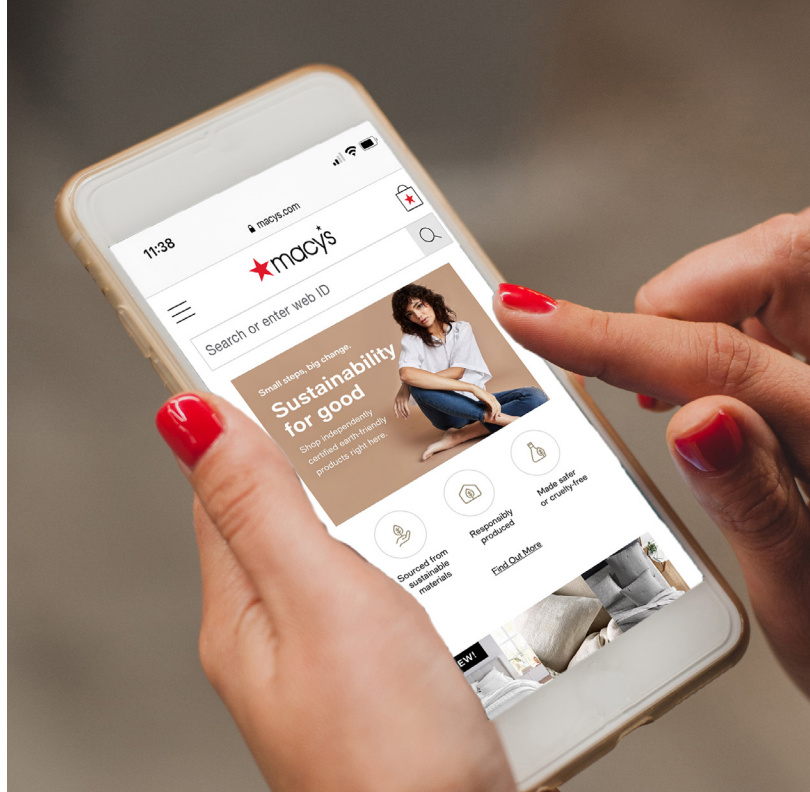
- Responsible Down Standard (RDS)
- Responsible Wool Standard (RWS)
- Certified third-party lab testing
- Leaping Bunny
- Certified vegan
- GreenGuard™
- STANDARD 100 by OEKO-TEX®

To support the program, our Learning and Development team is deploying modules to train merchant and product development teams on the certifications and the process.

Supply Chain Management

We work with our Private Brand suppliers to assure understanding and compliance with our standards for safe and ethical treatment of their workers. We have comprehensive programs to confirm adherence to our standards, identify issues and drive comprehensive remediations when violations occur. Through rigorous screening of new suppliers, ongoing training, regular audits and collaboration for improvement, we ensure that our suppliers operate at high ethical and performance standards.

Our Chief Supply Chain Officer is responsible for our sourcing and sustainability programs. The Sustainability Executive Steering Committee provides strategic direction for our supply chain requirements, while the Nominating and Corporate Governance Committee of our Board of Directors provides oversight and guidance of our sustainability activities, including supply chain risk management and compliance.



Standards and Compliance

We ensure that our suppliers understand and meet our standards, both when they join our supply chain and on an ongoing basis.

Our contract terms and conditions require compliance with Macy's Vendor & Supplier Code of Conduct ("Supplier Code of Conduct"). Macy's requires suppliers to comply with the Supplier Code of Conduct across the entire supply chain. We ask our Tier 1 suppliers to request that their suppliers complete a self-assessment survey through the Sustainable Apparel Coalition (SAC).

All new Private Brand suppliers undergo a social compliance audit and must meet or exceed certain standards before they are approved for production and are added to our merchandise ordering system. Our social compliance team prepares and trains prospective suppliers on our Supplier Code of Conduct, audit protocols and terms of engagement.

Current suppliers receive ongoing education from our social compliance team, which communicates our requirements and expectations, encourages robust internal compliance policies and collaborates on continuous improvement at manufacturing facilities.

Internally, Macy's Private Brand product-development professionals receive similar training on topics relevant to their role, including our Supplier Code of Conduct,

high-risk violations such as child and forced labor, human trafficking, illegal subcontracting, bribery, fraudulent record-keeping, homeworkers and physical abuse as well as our involvement with industry initiatives. Additionally, all colleagues receive annual Legal Compliance and Code of Conduct training that includes information on our human rights and human trafficking policies. To further advance our human rights strategy, in 2021, Macy's engaged a third party to benchmark our existing programs and to provide recommendations for enhancement. The project includes saliency mapping, gap analysis and action plans for our entire enterprise.

Factory Audits

We require factories supplying our Private Brand division to be audited by a third party at least once every 18 months and more frequently if any issues are identified.

Audits are conducted using the Supplier Code of Conduct. Suppliers that are "at risk" are given the opportunity to make improvements through a formal corrective action plan process that is prepared by our third-party auditor. If a supplier does not comply, Macy's, Inc. holds the right to terminate the relationship.

In 2020, we conducted 495 audits in 434 factories, and monitored social compliance in an additional 43 factories through reviewing audit reports conducted by other companies on our suppliers' facilities. Altogether, they accounted for 90% of Macy's total Tier-1 factories. The audit results showed that a little more than half of factories were in acceptable compliance; while the remainder of factories had areas of concern that needed improvement. We found 3 factories under the "Unacceptable" category. All of which were terminated and no longer manufacture for Macy's.

Working Together For Change

Macy's is committed to advocating sustainable practices with our brand partners and across the retail and fashion industry. We are an active member of and collaborate with numerous associations and networks that directly engage with policy makers on international trade, human rights and sustainability issues. We participate in many of these organizations.



Macy's Private Brand uses the Sustainable Apparel Coalition (SAC) Higg Index Facility Environmental Module and Facility Social and Labor Module to gauge the environmental and social performance of our manufacturing facilities.

In 2020, we rolled out the Higg Index Facility Environmental Module (FEM) to over 500 facilities in our supply chain—most of them associated with Macy's strategic suppliers—representing over 60% of our total private label procurement spend. Approximately 200 Tier-1 factories and over 160 Tier-2 facilities shared their FEM results with us, allowing us to monitor their sustainability performance.

Additionally, 30 of our Tier-2 facilities shared their Higg Index Social and Labor Module with us, giving us visibility into their compliance.

Environmental Responsibility in Our Supply Chain

Responsible chemical management is integral to our product safety efforts, especially as customers increasingly seek information about product ingredients and purchase products that have been formulated without certain chemicals. Our chemical management oversight extends from product concept through customer use. The Product Integrity and Quality Assurance Group, an internal function, collaborates with product-development teams to provide guidance about potential issues related to materials or manufacturing, interfaces with offices and suppliers as needed and oversees quality and testing programs. This group also performs conflict minerals screening to keep conflict minerals out of our supply chain.

