

2022 Sustainability Report



macys inc

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A Message from Our Chairman and CEO

At Macy's, Inc., we are committed to fostering a sustainable business that generates value for our customers, colleagues and planet. We are engaging our resources and leveraging talent and scale to embed sustainability into our business, including our five growth vectors: Macy's private brands reimagining, small store formats, digital marketplace, luxury and personalized offers and communications.

In 2022, Macy's, Inc. launched *Mission Every One* to create a brighter future with bold representation for all. Macy's, Inc. announced \$5 billion of the company's spend through 2025 would be directed toward partners, products, people and programs that help create a more equitable and sustainable future. The commitments focus on three pillars of impact — people, communities and planet. The company has made significant progress on its journey, and in 2022, directed \$1.4 billion of its spend toward this goal.

Over the past year, we continued to advance our sustainability strategy as we respond to evolving stakeholder expectations. Our recent sustainability accomplishments include:

- Investing in our #1 resource, our colleagues, through our \$15/hour nationwide minimum wage increase and our fully funded education program;
- Leveraging partnerships to support the delivery of our sustainability ambitions, including with World Wildlife Fund (WWF), Better Cotton and RISE: Reimagining Industry to Support Equality;

- Publishing policies to guide our private brand Sourcing and Product Development teams on preferred materials, including cotton and wood policies;
- Prioritizing opportunities to reduce waste in both product and operations by testing scalable, circular solutions;
- Committing to set near-term company-wide emissions reductions in line with the Science Based Targets initiative (SBTi); and
- Expanding our Colleague Resource Groups (CRGs) through the addition of 198 Store CRG chapters across the country, reinforcing our community building and greater colleague engagement.

This report pulls together the whole breadth of our sustainability actions. You can find more information in our [Human Capital Report](#), [Supplier Diversity Economic Impact Report](#) and [Social Impact Progress and Partnerships](#).

I invite you to read further about our commitment to and progress toward operating with integrity and creating a more equitable and sustainable future. Thank you for your interest in Macy's, Inc.

Sincerely,

JEFF GENNETTE

Chairman and Chief Executive Officer

Macy's, Inc. at a Glance

Macy's, Inc. is a trusted source for quality brands at great values from off-price to luxury. Through our iconic nameplates — Macy's, Bloomingdale's and Bluemercury — we help our customers express their unique style and celebrate special moments. Headquartered in New York City, we operate one of retail's largest e-commerce businesses, integrated with a nationwide store footprint, to deliver the most convenient and seamless shopping experience.

\$24.4B

FY 2022
net sales

~94.5K

Colleagues*

722

Store locations
across brands*

*as of fiscal year-end January 28, 2023



Macy's is our largest retail brand, known for having the latest styles in fashion, beauty, home and beyond, and for hosting America's most beloved holiday events. Today, Macy's is powered by our industry-leading e-commerce platform and national network of stores, offering a high-quality assortment of brands created and curated to inspire our customers while providing them value and seamless convenience.



Since its debut in 1872, Bloomingdale's has been a fixture of New York fashion. And 150 years later, it just keeps getting better. From premium luxury designers to emerging contemporary brands and beloved private labels, we've created a space to discover and indulge your own unique style.



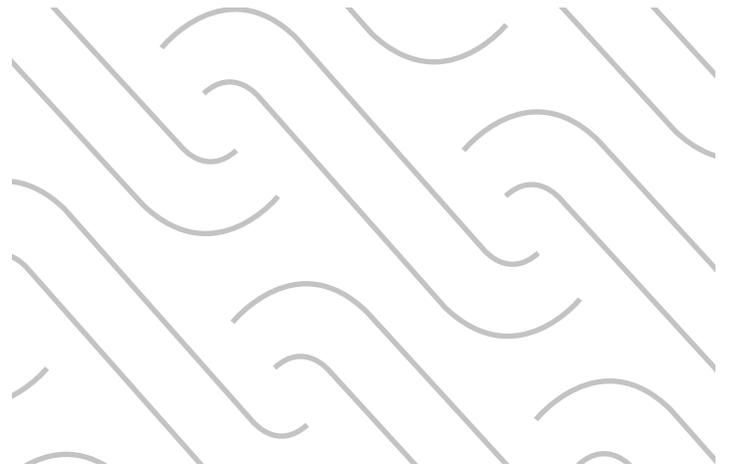
Bluemercury is recognized as a leading destination for luxury beauty and spa services. Designed as a haven for beauty aficionados in 1999, we have always tried to provide an inclusive space for expert, personalized advice right in our customers' neighborhoods. As a part of Macy's, Inc. since 2015, we have expanded our specialty store nationwide and we continue to celebrate uniqueness and individuality.

MISSION EVERY ONE

At Macy's, Inc., we're on a mission to create a brighter future with bold representation for all. Through *Mission Every One*, our social purpose program announced in 2022, we are directing \$5 billion of the company's spend through 2025 toward partners, products, people and programs that help create a more equitable and sustainable future. We directed \$1.4 billion toward this program in 2022. The commitments of this program focus on three pillars of impact: people, communities and planet.

Our People

We recognize and value our diverse community of colleagues and partners to fuel our mutual growth and innovation.



Designing a More Inclusive Future of Style

We are increasing our investment in underrepresented designers, brands and business partners, products and service providers to amplify diverse voices, create better choices for our customers and expand opportunities for our colleagues, partners and communities.

Advancing Rights, Justice and Equal Opportunity

We are directing \$1 million annually in grant funding to advance human rights, social justice, workforce development and economic opportunity in partnership with leading organizations.

Diversifying Leadership

To better reflect and meet the needs of our customer base, we are accelerating the diverse representation of our leadership with the ambition of achieving 30% ethnically diverse representation by 2025 at all levels director and above.

Fully-funded Education for Colleagues

In February 2022, Macy's, Inc. launched a partnership with Guild Education to provide an education program to eligible colleagues. Since launch, more than 4,000 colleagues have completed at least one course, outperforming retail benchmarks.

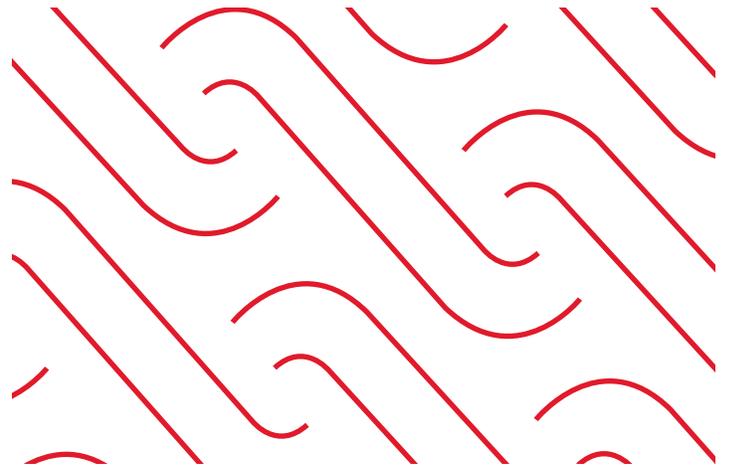
Raising the Minimum Pay Rate

We raised the minimum pay rate for colleagues at Macy's, Inc. to \$15 per hour, furthering our mission to be the preferred employer in retail.



Our Communities

We empower the curiosity and confidence of young people on their journey to become the leaders of tomorrow.



Empowering Youth Well-Being, Learning and Leadership

We will donate more than \$100 million by 2025 to nonprofit organizations that support the mental health and education of youth, as well as environmental stewardship.

Inspiring the Next Generation of Designers and Creators

We will provide \$2 million by 2025 to support programs and scholarships to youth in fashion, design and sustainability and offering mentorship and employment opportunities through our business.

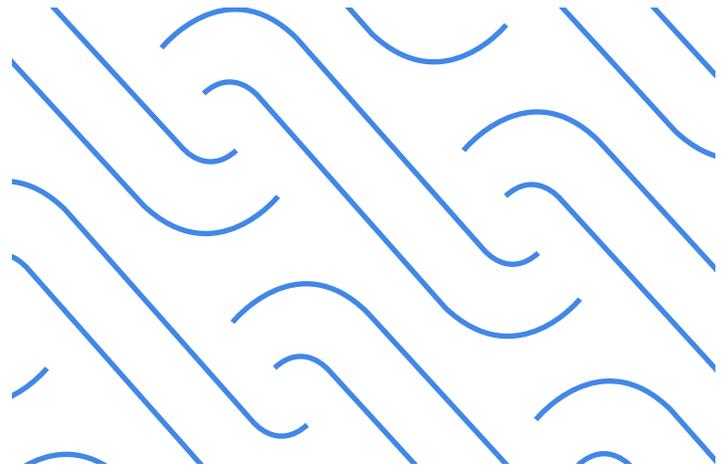
Partnering for a Brighter Future

We engage our customers, colleagues and nonprofit and community partners in mission-led campaigns year-round and will expand these initiatives moving forward.



Our Planet

We curate and create sustainable products and services so people and planet can thrive together.