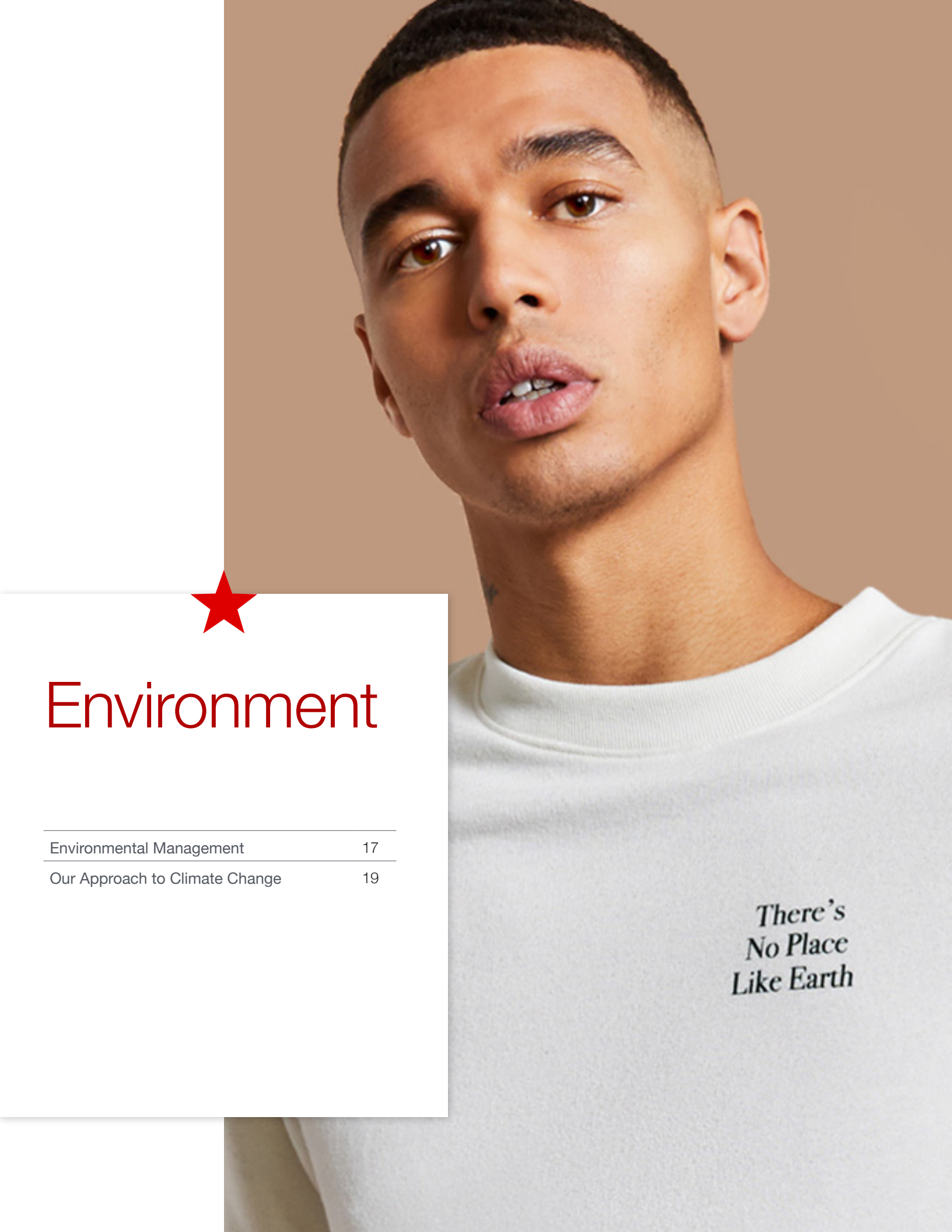
Chemical Phase-Out Goal

We continue to advance our previously established goal to develop and implement our first Private Brand Restricted Substance List covering apparel, footwear and home textiles in 2022 and non-apparel product categories beginning in 2024. Additionally, we seek to develop and implement our first Private Brand Manufacturing Restricted Substance List for children's apparel/footwear and home textiles by 2023 and non-apparel product categories beginning in 2025.

Macy's Private Brand restrict the use of certain flame retardants (15 flame retardants) in soft line products including apparel, upholstered furniture and children's products. This is communicated to our suppliers via our product integrity manual.

Avoiding Conflict Minerals

Our Conflict Minerals Policy sets forth our requirements for supplier due diligence, risk assessment and compliance. The Policy applies to Private Brand products produced by Macy's, Bloomingdale's, Bluemercury and their respective subsidiaries, and we prepare and file an annual Conflict Minerals Report with the Securities and Exchange Commission. As part of our due diligence, we use an independent third party to survey our suppliers annually to determine if conflict minerals are used in their supply chains and to identify the sources of those conflict minerals. We also require that our Tier-1 Private Brand suppliers source metal trim components from our Nominated Trim Supplier list. Trim suppliers who are not able to meet or maintain these expectations risk being removed from our program.



Environment

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*There's
No Place
Like Earth*

Environment

Macy's is committed to minimizing the environmental impacts across our operations and supply chain and seek to responsibly manage the resources we consume and the waste we produce across our 727 stores and logistics network. To advance that commitment, in 2018, we introduced a number of Sustainable Stewardship Goals to be achieved by 2025, including reducing energy consumption by 10% and to increase our in-store recycling rate to 80%.

The Environmental Services team is responsible for the development of Macy's, Inc.'s environmental programs for all facilities across the company. These programs include policies and procedures which ensure compliance with federal, state and local environmental laws.

Energy Management

Energy efficiency is central to our strategy. We use both building automation systems and an enterprise-wide energy management information system to continually monitor our operating performance and to detect anomalies. Our energy management system provides daily operational information, which enables us to respond in real time to reduce energy consumption.

We benchmark our energy management using the EPA ENERGY STAR Portfolio Manager online tool to measure and track our energy consumption to industry standards. Portfolio Manager enables us to compare each building's performance against a yearly baseline, national medians or similar buildings in our portfolio. We regularly provide detailed consumption data to comply with state- and city-level building-energy benchmarking ordinances.

LED Energy Savings

Macy's greatest opportunity for energy reduction continues to be our lighting. By the end of 2020, an additional 40 retail spaces were retrofitted leading to a reduction of about 5.6 million kWh or 3,969 metric tons of CO₂e. Since 2010, Macy's has reduced total energy consumption by more than 17.8% through LED lighting retrofits.

LED Energy Savings

	Retail Spaces Retrofitted Annually	Energy Reduction (kilowatt-hours in millions)	Energy Reduction (percent)	Carbon Reduction (metric tons)*
2010	95	19.9	1%	13,400
2011	287	58	4%	41,000
2012	307	39.5	3%	27,000
2013	260	7	0.5%	4,950
2014	100	4.7	0.4%	3,300
2015	260	8.2	0.7%	5,800
2016	450	20.1	1.7%	14,200
2017	660	18	1.7%	12,700
2018	50	12.3	1.3%	8,700
2019	133	29.9	3%	21,000
2020	40	5.6	0.7%	3,969

*CO₂e calculated using EPA emissions tool

Renewable Energy

We have more than 100 active solar sites nationwide and approximately 65 million kWh was produced in 2020, offsetting 46,000 metric tons of CO₂e. We actively continue to evaluate future solar projects and renewable opportunities across the company.

Product Packaging

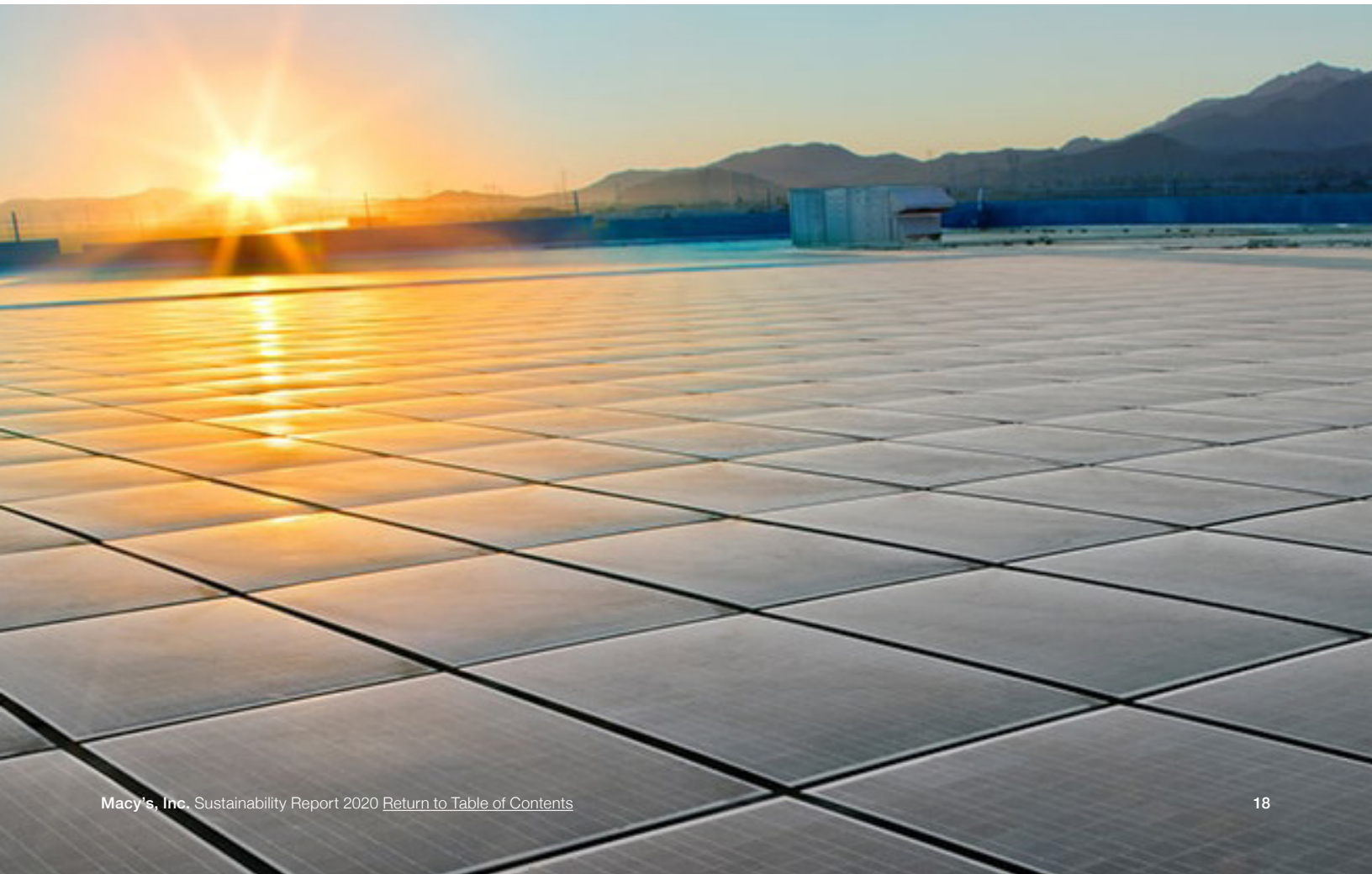
Macy's has adopted best practices to reduce product packaging, including standardizing the size of packing cartons and minimizing packaging materials. Increasingly, we incorporate recycled content into our packaging, especially in corrugated cardboard. We also use auto-boxer and auto-bagger machines that can build a package that perfectly fits odd or oversized items. This fit-to-size auto-boxing technology reduces box volume up to 50% by creating the smallest parcel needed at the lowest expense, which also helps reduce shipping costs.

Recycling in Our Facilities

In our stores, corporate offices and distribution centers, our policy is to recycle as much material as possible, including cardboard, plastic film, hangers, metal fixtures and wooden pallets. We also have an internal program to reuse, refurbish or recycle store fixtures and downstream or recycle electronics.

Electric Vehicle Charging

To support our customers visiting our stores with a lower environmental impact, we have partnered with Volta Charging to offer free electric vehicle (EV) charging at 37 of our locations. In FY2020, our stations delivered 490 MWh of electricity, powering approximately 1,714,040 electric miles and avoiding 763,482 lbs of CO₂.



Our Approach to Climate Change

Macy's recognizes the risk climate change poses to our business and our planet. That is why we are committed to monitoring and mitigating the risks to our operations and facilities, as well as to reducing our carbon emissions. Our reporting is informed by the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Governance

Board Oversight

Our Board of Directors has ultimate oversight of environmental risks including those related to climate change; specific ESG mandates are included in the charters of the Board's committees. The Nominating and Governance Committee is responsible for overseeing the company's climate change-related programs and policies as part of its wider ESG oversight, including the responsibility to assess the adequacy and effectiveness of management's ability to monitor, manage and mitigate ESG risks including climate. This committee is provided with sustainability updates, which include the company's progress on sustainability and climate-related goals at least annually. The Compensation and Management Development Committee oversees the company's human capital strategy and initiatives in support of a diverse and inclusive company culture. This committee provides guidance on talent and people strategies as well as labor relations, compensation and colleague engagement. The Audit Committee is responsible for overseeing enterprise risk management and mitigation actions for a variety of risks, including certain environmental, operational, IT, compliance and reputational risks. Additionally, this committee is responsible for reviewing ESG disclosures in our public filings, including those related to climate change.

Management Role

We ensure appropriate governance of sustainability including environmental topics by integrating sustainability into our overall management model. Our Chairman and Chief Executive Officer has ultimate responsibility for climate-related strategy. Our Chief Financial Officer, Chief Legal Officer and Chief Transformation and Human Resources Officer, working with our investor relations team, engages with stakeholders on ESG issues and provides feedback to management and the Board. The Chief Supply

Chain Officer, who reports directly to the CEO and Chair, is responsible for teams that manage sustainability initiatives and supply chain transparency.

Our Corporate Strategy Group has executive-level members from all of the company's operating and functional teams and is led by the Chairman and CEO. Together with the company's Sustainability Committee, this group determines how Macy's can adopt business practices that help preserve and protect the environment. This group reviews sustainability and climate-related goals on an annual basis.

Our Sustainability Executive Steering Committee is responsible for approving Macy's sustainability strategy and priorities. This senior management team regularly discusses risks and opportunities related to environmental issues, including review of progress on sustainability and climate-related goals on a quarterly basis.

Strategy

We have identified climate change-related risks and opportunities that may impact our business over the short-, medium- and long-term. The nature of these risks depends on both the physical aspects of climate change as well as market regulations, pressure to reduce our carbon footprint and our ability to understand and respond to rapidly evolving developments. Our identified risks include the following:

Regulatory Risks: Unfavorable global, domestic or regional economic or political conditions and other developments and risks could negatively affect our business and results of operations. For example, energy or carbon policies (both existing and emerging) with influence on our energy suppliers have the ability to impact indirect costs to our operations through shifts in energy prices. Current environmental and climate-related regulation—both at a State and Federal level—are monitored as part of the Enterprise Risk Management process.