Making Sustainable Style Accessible

Through the creation of easily searchable dedicated sitelets, we are making it easier to find and shop our nameplates for sustainable products and have increased the number of sustainable products on macys.com.

Increasing Use of Sustainable Materials

We are committed to ensuring our private brand products managed by Macy's sourcing team are both sourced and created with sustainable materials and production practices, with the ambition of achieving 100% preferred materials in those private brand products by 2030.

Caring for People and Planet

We are advancing workers' rights, women's equality and family well-being throughout our global value chain by collaborating with organizations like RISE: Reimagining Industry to Support Equality (formerly HERProject), dedicated to advancing equality for women workers in global garment supply chains.

Innovating for a More Sustainable Future

We are improving our operations by investing in sustainable innovations that lower greenhouse gas emissions and help reduce, reuse and repurpose materials to eliminate waste. In November 2022, the company committed to set near-term company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi).



Our Sustainable Stewardship Ambitions

We developed our Sustainable Stewardship Ambitions to align with and advance our corporate strategy while creating shared value for our company and our stakeholders. First established in 2018, we continuously evaluate and adjust our ambitions to reflect our evolving and ambitious sustainability aspirations.

Products

TARGET AREA	AMBITION	YEAR	PROGRESS
Fiber & Material Sourcing	40% of private brand products managed by the Macy's sourcing team made with preferred sustainable fibers , as defined by policies for each of Macy's key materials	2025	6.4% in 2022 (For details, see the Sustainable Materials in Private Brand Products Managed by the Macy's Sourcing Team section)
	Implement policies for Macy's materials, focused on cotton, synthetic, cashmere, wool and all wood-based materials, that support achieving 100% preferred materials in private brand products managed by the Macy's sourcing team	2030	Published Cotton and Wood policies (For details, see the Environmental Responsibility section)
Chemical Management	Implement a corporate chemical policy laying out our key principles for management, restriction and disclosure for private brand products managed by the Macy's sourcing team	2025	Published (For details, see the Chemical Phase-Out Ambition section)
	Develop and implement a private brand Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL) for private brand products managed by the Macy's sourcing team	2025	Published RSL (For details, see the Chemical Phase-Out Ambition section)
	75% of private brand apparel and soft textiles managed by the Macy's sourcing team will be compliant to the hazard profile established in the Macy's RSL	2025	Implementation of RSL begins in Fall 2023 (For details, see the Chemical Phase-Out Ambition section)
	100% of private brand apparel and soft textiles managed by the Macy's sourcing team will be compliant to the hazard profile established in the Macy's RSL/MRSL	2030	Implementation of RSL begins in Fall 2023 (For details, see the Chemical Phase-Out Ambition section)
	Eliminate discharge of hazardous chemicals in 50% of Core and Strategic private brand Tier 1 supplier facilities for products managed by the Macy's sourcing team	2025	Establishing roadmap to support in 2023
	Eliminate discharge of hazardous chemicals in 100% of Core and Strategic private brand Tier 1 and Strategic Tier 2 supplier facilities for products managed by the Macy's sourcing team	2030	Establishing roadmap to support in 2023

	Develop and implement a restricted ingredient list for conscious beauty	2025	Establishing roadmap to support conscious beauty in 2023
	Expand to additional categories, such as baby care, personal care and household cleaning products	2030	Establishing roadmap to support conscious beauty in 2023
Water	Implement policy to guide claims that products reduce water consumption	2025	Engaged WWF in 2023 (For details, see Setting Contextualized Water-Reduction Targets in Partnership with World Wildlife Fund (WWF) box)
	Reduce water use by private brand supplier facilities of products managed by the Macy's sourcing team by 25% against a 2021 baseline in areas of high water stress	2025	
Supplier Mapping & Transparency	Publicly disclose 95% of Core and Strategic private brand Tier 1 suppliers managed by the Macy's sourcing team	2025	Published to Open Supply Hub (For details, see the Factory Audits section)
	Publicly disclose 95% of Core and Strategic private brand Tier 1 and Strategic Tier 2 suppliers managed by the Macy's sourcing and raw materials teams	2030	Establishing roadmap to support in 2023
Market & Private Brand Engagement	Engage 20 of Macy's larger market brands and private brand suppliers to collaborate towards shared sustainability objectives and require data sharing to demonstrate progress	2030	Establishing roadmap to support in 2023
Circularity	Scale circular innovations to extend the useful life of materials, avoiding 1,000 tons of products and packaging from landfill	2030	Establishing programs and measurement in 2023
On-Product Labeling	Scale sustainable customer options to offer 5,000 products in Macy's and Bloomingdale's digital assortment tagged as a sustainable product backed by substantiated claims	2025	Over 3,000 products on macys.com sustainability sitelet in 2022 (For details, see the Sustainable Products section)
	Scale sustainable customer options to offer 25,000 products in Macy's and Bloomingdale's digital assortment tagged as a sustainable product backed by substantiated claims	2030	

Environment

TARGET AREA	AMBITION	YEAR	PROGRESS
GHG Emissions	Submit Emissions Reduction Target and Pathways to Science-Based Targets initiative organization	2024	Committed in 2022 (For details, see the Taking Action on Climate Change section)
	Achieve near-term emissions reductions versus 2021 baseline year	2030	
Renewable Energy	Achieve 50% renewable energy in direct operations (including distribution centers, fulfillment centers and stores)	2030	Host 95+ solar sites in 2022 (For details, see the Climate Action table)
Waste	Divert 80% waste from direct operations (packaging, hangers, advertising assets, etc.) from landfills	2030	Diverted 65% waste in 2022 (For details, see the Recycling and Waste Reduction section)
Sustainable Packaging	100% of private brand product packaging managed by the Macy's sourcing team will either be redesigned to reduce total material use or contain recyclable, reusable or preferred materials <i>Note: Packaging includes polybags, primary outer-packaging, hangers, hangtags</i>	2030	Establishing programs and measurement in 2023
	100% of fulfillment packaging (e.g., corrugate and polymailers) managed by the procurement team will either be redesigned to reduce total material use or contain recyclable, reusable or preferred materials	2025	100% for fulfillment centers in 2023 (For details, see the Recycling and Waste Reduction section)

Human Rights

TARGET AREA	AMBITION	YEAR	PROGRESS
Supplier Engagement & Compliance	100% of Tier 1 private brand supplier facilities of products managed by the Macy's sourcing team will meet social compliance requirements through routine audits or implement remediation plans	2025	95% acceptable compliance in 2022, with remaining factories completing remediation (For details, see the Factory Audits section)
	100% of Core and Strategic Tier 1 private brand supplier facilities of products managed by the Macy's sourcing team will meet environmental compliance requirements through routine assessments or implement remediation plans	2025	Establishing programs and measurement in 2023
	100% of Strategic Tier 2 private brand supplier facilities of products managed by the Macy's raw materials team will meet social and environmental compliance requirements through routine assessments or implement remediation plans	2030	Establishing programs and measurement in 2023
Fair Labor Practices & Worker Well-Being	100% of Core and Strategic private brand supplier facilities of products managed by the Macy's sourcing team will have participated in a worker well-being program to support women, families and their communities. Establish a culture focused on 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	2030	Implemented in 4% factories in 2022 (For details, see the RISE: Reimagining Industry to Support Equality box)

Governance

TARGET AREA	AMBITION	YEAR	PROGRESS
Colleague Engagement	100% of design, product development, sourcing and buying teams involved in private brand products managed by the Macy's sourcing team will complete training on sustainable materials and design	2025	100% teams trained in 2022 and in 2023 on sustainable materials and certifications (For details, see the Sustainable Products section)
KPIs & Accountability	Embed functional goals across the enterprise that tie back to our sustainability commitments with clear tracking of KPIs and accountability	2025	Establishing approach in 2023

Our Approach to Sustainability

*There's
No Place
Like Earth*



Through *Mission Every One*, we are committed to creating a more equitable and sustainable future. Our relationships with our customers, colleagues and communities drive a deep sense of stewardship in how we serve our stakeholders and underpin our commitment to promoting sustainability across our global value chain. We believe fashion and style have always been a force for change, and we have a unique role in leveraging our people to create a more equitable and sustainable future.

Building on the work of our 2018 formal materiality assessment, we actively engage stakeholders to better understand our material issues. Both actions and reporting are guided by stakeholder feedback and third-party frameworks, including the Sustainability Accounting Standards Board (SASB) multiline and specialty retailers and distributors standard.

Sustainability Material Issues

Based on the results of our formal sustainability materiality assessment conducted by a third-party and led by our Sustainability Working Group, we identified the following issues as those that have the greatest impacts, according to our internal and external stakeholders.

- Business Ethics
- Sourcing and Production of Private Brands
- Product Quality and Safety
- Employee Health and Safety
- Data Protection and Privacy
- Diversity, Equity & Inclusion
- Convening Role for National Brands
- Human Rights
- Responsible Marketing
- Waste Reduction and Recycling



OUR GUIDING PRINCIPLES

Environment

We are committed to minimizing the environmental impact of our business operations.



Human Rights

We prioritize the human rights and social compliance policies and practices with our private brand suppliers and their factories.