Reputational Risk: Maintaining our company's reputation and brand at a high level is critical to our operations and financial results. We believe our reputation and brand are partially based on the perception that we act equitably and honestly in dealing with customers, employees, business partners and shareholders. Reputational risk in relation to climate-related issues encompasses both supply chain

issues (e.g., supply disruption caused by weather events) and our position and progress toward cleaner energy production and consumption.

Risk Related to Resource Use: There is increasing scrutiny on the use of resources—particularly energy sources and energy use. Pressure from regulators, consumers and other stakeholders to find alternatives and/or green solutions, to sharply reduce our use of natural resources are escalating. We continue to look for ways to address these issues and continue to explore developing best practices within the industry. Through memberships in industry groups such as the Sustainable Apparel Coalition (SAC), we are working to reduce the environmental and social impact of apparel and footwear products around the world. The use of recycled material textiles emits fewer GHG emissions and conserves water and energy as compared to making virgin fiber. Additionally, we have rolled out a framework to measure the social and environmental performance of over 500 facilities, benchmarking by facility type to allow comparison of performance against that of peers.

Extreme Weather Events and Natural Disasters:

The risk of extreme weather events is integrated into our climate change–related Enterprise Risk Management assessment. Our business could be affected by extreme weather conditions, regional or global health pandemics or natural disasters. Extreme weather conditions, such as frequent or unusually heavy snowfall, ice storms, rainstorms or natural disasters such as wildfire over a prolonged period could make it difficult for our customers to travel to our stores and thereby reduce our sales and profitability. Our business is also susceptible to unseasonable weather conditions, which could reduce demand for a portion of our inventory and reduce sales and profitability or could result in disruption or delay of materials in our supply chain or impact staffing in our stores.

Risk Management

Our senior leadership team and Board of Directors are focused on managing and mitigating various risks to our business and financial performance, including climate change and other environmental risks.

There are several channels through which managing climate-related risks and opportunities occur internally. The Corporate Business Resiliency Group is responsible for the development, implementation and management

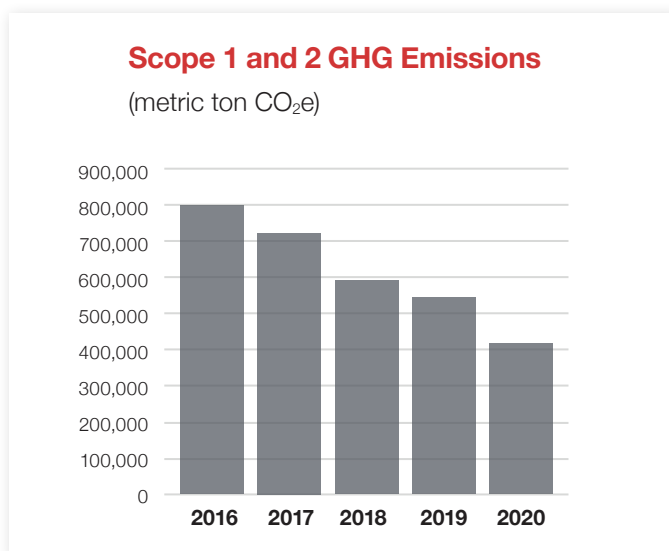
of the enterprise Business Continuity Program and provides direction, support and related subject matter expertise to Macy’s management teams worldwide.

Macy’s also has an Enterprise Risk Management program to identify and prioritize risks as substantive to the business. At committee and Board meetings throughout the year, management discusses the risk exposures identified as being most significant to the company and the related actions that management may take to monitor such exposures. The program utilizes a network of functional experts with managerial responsibility for various aspects of enterprise risk management. The Audit Committee of the Board, in particular, discusses with management the risk assessments and risk management policies relating to a variety of risks.

Metrics

We track our operational energy use and related Scope 1 and Scope 2 emissions. Additionally, we calculate certain Scope 3 emissions, including from our Private Brand’s upstream product transportation and distribution.

FY 2020	Energy use (MWh)	Greenhouse gas emissions (mt CO ₂ e)
Direct energy use (Scope 1)	208,277	36,870
Purchased electricity, heat and steam (Scope 2)	1,044,130	367,601
Private Brands upstream transportation and distribution (Scope 3)		16,390





Our Colleagues and Culture

Diversity & Inclusion	23
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Colleague Engagement	26
Total Rewards	26

Our Colleagues and Culture

We prioritize and support the well-being of our colleagues—because when we take care of our colleagues, they take care of our customers. We have built a performance-driven culture that encourages lifelong learning and empowers our colleagues to be leaders, regardless of title or function.



We are an inclusive employer, committed to hiring a diverse colleague population that reflects the community and the customer base where we operate. We are passionate about our talent—investing in our colleagues' knowledge, skills and abilities; ensuring rewarding opportunities for career growth and advancement; empowering colleagues across experience levels; and compensating colleagues fairly for a job well done. We are committed to having the best talent in retail—encouraging the continuous upskilling of our colleagues and empowering them to chart their own career paths, while staying focused on acquiring the best and brightest to inject fresh thinking.

Human Capital Report

In 2021, we published the first Macy's, Inc. [Human Capital Report](#). We encourage you to read it to learn the full details of the breadth of programs and initiatives we have that foster success for our colleagues and communities.

Diversity & Inclusion

We are committed to building a workforce that represents the communities we serve at all levels and to cultivating a culture of belonging. We actively promote an inclusive and welcoming environment for all our customers. We are also focused intently on diversity and inclusion beyond our walls—working to support and develop diverse suppliers, investing in economic and workforce development, fighting for social justice and awarding scholarships to cultivate future leaders.

Our Chief Diversity Officer is in charge of developing and implementing our diversity and inclusion initiatives, guided by the Macy's Diversity & Inclusion Business Council, which is co-chaired by our CEO and our Chief Diversity Officer and includes representatives from all areas of the company.

D&I Priorities and Initiatives

Attract diverse colleagues:	We recruit within our communities to reflect the diversity where we operate. We recruit via diversity-focused career fairs and job boards, and we partner with local organizations to attract diverse candidates.
Retain diverse talent:	One of our measures to advance the diversity of our leadership at the senior director level and above is the MOSAIC program, a one-year professional development program for our top talent at the manager and director levels who self-identify as ethnically diverse.
Drive people leader accountability to D&I objectives:	In 2021, we expanded our People Leader Commitments to include standardized D&I goals into annual reviews at the director level and above.
Drive executive accountability to D&I objectives:	The 2021 compensation plan for our executives includes a short-term incentive goal tied to colleague engagement and diversity.
Provide training and guidance:	One of the steps we have taken to create an inclusive environment is providing an unconscious bias e-learning for every colleague at every level of the organization. For our people leaders, we provide training to learn to adapt their leadership style to maximize each colleague's full potential.
Offer employee resource groups:	Our 16 voluntary colleague-led groups across 94 chapters are a platform for colleagues to serve as a key resource to the company for business insights, helping to identify potential opportunities and community partnerships.
Facilitate "Can We Talk?" sessions:	Started in 2016 in response to colleague feedback about the police shootings of unarmed Black men, these enterprise-wide discussions led by Macy's, Inc. Chairman and CEO to offer colleagues a way to engage in meaningful dialogue around relevant societal topics.