Product

We are expanding our assortment of sustainable products, which are generally required to be authenticated by at least one third-party certification or other traceable means, under our four focus areas: preferred materials, preferred practices, people first or designed for less waste.



Governance

We are enabling disclosure, data analytics, reporting and stakeholder engagement.



Sustainability Governance

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

The Chief Operating Officer (COO) and Chief Financial Officer (CFO) is responsible for the teams that manage sustainability initiatives and supply chain transparency. The Sustainability Team, which sits within the COO and CFO's office, reports to the Senior Vice President of Private Brand Sourcing, Product Development & Production. The team closely collaborates with the Disclosure Committee to engage stakeholders on ESG issues and ultimately provide feedback and recommendations to management and the Board of Directors.

The Sustainability Executive Steering Committee and the Corporate Strategy Group approve the sustainability strategy and priorities, guide risk management and link to growth opportunities. The Nominating and Corporate Governance Committee of our Board of Directors provides oversight and guidance related to political, human rights, social and environmental issues, sustainability initiatives and reporting. The Nominating and Corporate Governance Committee is updated twice a year by the Vice President of Sustainability.

We have established several committees and groups that champion the company's performance-driven culture and operating model that encourages lifelong education and empowers colleagues to be leaders regardless of title or function.



Macy's, Inc. Board of Directors

Responsible for oversight of corporate strategy, enterprise risk management framework, sustainability, corporate governance policies and human capital management.

ESG mandates are included in the charters of the Board's committees:

Nominating and Corporate Governance Committee

Responsible for overseeing the programs, policies and practices relating to political, social and environmental issues, impacts and strategies.

Assesses adequacy and effectiveness of management's ability to monitor, manage and mitigate ESG risks.

Responsible for the development and enhancement of Macy's approach to corporate governance, including Board diversity.

Responsible for assessing corporate governance policies and guidelines.

Compensation and Management Development Committee

Responsible for overseeing the company's human capital strategy and initiatives in support of a diverse and inclusive company culture.

Reviews and provides guidance on the enterprise talent and people strategies and provides guidance on other programs and initiatives such as labor relations, compensation and colleague engagement.

Audit Committee

Responsible for overseeing enterprise risk management and mitigation actions for a variety of risks, including certain environmental, operational, IT, compliance and reputational risks.

Reviews ESG disclosures in our public filings.



Macy's, Inc. Chairman of the Board & Chief Executive Officer

Sets the sustainability and human capital management vision and drives accountability across the organization.

Management committees, under the direction and supervision of the CEO include:



Sustainability Executive Steering Committee

Made up of heads of Sourcing & Product Development, Legal, Communications and the Corporate Controller, as well as the Sustainability team.



Disclosure Committee

Made up of leaders in Finance, Legal and Communications.



Diversity, Equity and Inclusion Business Council (DEIBC)

Co-chaired by CEO and Chief DE&I Officer, this Council is composed of senior executives and leaders determined to expand the Company's DE&I work and accelerate progress across the organization.



Corporate Strategy Group

Made up of leaders of all of our operating and functional divisions.



Responsible Products and Sourcing

Sustainable Products

We are committed to providing sustainable and ethically produced brands, products and services for our customers, prioritizing human rights across our global value chain and reducing our environmental impact. We have well-established programs for overseeing the production of Macy's private brand products to ensure they meet our labor and environmental standards.

The customer is at the center of all our work, and supporting their ability to shop more sustainable products across our nameplates is a priority. We do this through initiatives like our [macys.com sustainability sitelet](#), which makes it easy to find products that are validated as responsibly made under one of four pillars: preferred materials, preferred practices, people first and designed for less waste, as well as our work to incorporate more sustainably sourced raw materials and fibers into our private brand products.

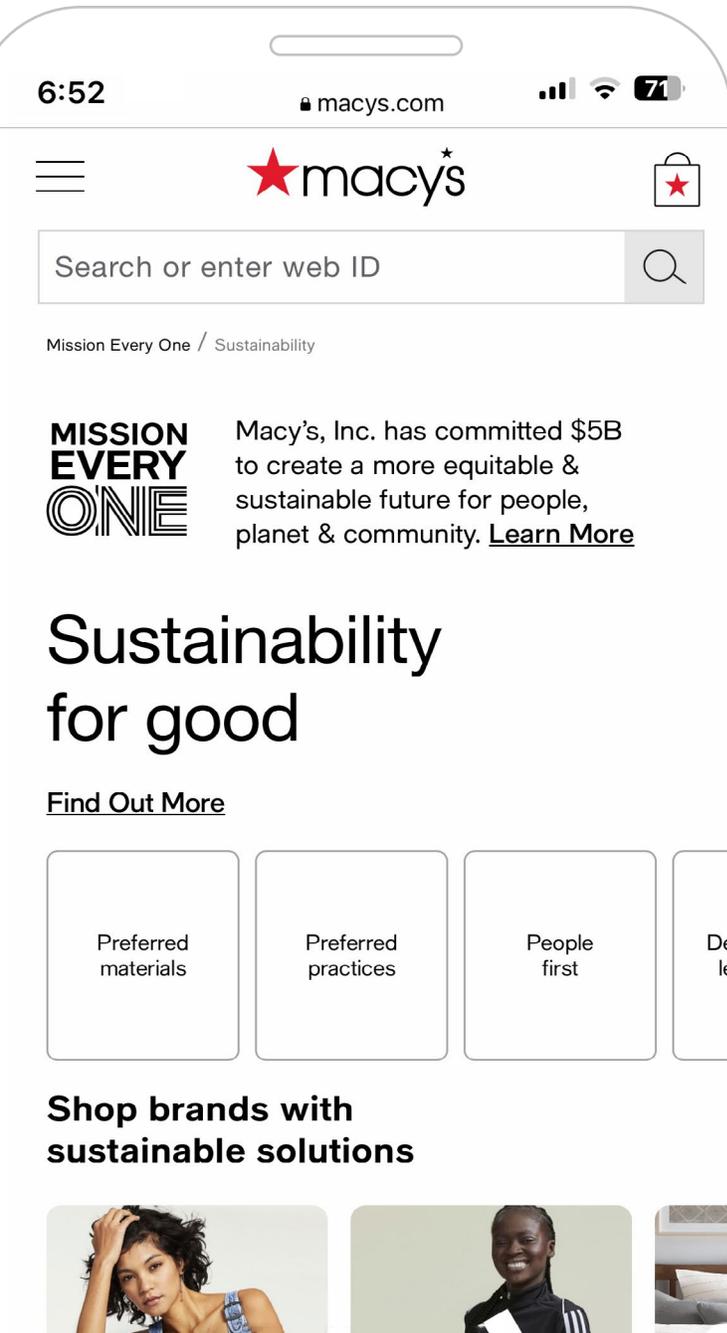
We are expanding our current sustainable products offering beyond third-party certifications to include sustainable innovations, specifically in the area of circular solutions such as refillable beauty. Additionally, we are prioritizing opportunities that extend the life of a product and help our customers.

In 2022, we introduced a training program prepared by our Sustainability and Private Brand design teams to train Macy's product development, sourcing, design and buying teams on our sustainable product guidelines and processes. By the end of 2022, we trained more than 800 colleagues accountable for buying, developing and sourcing Macy's products.

We continue to train these colleagues in 2023 with a focus on preferred materials by product category in line with our colleague engagement ambition: "100% of design, product development, sourcing and buying teams involved in private brand products managed by the Macy's sourcing team will complete training on sustainable materials and design by 2025."

Making Sustainable Style Easy to Find and Accessible

Macy's is making sustainable style more accessible by making it easier to shop at Macy's for products that are independently validated as responsibly made. [Macy's sustainability sitelet](#) lists products that are generally required to be authenticated by at least one third-party certification or other traceable means.



Sustainable Materials

Macy's, Inc. uses recognized third-party standards to identify more sustainable products. A product generally must have at least one third-party certification or other traceable means classified under one of our four pillars: preferred materials, people first, designed for less waste and preferred practices.

Sustainability Products are Assessed Under Macy's Four Main Pillars

PREFERRED MATERIALS

Made with materials that are certified to be an improvement over the status quo: recycled, organic, more sustainable growing/sourcing methods or alternative feedstock to virgin petroleum inputs

- USDA Biobased
- USDA Organic
- Regenerative Agriculture
- U.S. Cotton Trust Protocol®
- Better Cotton Initiative
- Leather Working Group
- Responsible Wool Standard (RWS)
- Responsible Down Standard (RDS)
- The Good Cashmere Standard
- Global Recycled Standard
- Global Organic Textile Standard
- Forest Stewardship Council
- Roundtable on Sustainable Palm Oil
- Round Table on Responsible Soy Association
- Rainforest Alliance
- Ecocert
- LENZING™ ECOVERO™ Viscose
- TENCEL™ REFIBRA™
- TENCEL™ Lyocell
- TENCEL™ Modal
- Livaeco by Birla Cellulose™
- Liva Reviva by Birla Cellulose™
- REPREVE®
- Recycled Claim Standard
- Organic Content Standard
- UL 2809 Recycled Content

PEOPLE FIRST

Certified by a third-party standard to use the safest labor practices, more sustainable business practices or have worker well-being programs in place

- Fairtrade
- Lab-grown diamonds
- Ethically sourced diamonds
- Nest
- MADE IN GREEN by OEKO-TEX®
- RISE: Reimagining Industry to Support Equality
- B Corp

DESIGNED FOR LESS WASTE

Products that are thoughtfully redesigned, refurbished or reused to keep materials in rotation longer

- Refillable
- Reusable
- Pre-owned
- Cradle to Cradle
- Remade (remanufactured, refurbished, upcycled)

PREFERRED PRACTICES

Products proven to be one of the following: free of chemicals of concern, made with no animal cruelty or made with no inputs of animal origin

- UL GREENGUARD
- OEKO-TEX® STANDARD 100
- bluesign®
- CertiPUR-US®
- Leaping Bunny
- EWG VERIFIED™

Responsible Sourcing in Our Private Brands Managed by the Macy's Sourcing Team

We have implemented a rigorous phased approach to provide customer confidence that sustainable claims in both production operations and private brand products have been thoroughly vetted. We have infused transparency into comprehensive private brand practices, policies and programs to maximize our partners' adherence to standards, conduct third-party audits, identify issues and drive remediations when violations occur. We continuously make program enhancements to increase our ability to identify and assess salient human rights risks and impacts throughout our business.

Human Rights and Social Compliance

We have implemented comprehensive programs to confirm our private brand suppliers adhere to our standards and that we can 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.

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](#) ("Vendor Code of Conduct"). Macy's requires suppliers to comply with the Vendor Code of Conduct across the entire supply chain. The company has a Zero Tolerance Policy that identifies key violations to Macy's Code of Conduct. It also defines the course of action if we identify noncompliance.

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

Vendor Code of Conduct, audit protocols and terms of engagement. Additionally, we ask our Tier 1 suppliers to request that their suppliers complete a self-assessment survey through the Sustainable Apparel Coalition (SAC).

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.



Promoting a Safety Culture in Bangladesh

We strive to ensure global suppliers provide workers throughout our supply chain with the opportunity to report concerns without fear of retaliation. In Bangladesh, we currently partner with Nirapon to promote a culture of safety in factories in the country. In addition to safety support and worker training, Nirapon's Amader Kotha Helpline Services provides workers with a direct voice on safety and other issues. This independent program is available to all factory workers and provides an outlet where they can anonymously report and resolve safety issues and other concerns. We are reviewing opportunities to expand these grievance mechanism programs in more countries in the years to come.



Internally, Macy's private brand product development professionals receive similar training on topics relevant to their roles, including our Vendor Code of Conduct and high-risk violations, such as child and forced labor, human trafficking, illegal subcontracting, bribery, fraudulent record-keeping, home workers 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. In June 2023, we expanded annual training on Social Compliance of private brands to any colleague in the merchandising groups across Macy's and Bloomingdale's.

Factory Audits

We require factories supplying our private brands to be audited by a third party at least once every 18 months and more frequently if any issues are identified. Audits are guided by our Vendor 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 holds the right to terminate the relationship.

In 2022, Macy’s, Inc. introduced required social compliance training that includes worker well-being for Core and Strategic Tier 1 private brand facilities that receive social compliance audits. In addition, Macy’s, Inc. started expanding Social Compliance audits of factories to include private brand products sourced directly by merchant teams under the nameplates of Macy’s, Bloomingdale’s and Bluemercury.

In fiscal year 2022, Macy’s, Inc. completed 508 audits covering 466 private brand factories managed by Macy’s

sourcing team. Altogether, this number accounted for 83% of Macy’s private brand Tier 1 factories of products managed by the Macy’s sourcing team. The initial audit results showed that 95% of the factories were in acceptable compliance. For the remainder, corrective actions have either been made and found acceptable or are in process, with reauditing scheduled to occur within 3 to 6 months of the initial audit date. Factories whose initial audit results were red or orange also had a verification audit. There were 46 verification audits performed in 2022. No factories were dropped due to failure to implement corrective actions.

Factory audit results are segmented into four categories: red, orange, yellow and green. Yellow and green are acceptable, while red and orange have escalated corrective action plans. Factories are segmented by production volume into low, medium, high and extreme leverage.

RISK	LEVERAGE				TOTAL
	LOW	MEDIUM	HIGH	EXTREME	
Extreme	1	1	1	0	3
High	14	1	3	4	22
Medium	120	46	25	26	217
Low	118	51	36	19	224
Total Factories Audited	253	99	65	49	466

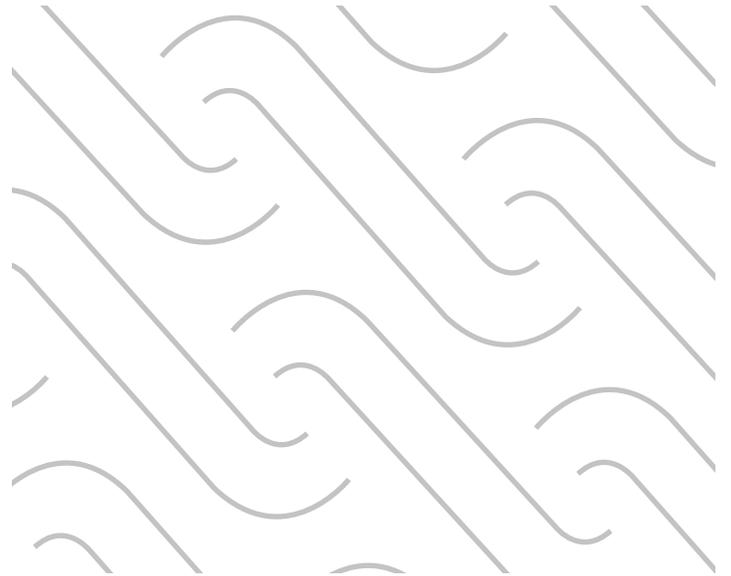
As part of our commitment to transparency, we make a list of our core and strategic Tier 1 factories making private brand product managed by the Macy’s sourcing team available via [Open Supply Hub](#).

We work with our Tier 1 private brand suppliers managed by the Macy’s sourcing team to identify key second- and third-tier suppliers to understand their compliance with our social standards. Using third parties and industry indicators, Macy’s, Inc. looks for potential high-risk entities and, when they’re uncovered, develops action plans to address the risks. In fiscal year 2022, 79 Tier 2 trim and mill factories shared their Higg Facility Social & Labor Module data.



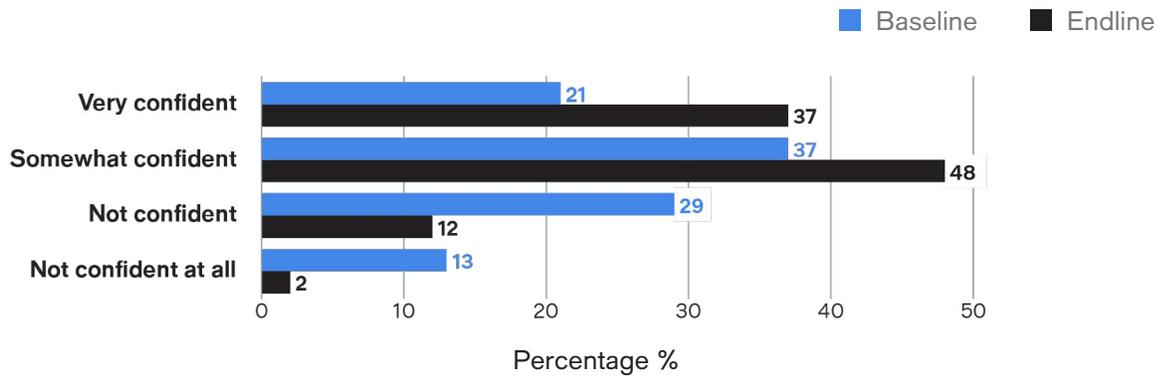
RISE:
Reimagining Industry
to Support Equality

Macy's, Inc. participates in RISE: Reimagining Industry to Support Equality, formerly BSR's HERproject, an initiative to support collaborative industry action at scale to advance gender equality in global garment, footwear and home textiles supply chains. In 2022, the company supported training at 10 of our private brands supplier factories, impacting approximately 23,250 workers, to provide training in health and finance to promote worker empowerment.