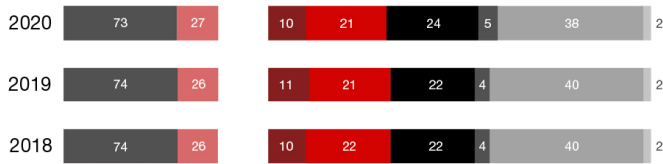
Believe that pay equity is fundamental to our culture and diversity and inclusion strategy:

Macy's is committed to the principle of equal pay for equal work and seeks to ensure our colleagues are paid equitably for substantially similar work. Colleague compensation is based on job position, responsibilities, experience and performance with incentive opportunities that allow our colleagues to share in our success. In 2021, Macy's will achieve greater than 99% pay equity across gender and, in the U.S., across race.

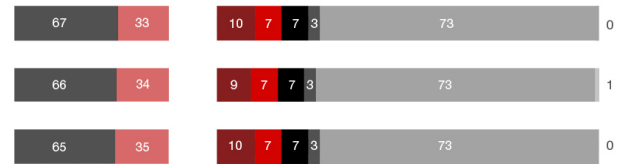
Monitor performance:

The charts below outline representation by ethnicity and gender by level from 2018 to 2020.

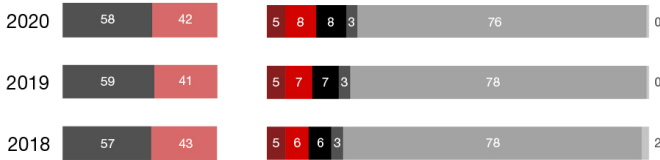
Total Colleague Diversity



Directors Diversity



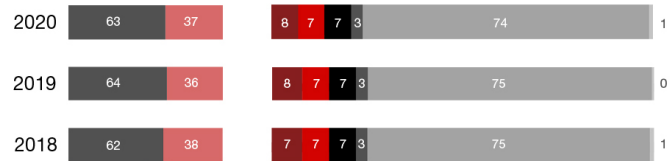
Senior Directors and Above Diversity



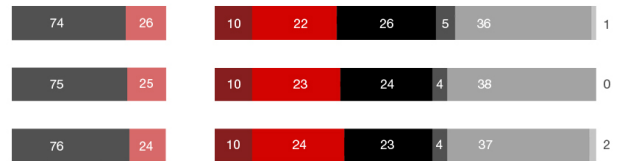
Managers Diversity



Directors and Above Diversity



Hourly Colleagues Diversity



The numbers above represent percentages of colleague diversity.

- Female ■ Male
- Asian ■ Black or African-American ■ Hispanic or Latino ■ Two or more races
- White ■ Additional ethnicities with less than 1% representation*

*American Indian or Alaska Native, Native Hawaiian or other Pacific Islander

Talent Acquisition, Learning & Development

We invest in colleagues at every stage of their career journeys, helping them chart a course and gain the skills, knowledge and experience they need to fulfill their professional and financial goals. In order to remain competitive, our pipeline of future leaders must include talent that reflects the full spectrum of diversity of our customers and the communities where we work. We are focused on stemming mid-career attrition of ethnically diverse talent and accelerate the momentum of top talent.

Colleague Development Priorities and Initiatives

Attracting talented colleagues:	We have a range of programs to recruit new colleagues including college internship programs at Macy's and Bloomingdale's. The Bloomingdale's Early Immersion offering a two-day program focused on providing experiential learning and career exposure to those who identify with underrepresented groups and a Talent Acquisition Skills Academy for our professional recruiters.
Online learning platform:	Our digital learning experience platform, ignite, provides colleagues with friction-free, self-directed learning. We leverage internal and external expertise to support real-time upskilling, as well as leadership development and role-specific capacity building.
Extensive current and future leadership training:	<ul style="list-style-type: none"> • First-time People Leader development: We support People Leaders in the transition from being an individual contributor and being more task-focused to leading a team and driving results through others. • Ongoing people leader development: We offer relevant, curated learning experiences informed by the current climate and organizational strategies. • Top talent development: We provide targeted, immersive experiences that include formal education, coaching, assessments and mentoring to accelerate development and momentum of top talent. • Strategic assignments and development experiences: We know there is no better teacher than experience, so we identify meaningful stretch assignments and exposures for top talent across the enterprise as part of our annual talent review process. • Executive Development Programs: Macy's and Bloomingdale's Executive Development Programs (EDP) offer immersive, hands-on learning experiences for recent college graduates from top universities across the U.S. to jump start a career in retail, with specialization in technology, digital, stores, merchandising, planning, human resources and credit and customer service. • Shooting Stars Program: Bluemercury's Shooting Stars is a six-month mentorship program that aims to assist full-time colleagues achieving their goals and full potential. The program focuses on empowering mentees to own their journey by creating a development plan, becoming an inclusive leader and leveraging resources to support their career aspirations.
Colleague development reviews:	All permanent colleagues have annual, formal performance reviews to foster their career development. Our strategy is for all people leaders to check-in with their subordinates on a quarterly basis to talk about performance, goals and areas for growth.
Monitor performance:	<ul style="list-style-type: none"> • People Leaders invest a minimum of 40 hours in leadership development each year. • Professional colleagues participate in a 90-day onboarding experience with performance milestones, support resources and role-specific training. • All colleagues complete annual refresher training on topics related to "doing the right thing"—from ethics to safety to policy—ranging from 90 minutes to 4 hours depending on role. • 96% of professional colleagues have utilized ignite, our learning experience platform, for personal and professional development.

Colleague Engagement

We encourage colleagues to share feedback that will help us measure engagement and understand how they are feeling about our culture. So, in addition to measuring our business performance, we also leverage formal and informal touch points to measure the health of our culture. To help promote an open feedback culture, we gather colleague feedback at key times throughout the colleague life cycle—from onboarding to off-boarding to providing regular venues for colleagues to ask questions and share their opinions (Ask Me Anything sessions, town halls, Employee Resource Groups), as well as formally soliciting feedback from all colleagues twice a year through an enterprise-wide Culture Pulse Survey.

Colleague feedback, both positive and constructive, is essential to creating an environment where all colleagues can be at their best and is used to shape our ongoing culture priorities. The results of our Culture Pulse Survey are shared openly and transparently across the organization, providing visibility to both people leaders and colleagues and creating the opportunity for open, constructive discussions among teams.

Colleagues also are encouraged to report concerns about harassment or discrimination, alcohol or drug abuse on the job, unsafe situations, theft or fraud, false or misleading accounting or violations of correct company policy or other workplace situations by using one of four channels:

1. **People Leader:** Colleagues are encouraged to report workplace issues to their People Leader who will help address and resolve the issue
2. **Solutions InSTORE:** Macy's Early Dispute Resolution Program. Colleagues may call 800-234-MACYS or send an email to solutionsinstore@macys.com and a Colleague Support Advisor will contact them to help address and resolve the issue
3. **AskHR:** Colleagues can open an AskHR case through My IN-SITE, the Macy's online information resource for colleagues, and a Colleague Support Advisor will contact them to help address and resolve the issue
4. **Compliance Connections:** Colleagues may anonymously report workplace issues through Macy's third-party reporting service, ComplianceConnections by phone at 1-800-763-7290 or online at www.macyscomplianceconnections.com

Culture Pulse Survey Items	Total Macy's, Inc. Favorable Score
I can see a clear link between my work and Macy's / Bloomingdale's strategic objectives.	90%
My people leader meets with me regularly to discuss my growth and development.	80%
How would you rate your overall well being?	95%
I feel like I belong at Macy's / Bloomingdale's.	92%
I feel like I can make a difference in the Macy's / Bloomingdale's culture.	89%
My people leader provides me with feedback that helps me improve and succeed in my role.	88%

Total Rewards

Our compensation philosophy and practices are integral to our objective of being an employer of choice in every location where we do business with competitive pay and benefits rooted in equity and consistency.