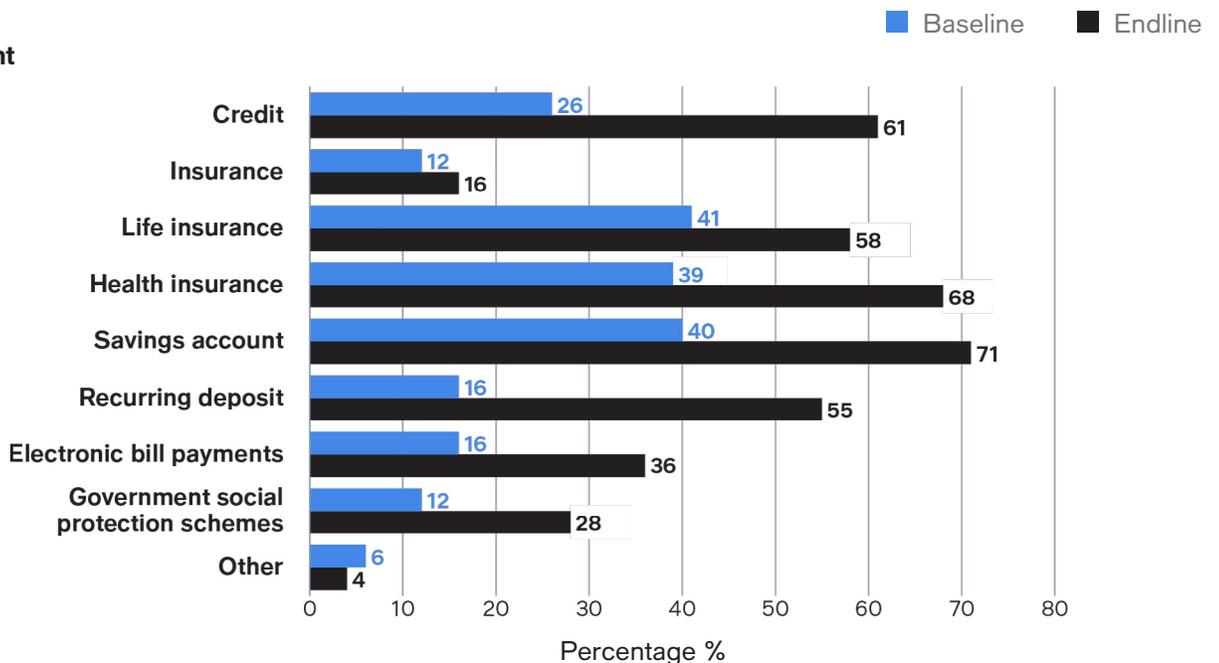


Of the 10 factories who began training in 2022, three completed the program, while the remaining were still in progress. The following graphs illustrate the positive outcomes achieved by where programs were completed in 2022.

% of workers who reported confidence in being able to meet their family's expected future expenses



% of workers who know of the different types of financial products





Environmental Responsibility

We have implemented policies and programs, helping to define ambitions aimed at reducing the environmental impact of our merchandise across our global value chain — from production transport to final disposal. Macy’s, Inc.’s private brand sourcing policies, including our Cotton Policy, Wood Policy and Chemical Policy, are available on our [website](#).

Sustainable Materials in Private Brand Products Managed by the Macy’s Sourcing Team

For fiscal year 2022, 6.4% of materials used in our private brands was “preferred:” 6% preferred cotton, 0.2% recycled polyester, 0.2% Tencel.

The company expects that by the end of 2023, more than half of cotton products within Macy’s private brands managed by the Macy’s sourcing team will be sustainably sourced. This work is supported by the company’s third-party partnerships, including Better Cotton. Better Cotton is sourced via a system of mass balance and is not physically traceable to end products.



Using Recycled Content Private Brand Labels

All care labels used in Macy’s private brands are made with 100% recycled polyester content. Most private brand hangtags are made with Forest Stewardship Council (FSC) certified paper.

Setting Contextualized Water-Reduction Targets in Partnership with World Wildlife Fund (WWF)

World Wildlife Fund works to sustain the natural world for the benefit of people and wildlife, collaborating with partners from local to global levels in nearly 100 countries. Through the partnership, Macy's, Inc. and WWF will conduct water-risk assessments to analyze the water risks and impacts within the company's supply chain, develop a global water stewardship strategy and establish a pathway for advancing water stewardship efforts. Macy's, Inc. began working with WWF to set contextual water targets, so that our efforts are aligned to the geographies with the most pressing water issues, which will be developed by the end of 2023. So far in 2023, we have completed a materiality assessment and water-risk assessment of private brand product categories. Based on the results of the assessments, we narrowed our focus to key product categories that were identified as having the greatest impact on water. We then reviewed top-sourcing countries in high- and medium/high-risk water basins, which led us to focus on eight countries. We know that it is essential for our supply chain to be resilient as weather-related extreme events intensify. WWF is helping to analyze data for the relevant factories to support creating meaningful contextual water targets.

Product Testing of Private Brand Products Managed by the Macy's Sourcing Team

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 managed by the Macy's sourcing team are evaluated by third-party independent lab partners. In partnership with our third-party lab partners, we have developed extensive test protocols to evaluate products for compliance with applicable regulations, industry safety standards and company product standards. 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.

Chemical Phase-Out Ambition

Responsible chemical management is integral to our private brand 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 our private brand 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.

In June 2022, Macy's published its chemical policy and announced the implementation of a private brand Restricted Substance List (RSL) for products managed by the Macy's sourcing team. The development of the RSL supports our chemical management ambition to create private brand products that are safer for the environment throughout our global value chain. To view the full policy, visit the commitments and policies page of our website linked [here](#).

Implementation for the RSL begins for the Fall 2023 season in apparel, home textiles and footwear private brand products managed by Macy's sourcing team.

Macy's private brand policies 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 for Macy's, Bloomingdale's, Bluemercury and Macy's, Inc.'s 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 managed by the Macy's sourcing team 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.

Partnering to Reduce Supply-Chain Logistics Emissions

In 2022, Macy's Sustainability team met with multiple transportation partners from our supply chain, including over the road, rail and ocean freight providers. The team discussed shared sustainability ambitions and identified partners who have a commitment to reducing their emissions through innovative solutions and increased efficiencies. Two of our upstream and downstream transportation providers have shared activity-based emissions data for our operations, allowing improved Scope 3 reporting, as well as data to build insights into where we can jointly reduce emissions and drive business impact.

Working Together for Change

We are 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 policymakers on international trade, human rights and sustainability issues. When it is appropriate and aligned with our brand values, we provide feedback and input on industry association white papers and policy comments, we join meetings with elected officials hosted by industry associations to share retailer perspective, and we participate in conferences and forums. We also regularly participate and are active members in the National Retail Federation (NRF), the Retail Industry Leaders Association (RILA), American Apparel & Footwear Association (AAFA) Responsible Sourcing and the United States Fashion Industry Association (USFIA). Our Senior Director of Sustainable Product and Human Rights sits on the Cotton Board and chairs the Global Supply Chain Support Committee.



Environment



Environmental Management



We prioritize our commitment to minimizing the environmental impacts across our operations and global value chain. Defined and robust ambitions, including GHG emission reduction, renewable energy procurement, waste diversion and sustainable packaging ambitions, drive our progress.

Our Environmental Services team, led by our Director of Environmental Services, is responsible for developing and implementing Macy's, Inc.'s environmental compliance programs for all facilities across the company. These programs include policies and procedures to help ensure compliance with federal, state and local environmental laws, as well as to advance our environmental responsibility ambitions. As part of our programs, we conduct regular and unannounced internal audits of our locations to monitor compliance and opportunities for improvement. If any issues are raised through our corrective action program, we seek to identify the root cause and disseminate lessons learned across the facility and our organization to drive continuous improvement.

To communicate and drive environmental action among our colleagues, we conduct annual environmental compliance training for relevant employees, including training on proper waste disposal. More broadly, our colleague-driven Better Earth Colleague Resource Group for Macy's and b.Sustainable Colleague Resource Group for Bloomingdale's fosters environmental awareness and action across Macy's, Inc.

Taking Action on Climate Change

At Macy's, Inc., we recognize the risk climate change poses to our business, industry and the planet. That is why we are committed to monitoring and mitigating the risks to our operations and facilities, as well as to reducing our greenhouse gas emissions and increasing our use of renewable energy. We continually seek to responsibly manage the resources we consume and the waste we produce across our stores and logistic network. See our TCFD disclosure in the Appendix of this report and our [CDP Climate response on our website](#).

In November 2022, we committed to set near-term company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi). We have engaged nine of our largest apparel, beauty and accessories suppliers to discuss their emission-reduction work, which impacts the emissions

for our purchased goods and services, and we began projects to reduce emissions in both our upstream and downstream transportation and distribution.

Energy efficiency is central to our strategy. Led by our Director of Energy, we use both building automation systems and an enterprise-wide energy management information system to continually monitor our operating performance and to detect anomalies. 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.

CLIMATE ACTION



Renewable Energy

95+ active solar sites that produced approximately 56 million kWh of power in 2022 from a combination of community solar and onsite solar installations. We do not retain the renewable energy credits (RECs) for most of these sites.



LED Retrofits

An additional 61 retail spaces retrofitted in 2022 led to an overall reduction of about 12.5 million kWh or 4,764 metric tons of CO₂e.

Since 2010, 2,718 retail spaces have been retrofitted, reducing energy consumption by 19.7% avoiding approximately 240 GWh and 170,000 metric tons of GHGs a year. (Note: Emissions derived utilizing the US EPA Emissions Calculator.)



EV Charging

We have partnered with Volta Charging to offer free electric vehicle (EV) charging across 126 charging stations. In 2022, we provided approximately 4 million electric miles to our customers and colleagues.

FY2022 Energy Use

(MWh)

226,754

Scope 1

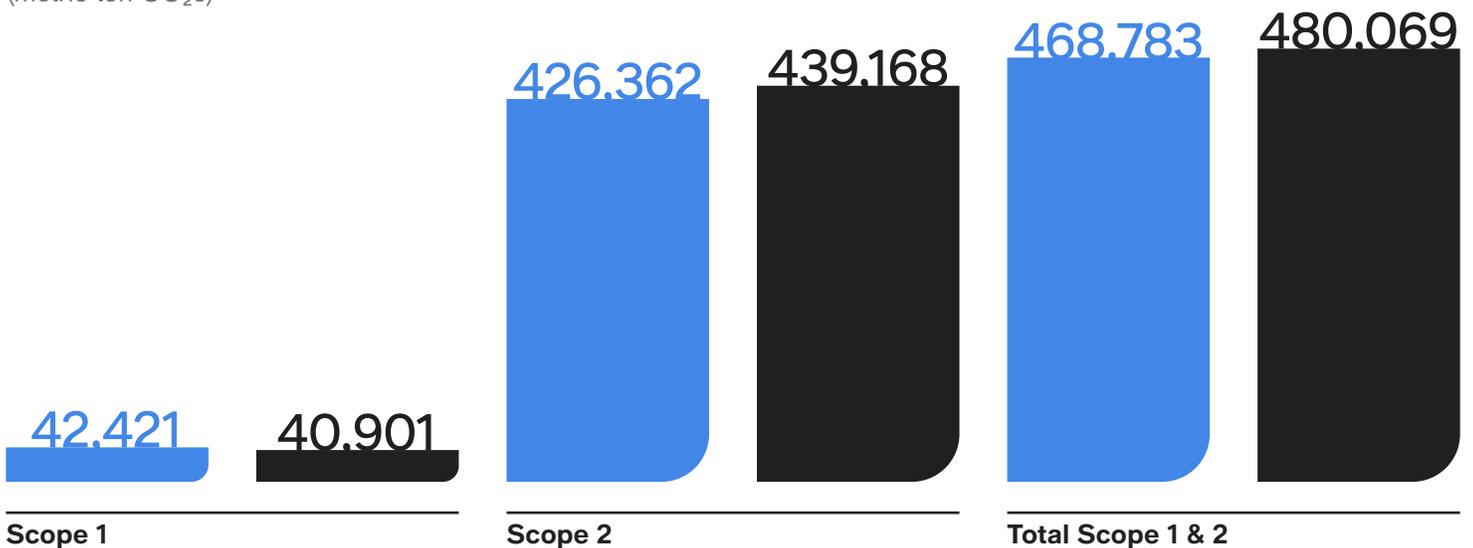
1,250,020

Scope 2

Scope 1 and 2 GHG Emissions

(metric ton CO₂e)

■ FY2021 ■ FY2022

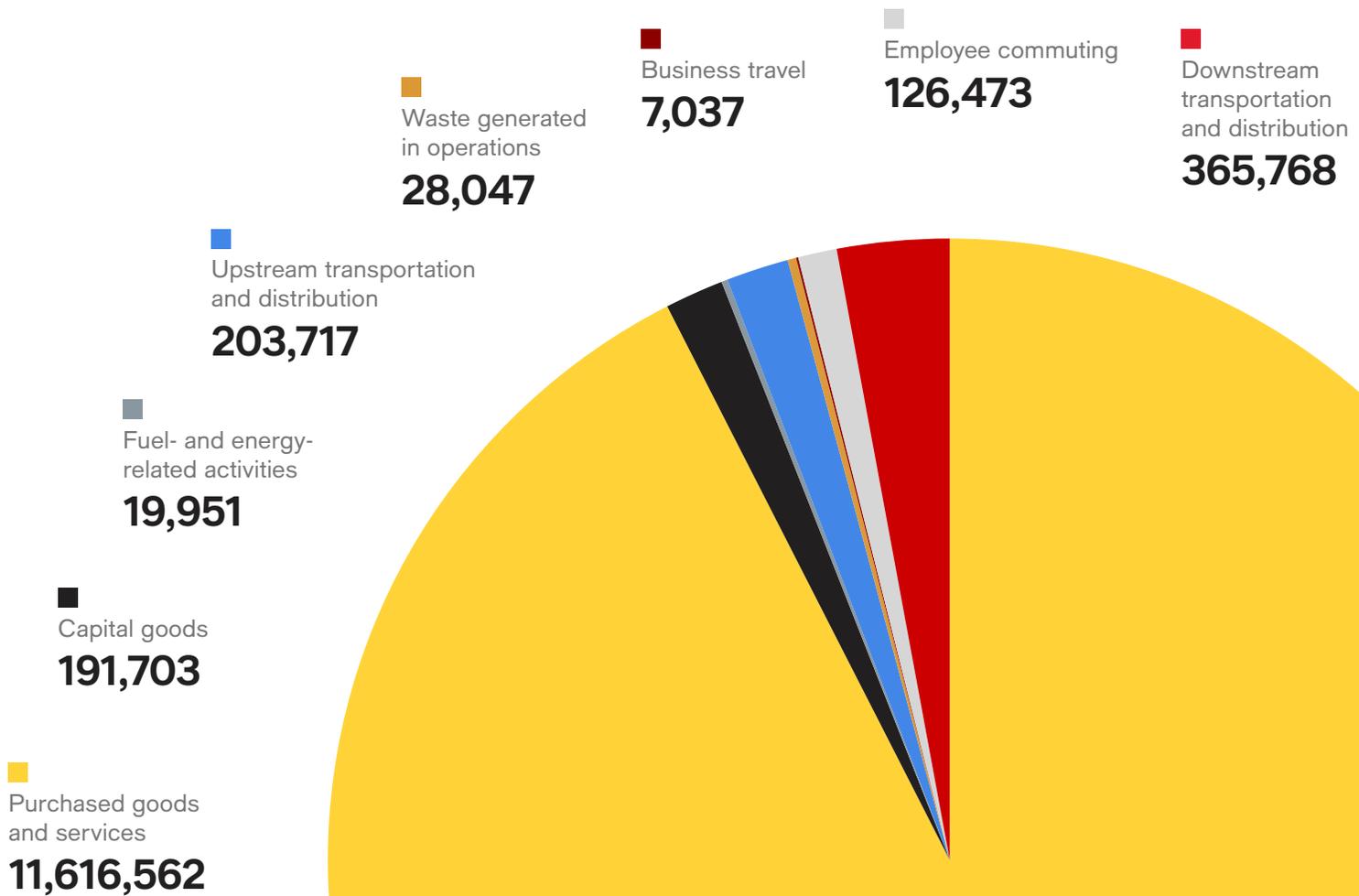


IDENTIFYING SCOPE 3 EMISSIONS

Expanding our effort to understand and reduce our climate impact, this past year, we worked with a third party to calculate the Scope 3 emissions across our value chain in FY2022. We identified eight categories as most relevant across the 15 listed by the GHG Protocol. For the eight categories, we estimate Scope 3 emissions to be 12,557,258 metric tons.

FY2022 Scope 3 GHG Emissions

(metric ton CO₂e)



Recycling and Waste Reduction

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.

Reducing Physical Samples

Aligned with Macy's ambition to reduce waste, Macy's Private Brand Sourcing and Product Development teams embraced technology to reduce the number of physical samples required from suppliers for products managed by Macy's sourcing team — significantly reducing textile waste. As a benchmark, in 2019, only 5% of samples were digital. At the end of the 2023 development season, 88% of all samples were made digitally.

Reducing Packaging

Macy's has adopted best practices to reduce packaging, including standardizing the size of packing cartons and minimizing packaging materials. We also use auto-boxer and auto-bagger machines that create packaging 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. All Macy's cardboard used by our fulfillment centers meets the Sustainable Forestry Initiative (SFI) sourcing standard and contains a minimum of 35% recycled content.

Divert Program

As part of our ambition to achieve an 80% waste diversion rate, we have focused on increasing recycling at our stores through our Divert Program. Initiatives include bailing and tracking corrugated cardboard waste from stores and backhauling it to our distribution centers where we then recycle it. We have an over 95% store participation rate in the program, which has been instrumental in achieving our 65% waste diversion rate in 2022.