Base Pay:

We develop our compensation approach through market surveys and pay ranges to ensure pay is competitive and fair. We have a robust process to assess internal pay levels ensuring consistency and fairness.

Benefits:

Our healthcare and benefits programs help colleagues live their best life and focus on their total well-being. The table below highlights the benefits we offer our colleagues.

Incentives:

Our goal is to build a high-performing culture that drives engagement and motivates our colleagues to achieve superior results. One way we do this is through an incentive approach that rewards colleagues across all levels and functions in the organization—from frontline colleagues in stores and distribution centers to our salaried colleagues in our corporate offices. Our incentive programs recognize colleagues for their achievements in driving business results and upholding our shared culture and values.

Benefit Option	Part-Time Colleagues (20 hours/ week)	Full-Time Colleagues (30 hours/ week)	Benefit Option	All Colleagues	Part-Time Colleagues (20 hours/ week)	Full-Time Colleagues (30 hours/ week)
Accident Insurance	✓	✓	401K and Company Match*	✓	✓	✓
AD&D Insurance	✓	✓	Auto Coverage		✓	✓
Critical Illness Insurance	✓	✓	Colleague Discount	✓	✓	✓
Dental	✓	✓	College Bound 529	✓	✓	✓
Health Savings Account		✓	Commuter Benefits		✓	✓
Hospital Indemnity Insurance	✓	✓	Dependent Care FSA		✓	✓
Life Insurance	✓	✓	Discount Mall	✓	✓	✓
Long-Term Disability	✓	✓	Group Legal Plan		✓	✓
Medical		✓	Health Care FSA			✓
Short-Term Disability	✓	✓	Home Coverage		✓	✓
Vision	✓	✓	Identity Theft Protection		✓	✓
			Limited FSA		✓	✓
			North Star Relief Fund 501(c)(3)	✓	✓	✓
			Tuition Reimbursement			✓

*To be eligible for Macy's, Inc. 401k company match, a colleague must have one year of service and work 1,000 or more hours.

Short-Term Incentives

- **Annual Cash Incentives** for corporate colleagues tied to performance.
- **Path to Growth:** Every job matters, and the Path to Growth Incentive plan recognizes the role our frontline colleagues play in driving our success. The quarterly incentive is tied directly to measurable goals that align to the colleague's work area.
- **Macy's Make Magic Awards:** These annual awards recognize teams who exhibit extraordinary effort and achieve extraordinary results in the areas of: D&I, leadership and innovation, as well as top teams in stores, digital, technology, merchandising and supply chain.
- **Bloomington's Golden B and Best of the Best:** The Golden B event happens twice a year and recognizes outstanding performance in all areas of selling and support. On an annual basis, Bloomington's conducts their Best of the Best awards which celebrate achievements across the business.

- **Macy's Spot Bonus:** Cash rewards for colleagues who go above and beyond in living our behaviors.
- **Commissions** for store colleagues on customer sales.

Long-Term Incentives

- **Core Management Equity Program:** Rewards eligible senior management with annual equity grants.

In 2020, we implemented additional recognition programs to thank our colleagues for their vital work in helping to keep our business running during immensely difficult circumstances. To recognize their immense efforts, we thanked our colleagues through thank you bonuses and hero pay.



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the library this month?

HOMEWORK HELP
We are pleased to offer extra homework help to students SCHEDULED TO BE IN THE BUILDING
in the library on **TUESDAYS and THURSDAYS**
From 3:00 P.M. - 4:00 P.M.
Come to complete assignments and projects, to read or study or to get help from a teacher or peer.

The only thing absolutely *ha* know is the *l* of the libr
— ALBERT EINSTEIN

Library Open Access & Virtual Meet Codes
Extra help
When: Periods 4, 7, 8
Code: vrtuallmc
Who: Mrs. Conway & Mrs. Johnson
When: Thursday & Friday 7:30am
Code: vrtuallmc
Who: Mrs. Johnson

And More...

Customers & Community

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Customers and Community

We are dedicated to serving our communities by creating jobs, giving back and being a vibrant hub for commerce and connection.

Every Customer Is Welcome

We put our customers at the center of every decision we make, providing an equitable shopping experience for all. In 2019, Macy's launched a unified Customer Bill of Rights (CBOR) across all of our Macy's and Bloomingdale's stores as a new standard of how we will treat everyone who engages with our brand. The CBOR is visibly posted in our stores and reinforces that discrimination, unreasonable searches and profiling will not be tolerated. We take an active role in quickly addressing and resolving any concerns.

Promote an inclusive and welcoming environment for our customers

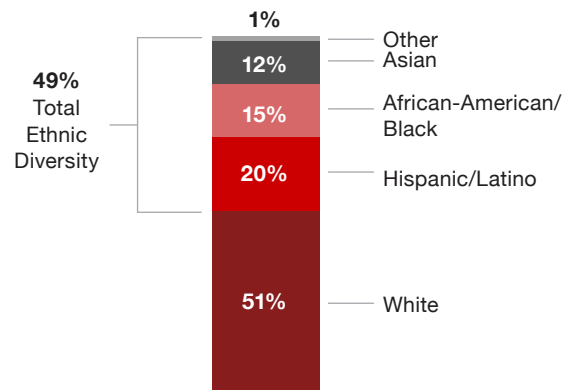
Delivering quality service and making customers feel valued and welcomed is key. We devised and implemented a 2020 CBOR strategy to emphasize the importance of this commitment, which included enterprise-wide education to manage unconscious bias and an anti-profiling reference guide.

Empower and educate store leadership and their teams to ensure an inclusive customer experience

As part of our goal to align and advance our strategy in the stores, we designated D&I Champions in 2020—a leadership team of dedicated experts that include store managers and district vice presidents. The Champions play a crucial role in communicating and executing the D&I strategy and commitment to delivering quality service. This year, we introduced the D&I "Inclusion in Action" WorkProud badge, which is awarded to colleagues who

2020 Customer Ethnic Diversity

Data as of Q4 2020



address cultural differences and demonstrate positive, respectful and inclusive behaviors in our stores and the workplace.

Implement skill development for the Asset Protection (AP) and Compliance team customer contact

In addition to our policies outlined in the Customer Bill of Rights, we invested in soft skills training and empowered our Asset Protection leaders to respond to customer concerns. In 2021, we will reinforce our commitment to quality service in all Asset Protection interactions.



Committed to reflect consistently and genuinely the full spectrum of our customers in our imagery, messages and experiences

In addition to emphasizing our core values, our goal is to reach customers of all backgrounds in relevant ways that engage and affect behavior through audience targeting, creative expression, iconic events and experiences. We will advance representation in advertising to reflect our customers by gender, gender identity, ethnicity, age, size and persons with disabilities.

In 2021, we will continue to re-affirm our commitment to D&I, the communities we serve and the change we intend to make in the world of fashion through the following goals:

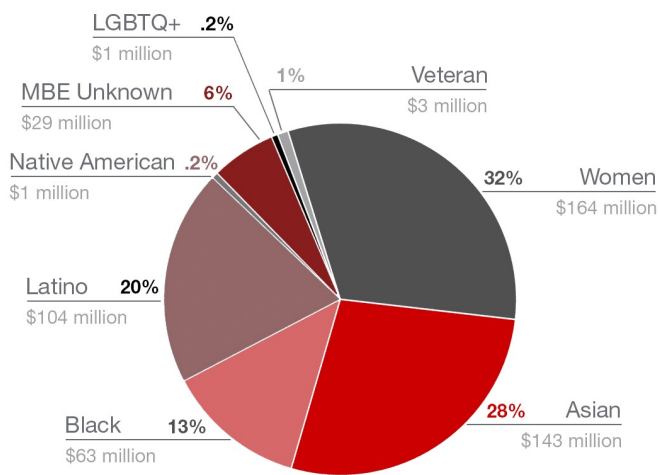
- **Advance advertising to reflect our customers:**
Achieve 58% diverse representation in casting for gender, size, ethnicity and age.
- **Ensure media spend reflects our customers:**
Achieve 35% representation by vehicle and reach.
- **Launch new agency partnership:**
Activate multicultural marketing campaigns in collaboration with JOY Collective, a certified Black- and women-owned strategic marketing and creative agency specializing in brand-building in today’s complex, poly-cultural world. JOY’s mission is to curate, create and spread JOY for ourselves, our families, our clients and our communities.
- **Amplify product imagery that reflects our customers:**
Achieve 33% representation across all vendor and partner imagery.
- **Refocus our D&I strategy to address the current climate:**
In 2021, we will honor the rich history and heritage of the many communities we serve, which are stitched together by many threads representing the diversity of people, their talents, trials and triumphs.



Elevate the Workshop at Macy's

Launched in 2011, The Workshop at Macy's is the industry's leading retail vendor development program dedicated exclusively to ethnically diverse-, women-, veteran- and LGBTQ-owned businesses. It is designed to give high-potential underrepresented business owners the tools to better succeed and sustain growth in the retail industry with one-on-one education from our top executives and industry experts. More than 125 entrepreneurs have graduated from the program, with 25% launched within Macy's, Inc. and many found at other retailers. In 2021, The Workshop went virtual. Class size has doubled, with 50 businesses enrolled to participate in the two-week program. The Workshop now consists of an e-learning platform, an enhanced curriculum and a retail mentorship component.

2020 Diverse Spend by Group



Supplier Diversity

Our supplier diversity program connects ethnically diverse-, women-, veteran- and LGBTQ-owned businesses to opportunities within Macy's, Inc., enabling us to have more distinctive merchandise supplier diversity and drive both innovation and economic impact. Our Retail Diversity Committee is a cohort of cross-functional colleagues who develop and execute our overarching strategy to accelerate the growth and amplify support for the advancement of diverse- and women-owned brands. In 2021, we will leverage data driven insights to guide and support decisions to fuel our supplier diversity strategy and efforts to meet customer needs.

In 2020, we purchased \$457 million from underrepresented businesses. Our progress this year is a building block toward achieving 5% spend penetration on diverse suppliers (retail and non-retail) and triple our spend with Black-owned businesses by 2023. Additionally, in 2020, we increased brand assortment by adding 100 new diverse-owned businesses online and in-stores. Overall, minority and diverse suppliers (retail and non-retail) accounted for 3.1% spend penetration in 2020, with a goal to increase to 4% in 2021.



Our relationships with diverse suppliers extended beyond our \$457 million Tier 1 spend in 2020. Through our Tier 2 program, we amplify the impact of our spend by partnering and tracking our direct suppliers who do business with diverse-owned companies. In 2020, our Tier 2 spend was \$45 million, which we aim to double in 2021. We will expand and scale a new retail and non-retail Tier 2 program, targeting participation from our top 200 suppliers.

At Macy's, Inc., we continue to strengthen our commitment to the growth of under-represented suppliers, and discovering new pathways to amplify Black-owned brands. As part of our commitment to the Fifteen Percent Pledge made last November, Macy's launched more than

50 new Black-owned brands, including jewelry from Oma The Label and Swanky Design, food from Blk & Bold and Sol Cacao, and home brands Tal & Bert and Soap Distillery. Macy's has also added award-winning beauty brands in partnership with CEW's Indie 26, including Camille Rose, CURLS, Epara, La Pierre Cosmetics, Lovinah, Maison 276, Mischo Beauty, Naturally London, Ooli Beauty, Shea Yeleen and Unsun Cosmetics. Bloomingdale's has expanded its assortment of Black-owned brands with new vendors across all categories, like Brandon Blackwood, BruceGlen, Jade Swim, Libert , MAX+min, Salone Monet and Studio 189 in fashion and accessories, and GaBBY Bows and Earth's Nectar in beauty, among others.



Building and Celebrating Community

Building on a 160-year tradition and with the collective support of customers and colleagues, we strengthen communities by supporting local and national charities to help make a difference in the lives of our customers. Giving back is one of our core values, and we want to create as much positive impact as possible. Due to the challenges in 2020, we were limited in giving as much as we typically like to contribute but are proud to say we donated more than \$26.2 million and volunteered over 30,000 hours. Learn more about how we give back through national campaigns, colleague volunteerism and local corporate grants below.

National Giving Campaigns

We invite our customers to join us in giving back all year long through our national giving campaigns. These charitable campaigns include our Buy A Coat & We'll Donate One to spread warmth to communities in need with Clothes4Souls, our Believe letter-writing campaign with Make-A-Wish, and numerous round up campaigns that support the critical work of nonprofits across the country like The Trevor Project, Girls Inc., and Reading is Fundamental. With our customers' help, we were able to raise more than \$15.4 million in 2020 to make life shine brighter in the communities we serve.

Volunteerism

Our colleagues love to volunteer and give back throughout the year. One of the ways this comes to life is through our August colleague fundraising and volunteerism campaign: The Big Give Back. In August of 2020, colleagues donated more than \$2 million and volunteered 6,000 hours.

Corporate Grants

Our corporate grants are awarded to the organizations in our communities that matter most to our customers and colleagues. Our corporate giving is allocated at local, regional and national levels to serve the communities in which we live and work. The funds are distributed through a network of district grant captains: store colleagues who have direct connection to their local communities. In 2020, we awarded more than \$7.9 million to more than 300 communities across the U.S.

COVID-19 & Hunger Relief

In 2020, when faced with an extremely difficult year, we learned just how much giving back meant to our colleagues and customers. We shifted our giving efforts to focus on heightened needs in communities and supported vital programs around hunger relief, mental health, social justice and more. For hunger relief alone, we more than doubled our typical annual support and donated more than \$7 million to support nonprofits combating food insecurity.