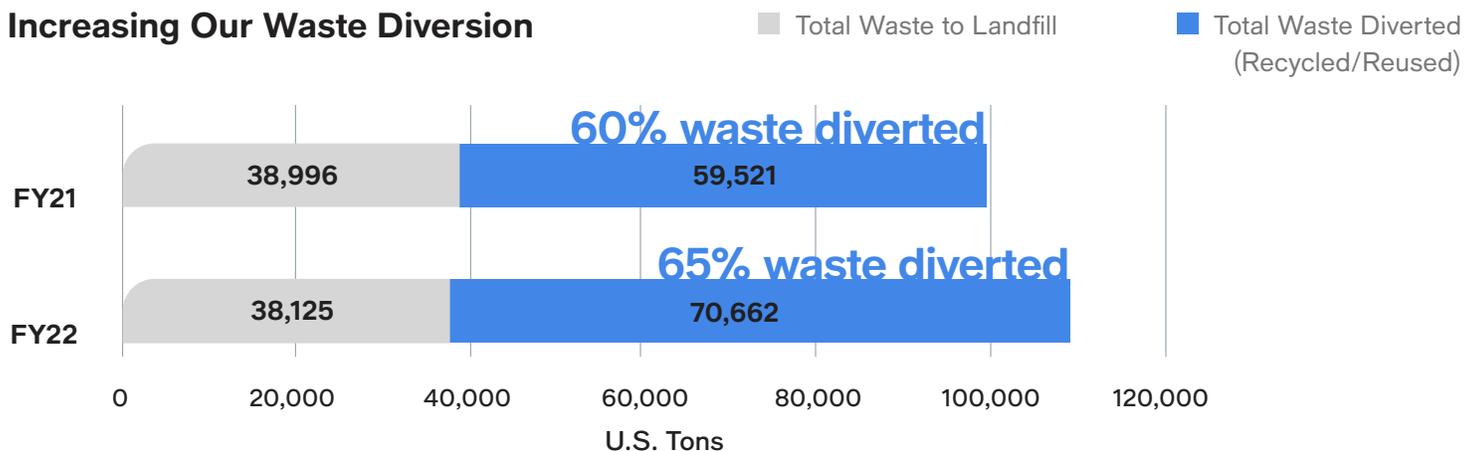
Donation Through Give Back Box and Good360 Partnerships

As part of our commitment to reduce waste while investing in responsible materials and sustainable innovations and practices, we launched a partnership with Give Back Box in 2022. The partnership enables customers to contribute to the responsible lifecycle of their clothes, toys and other pre-loved items by downloading a pre-paid shipping label from our website and sending them to be donated for resale and recycling. Customers donated 9,885 pounds to Give Back Box from April 2022 through January 2023. We also directed a \$100,000 grant to Good360 to efficiently and responsibly address excess inventory, promote sustainability and direct donated goods to communities in need.

Marketing

100% of Macy's fliers sent to customers are made with 55% certified sustainably sourced materials. In-store visual materials used to market our private brands are made with FSC certified paper. In 2021, the visual team developed a program that reduced the number of shipments of visual products to store, further eliminating waste.

Increasing Our Waste Diversion

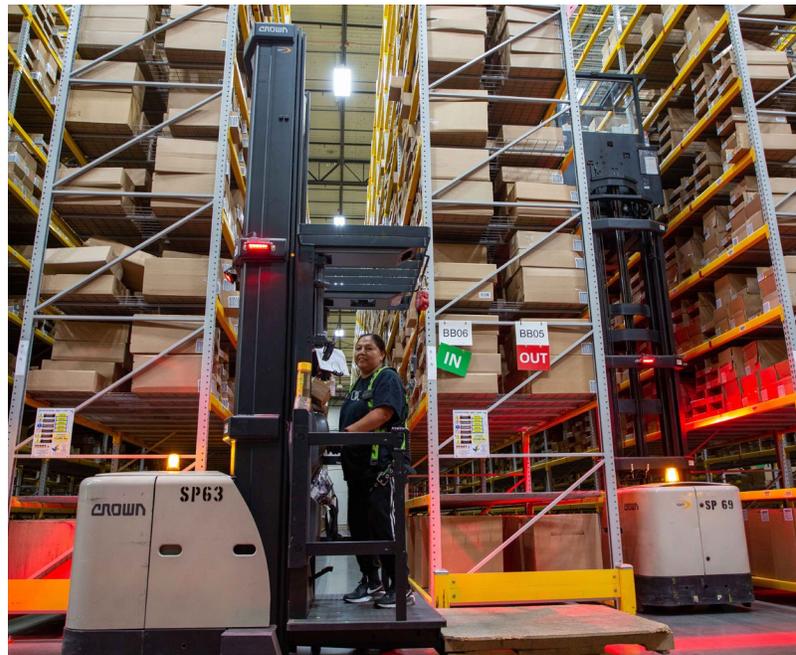




Our Colleagues and Culture

We strive to be the preferred employer in retail across all Macy's, Inc. brands — Macy's, Bloomingdale's and Bluemercury — through an unwavering passion and commitment to our colleagues. We prioritize and support the well-being of our colleagues, as we recognize that the work of each one directly impacts our business and is key to bringing inspiration and joy to our customers.

Our strong culture is a competitive advantage. We have built a performance-driven and collaborative 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 in which we operate. 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.



Learn more about the programs and initiatives we have that foster success for our colleagues and communities in our Human Capital Report at macysinc.com/purpose.



Enhancing the Work Experience

We have made significant investments to improve systems and tools to enhance our colleague and people-leader experience. We focus on enabling and empowering our colleagues to leverage data-driven insights to inform decision making, critical to how we execute our strategy, while safeguarding their privacy rights and interests. Our colleague data is consolidated into a cloud-based human resources platform that enables real-time access to information and drives a better colleague experience. In 2022, we increased pay transparency internally and externally, implemented manager self-service tools and enhanced onboarding.

Examples of how we leverage data-driven insights to support key business decisions are:

Career and Leadership Development

Enabling the development of targeted learning, driven through an online learning platform

Culture

Gauging progress over time and identifying areas where enhancements need to be introduced through the analysis of Culture Pulse Survey responses

Human Resources

Leveraging technology to automate responses for common colleague questions related to pay and benefits

Talent Recruitment and Retention

Leveraging recruiting data from previous years enables the forecasting of talent needs and leads to more improved onboarding, leadership spans of control and marketing investments

Workplace Structure

Launching and building out specialized teams targeted on delivering opportunities for sales growth based on customer analysis



Talent Acquisition

Our brands are about making everyone feel their best and empowering each person in an authentic way. That core message offers a natural transition to recruitment. Last year, we hired nearly 100,000 colleagues into the organization. From candidates looking for seasonal work and extra spending money during the holidays, to students looking for their first job out of college, to experienced talent that we recruit to drive our key growth initiatives, Macy's has job opportunities for candidates in all stages of their career journey.

Building a diverse candidate pipeline is a key component of our talent strategy. In 2022, 40% of our external hires at the Director-level and above were ethnically diverse. In addition, we partner with many organizations across the United States, including UNCF, that help us promote our employer brand to candidates from many backgrounds.

Our college internship programs at Macy's and Bloomingdale's are also a key pillar of our recruitment strategy. Each internship is tailored to specific organizational positions and career paths, providing in-depth knowledge, hands-on experience and interaction with senior leadership. Our internship programs provide an excellent talent pipeline for future leaders. The 2022 program included 51% ethnically diverse participants. A select group of high-potential, diverse participants also receive additional training, mentorship and networking opportunities through Black Retail Action Group (BRAG). The Bloomingdale's Early Immersion offers 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.



Total Rewards

We've built a rewards strategy that recognizes performance and talent development. Our healthcare and benefits programs help colleagues focus on their total well-being with medical plan options from multiple insurance carriers, paid time off, parental leave, 401(k) contribution matching, colleague discounts and more.

BENEFIT OPTION	ALL COLLEAGUES*	PART-TIME COLLEAGUES (20 HOURS/WEEK)	FULL-TIME COLLEAGUES (30 HOURS/WEEK)
Accident Insurance		X	X
AD&D Insurance		X	X
Critical Illness Insurance		X	X
Dental		X	X
Health Savings Account			X
Hospital Indemnity Insurance		X	X
Life Insurance		X	X
Long-Term Disability		X	X
Medical (100% covered comprehensive coverage and eligible preventive care included in all medical plans)			X
Short-Term Disability		X	X
Vision		X	X
Life Solutions Employee Assistance Program		X	X
Paid Time Off		X	X
Parental Leave			X
Holiday Pay		X	X
401(k) and Company Match**	X	X	X
Auto Coverage	X	X	X
College Discount	X	X	X
College-Bound 529	X	X	X
Commuter Benefits		X	X
Dependent Care Flexible Spending Account		X	X
Fully Funded Education***	X	X	X
Group Legal Plan		X	X
Health Care Flexible Spending Account		X	X
Home Coverage	X	X	X
Identity Theft Protection		X	X
Limited Health Care Flexible Spending Account		X	X
Macy's Discount Mall	X	X	X
Pet Insurance	X	X	X
North Star Relief Fund 501(c)(3)	X	X	X
Tuition Reimbursement			X

* All colleagues include full time, part time, as well as seasonal and contingent workers.

** To be eligible for Macy's, Inc. 401(k) company match, a colleague must be over the age of 21 and have one year of service with 1,000 or more hours worked.

*** Fully funded education benefits are available to all eligible US-based (including Guam and Puerto Rico), regular, salaried and hourly Macy's, Inc. colleagues.

Our Approach to Compensation

Our compensation philosophy and practices are integral to our objective of being an employer of choice in every location we do business. We believe that pay equity is fundamental to our culture and to our diversity, equity & inclusion strategy. Compensation is based on job position, responsibilities, experience and performance, with incentive opportunities that allow all our colleagues to share in our success.

In 2022, as part of our commitment to pay transparency, all colleagues received access to view their role's pay zone and salary range to ensure colleagues understand their earnings potential. In addition, pay ranges are viewable on all job postings nationwide. People leaders and salaried colleagues were given the opportunity to attend Compensation Education Webinars as part of our Career Expo to learn how pay is determined and deep dive into our incentive programs.