Integrity & Accountability

We foster a culture of ethical conduct to guide everyone in our organization, from our leaders to our colleagues and to our suppliers. We regularly share our expectations and continually monitor our organization to ensure compliance with company policies and applicable laws. In addition to a [Code of Conduct](#) for colleagues, we have set forth our expectations for our Board in a [Code of Business Conduct and Ethics for Non-Employee Directors](#) and all of our suppliers in our [Vendor and Supplier Code of Conduct](#). The Audit Committee of the Board of Directors has oversight over ethics and compliance.

Ethics and Oversight

To help ensure that our entire organization behaves in a legal and ethical manner, we provide annual training to all colleagues, alternating between our Code of Conduct and General Legal Compliance Training. In addition to this formal instruction, we regularly train our colleagues on a number of other areas that affect how we conduct our business with integrity. We work to instill our values and communicate expected behaviors through team huddles, the Employee Handbook and other ongoing communications.

Our Ethics Hotline

Our company culture encourages people to speak up and do the right thing. We make it easy for our colleagues to report suspected misconduct through our confidential, third-party [Compliance Connection](#) toll-free telephone line and web reporting service. Pursuant to our policy, we do not retaliate against colleagues that report allegations of violations of our Code of Conduct, with full legal protection, and we ensure that all allegations are fully investigated.

We also offer a separate hotline for our suppliers to report their concerns. Additionally, we welcome input from our customers and offer many vehicles that the public can use to raise issues or complaints. We encourage stakeholder and shareholder dialogue. Customers may contact us via Customer Service, U.S. mail, email, website or a convenient online [Tell Us What You Think response form](#).

The company will investigate concerns raised about compliance with company policies as follows:

- The issue will be assigned for investigation to colleagues who are skilled and objective.
- The investigators will gather information and determine facts. The investigation will be prompt and thorough, and confidentiality will be maintained to the maximum extent possible.
- The investigators may recommend corrective action, if necessary, to appropriate managers for implementation.
- Where appropriate, the colleague raising the concern will receive feedback on the outcome.

Political Contributions

We take an active part in the communities where we live and work. We take seriously our responsibility and opportunity to assist policymakers as they consider public policy questions that could affect our company, colleagues and customers. Our [Government Affairs Policy](#) sets forth our policies, approval process and oversight regarding political contributions. We [publicly report on our website](#) all political contributions made with corporate funds and trade organizations to which we paid \$25,000 or more in dues and the portion of that payment the organization told us was allocated for lobbying.

Data Protection and Privacy

We recognize the importance of protecting consumer and colleague data and have robust systems, processes and practices in place to protect sensitive data. Our Corporate Information Security Officer leads our data protection

programs, and reports to our Chief Legal Officer. Our Board of Directors maintains oversight of our cybersecurity and data privacy programs via the Audit Committee with at least two scheduled updates per year on the topic and an annual review by the full Board.

We operate our own security operations center (SOC) that employs a defense-in-depth strategy to provide layers of safeguards. We apply a hybrid security framework model based on the NIST, ISO 27001 and COBIT frameworks.

We conduct ongoing risk assessments, as well as both internal and external penetration testing on a quarterly basis. We are under regular information technology and security audits by both internal audit and our independent public accounting firm. Additionally, we have regular audits from our financial institution business partners, independent auditor/public accounting firm, internal auditors and regulators. We also have established data security breach preparedness and response plans.

We have implemented two-factor authentication protocols for network access and installed firewalls and anti-virus/anti-malware software, as well as software for visibility into network data and an administrative rights tool.

We promote security awareness with our colleagues by requiring all colleagues to review and sign off on our information security policy. Additionally, all colleagues and contractors with access to Macy's, Inc.'s systems must complete data security and privacy training on an annual basis, as well as participate in quarterly phishing simulations.

Data Privacy

Through our sales, marketing activities and use of third-party information, Macy's collects and may retain certain public and non-public personal information that customers provide to us. This collection is done consistent with California Consumer Privacy Act (CCPA) requirements. We inform customers about how we will use their data and limit our use to those purposes.

We work with our key third-party vendor partners to ensure they use secure and compliant systems. We include data-security language in our supplier contracts and appropriately restrict where vendors have access to customer information. Those vendors are also put through a risk-assessment process. For non-personal information, we also include confidentiality language in our written contracts in order to safeguard company data shared with third parties.

We share customer data internally, on our platforms, with our service providers, with our business partners, with third parties for marketing purposes, with any successors to all or part of our business and to comply with law or to protect ourselves.

We sell the following categories of customer data: identifiers, payment information, event information, demographic information, device information, location information, commercial information, and Internet or other network activity information.

SASB Index

The disclosures in this report are informed by the recommendations of the Sustainability Accounting Standards Board (SASB). Given the diverse nature of our business, we have incorporated guidelines from the SASB Multiline and Specialty Retailers & Distributors and Apparel, Accessories & Footwear standards.

All data as of FY2020, unless otherwise noted.

Topic	Code	Accounting Metric	Response
Energy Management in Retail & Distribution	CG-MR-130a.1	Total energy consumed	1,252,407 MWh
		Percentage grid electricity	76.7%
		Percentage renewable	5.2%
Environmental Impacts in the Supply Chain	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Approximately 200 Tier-1 factories and over 160 Tier-2 facilities shared their Higg FEM results with us. For more information, see the STANDARDS AND COMPLIANCE section of this report.
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store colleagues earning minimum wage, by region	Not reported
	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store colleagues	
CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Any material, legal and regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs	

Topic	Code	Accounting Metric	Response					
Employee Recruitment, Inclusion & Performance	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management (2) technical staff and (3) all other colleagues	Employee Type	Female	Male	Not Available or Not Disclosed		
			Management	67%	33%	0%		
			Technical staff	26%	74%	0%		
			All other employees	74%	26%	0%		
			Employee Type	Asian	Black or African American	Hispanic or Latino	White	Other*
			Management	7%	13%	16%	60%	4%
			Technical staff	57%	8%	4%	29%	2%
			All other employees	10%	22%	25%	36%	6%
			*Other indicates the following classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander as well as "two or more races"					
			For more information, see our Human Capital Report—People Analytics section					
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Any material, legal and regulatory issues are disclosed in our annual 10-K and quarterly 10-Qs					
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited due to a labor code of conduct claim, (3) percentage of total audits conducted by a third-party auditor	(1) 90% (2) None were directly audited on behalf of Macy's, Inc. (3) 100% For more information, see the STANDARDS AND COMPLIANCE section of this report.					
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	0.7% of factories failed our audit. Of the three that failed, one made remedial improvements and two were dropped as suppliers. For more information, see the STANDARDS AND COMPLIANCE section of this report.					
	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain	See the RESPONSIBLE PRODUCTS AND SOURCING section of this report.					
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	See the RESPONSIBLE PRODUCTS AND SOURCING section of this report.					
	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	See the ENVIRONMENTAL RESPONSIBILITY IN OUR SUPPLY CHAIN section of this report.					
	CG-AA-250a.2							
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	See the ENVIRONMENTAL MANAGEMENT section of this report.					

Topic	Code	Accounting Metric	Response
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	See the DATA PROTECTION AND PRIVACY section of this report.
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Not reported

Code	Activity Metric	Response
CG-MR-000.A	Retail locations	727
	Distribution centers	25
CG-MR-000.B	Retail space	113 sq m
	Distribution centers	15.9 sq m
CG-AA-000.A	Tier 1 suppliers	270

macy's inc

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