Pay Equity

In 2022, Macy's, Inc. maintained greater than 99% pay equity across gender and race. This means we expect to pay our female colleagues at greater than 99% of what we pay male colleagues, and we expect to pay minorities greater than 99% of what we pay non-minorities in the US.

Base Pay

We benchmark our compensation approach through market surveys to ensure pay is competitive, consistent and equitable. We have a robust process to assess internal pay levels, ensuring consistency. In 2022, we established a national rate minimum of \$15 per hour throughout the company — for both our current and new colleagues. Colleagues also have access to earned wages on a daily basis as part of our continued path to provide clear and competitive compensation programs.

Incentives and Recognition

Our short-term incentives include various cash incentives to reward company, team and individual performance — and colleagues are eligible for incentives based on role. Some examples of short-term incentives and recognition include Spot Bonuses, Macy's Make Magic Awards, Bloomingdale's Golden B and Best of the Best Awards, Bluemercury's #OneTeam Awards, Commissions and Top Seller Awards and more. Our long-term incentives reward eligible colleagues with equity and cash grants.



Colleague Development

We invest in our 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. We leverage internal and external expertise to support real-time reskilling and upskilling, as well as leadership development and role-specific capability building. We have also partnered with Guild Education to provide our colleagues with a fully funded education benefit, including more than 100 programs that range from foundational learning — such as high school completion and English language — to college degrees.

87%

of colleagues agreed with the statement “Macy’s/Bloomingdale’s provides me with opportunities to learn and develop” on our January 2023 Culture Pulse Survey

All colleagues are encouraged to consider a career path that takes the shape of a lattice with varied and cross-functional experiences rather than the traditional ladder. As part of our approach to provide colleagues with those experiences, we launched a multiyear career development initiative based on feedback we received from our colleagues asking for more resources supporting career growth.

Highlights from the past year:

- **Launched a Career Hub** on our colleague intranet to serve as a one-stop shop for user-friendly tools to assist colleagues at any part of their career journey
- **Held a two-week virtual Career Expo** that featured 18 workshops, panel discussions, external speakers and functional showcases about the many career opportunities that exist at Macy’s, Inc. and how colleagues can enhance their skills within their current role or enable them to take the next step in their career
- **Supported people leaders** by providing a learning plan focused on becoming great career coaches

Onboarding

We view onboarding as a critical moment to build belonging, to leverage our welcoming and inclusive culture and to set each and every colleague up for success from day one. All colleagues experience a minimum of 20 hours of onboarding time, with an emphasis on culture, role-specific learning, strong people leader/colleague connections and collaboration.

People Leader Development

We make meaningful investments in the development of our people leaders, as they are the single most important factor behind driving performance and culture, and we are committed to building their leadership capabilities. Empowered leaders create colleague engagement leading to higher performance, retention and job satisfaction.

We invest in both initial development and continuous learning as we help build their leadership capabilities through curated learning experiences informed by the current climate and organizational strategies, as well as targeted, immersive experiences that include formal education, coaching, assessments and mentoring to accelerate their development.

We also invest in the development of our top talent to ensure that we have a future bench for critical roles. We support colleagues as first-time people leaders in the transition from being an individual contributor and being more task-focused to leading a team and driving results through others. A few programs that display this investment are:

Shooting Stars

Bluemercury's Shooting Stars is a six-month mentorship program that aims to assist full-time colleagues in 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.

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 US to jump start a career in retail, with specialization in technology, digital, stores, merchandising, planning, human resources and credit and customer service. Diversity continues to be a very important topic for this initiative, and we've partnered with Historically Black Colleges and Universities (HBCUs) to expand the reach of this program by enriching candidate pools. Currently, 45% of our corporate, store management and technology EDP participants are ethnically diverse. With a focus on leadership exposure and on-the-job training, colleagues who participate in these programs quickly develop a strategic view of the business, gain real-world experience and impact the business from the start.

ELEVATE

We have also recently launched ELEVATE — a leadership development program designed to prepare Director- and Principal-level colleagues to lead larger initiatives and teams. Additionally, we offer annual development to all People Leaders to help them continue building their leadership skills and a new leader onboarding program for first time people-leaders.

Fully Funded Education

We partnered with Guild to deliver educational programs to more than 4,000 Macy's, Inc. colleagues. Since launching this new benefit, our frontline colleagues have been highly engaged in foundational programs such as English language learning and college prep. Approximately 25% are building on this foundation by enrolling in degree programs with the aspiration to move into leadership roles. Additionally, many colleagues are completing certificate programs, upskilling and reskilling to position themselves for new opportunities within our Company.

Colleague Developmental Reviews

All people leaders check in with the colleagues they supervise on a quarterly basis to discuss their performance, goals and areas for growth. All permanent colleagues also have annual, formal performance reviews to foster their career development. We also 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.

Colleague Engagement

Here, the Fit Is Always Right

We believe belonging is a critical element of colleagues' satisfaction and engagement and strive to make sure colleagues know that Macy's, Inc. is the place for them from day one. In our January 2023 Culture Pulse Survey:

90% of colleagues agreed with the statement "I feel like I belong at Macy's/Bloomingdale's."

85% of colleagues agreed with the statement "I can be myself at work."

We encourage colleagues to share feedback that will help us measure engagement and understand how they are feeling about our culture. In addition to measuring our business performance, we also leverage formal and informal touchpoints 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 — providing regular venues for colleagues to ask questions and share their opinions (Ask Me Anything sessions, town halls, Colleague 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 workplace situations such as harassment or discrimination, alcohol or drug abuse on the job, unsafe situations or any other situation 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, through which colleagues can call or send an email and a Colleague Support Advisor will contact them to help address and resolve the issue

3

AskHR

Colleagues can open an AskHR case through 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, Compliance Connections, by phone or online

Measuring Success

We measure the health of our culture at key times throughout the colleague lifecycle to provide regular venues for colleagues to ask questions and share their opinions. This includes our enterprise-wide, biannual Culture Pulse Survey that measures colleague sentiment across topics like belonging, overall well-being, colleague experience and growth, people leader support and inclusion. We share results openly and transparently to create an opportunity for open and constructive discussions among teams. From our first Culture Pulse Survey in Fall 2018, which had a 19% participation rate, to our January 2023 survey, which had an 88% participation rate, we have steadily been building momentum and engagement across the enterprise.

88%

participation rate for January 2023 Culture Pulse Survey

SELECTED CULTURE PULSE SURVEY ITEMS (JANUARY 2023)	TOTAL MACY'S, INC. FAVORABILITY SCORE
I can see a clear link between my work and Macy's/Bloomingdale's strategic objectives.	89%
My people leader meets with me regularly to discuss my growth and development.	83%
How would you rate your overall well-being?	93%
My people leader provides me with feedback that helps me improve and succeed in my role.	88%
I trust in my people leader.	90%
Macy's/Bloomingdale's is committed to colleagues' safety	86%
My immediate supervisor invites me to share my perspective, even if it is different from their own.	79%
Overall, I feel that my career goals can be met at Macy's/Bloomingdale's.	82%

Diversity, Equity & Inclusion

At Macy's, Inc., we are guided by our social purpose and mission — to create a brighter future with bold representation for all — so that the full potential and an equitable future can be realized for every one of our colleagues, customers and communities. This is why diversity, equity & inclusion (DE&I) is woven throughout our business strategy and our DE&I initiatives are implemented on all five of our focus areas: colleagues, customers, suppliers, community and marketing.

Our Chief DE&I Officer leads the development and implementation of our DE&I initiatives, guided by the Macy's, Inc. Diversity, Equity & Inclusion Business Council, which is co-chaired by our CEO and our Chief DE&I Officer and includes representatives from all areas of the company.

Learn more about how we are driving impact across all five focus areas in our DE&I Annual Report at macysinc.com/DEIreport.

Our DE&I Priorities

Increase ethnic representation at director level and above to more closely reflect our customer base

Advance impact of Colleague Resource Groups (CRGs) and expand Stores participation

Leverage insights from 2022 DE&I simulation-based training to inform future education and training

We are committed to creating a diverse workforce with bold representation at leadership levels that reflects the communities we serve. We foster inclusive environments by developing culturally aware and emotionally intelligent leaders who cultivate the mental and emotional well-being of our colleagues so they can realize their full potential. We leverage Colleague Resource Groups to strengthen belonging. We are dedicated to removing systemic inequities and embedding DE&I in all talent strategies as we strive to be the preferred employer in retail.

We believe that the demographics of our organization — from the selling floor to the boardroom — should reflect those of our customer. Everything starts with and is fueled by our colleagues, and every colleague has a role to play in helping us to achieve meaningful, lasting change. Because of this, we are working to build a workforce that represents all the communities we serve and creating structural changes, practices and processes that foster equity, opportunity and a culture of belonging.

Our people leaders also play an important role in driving an inclusive culture. In 2020, we incorporated People Leader Commitments and DE&I into our annual performance review process.

Some of our DE&I Initiatives for colleagues include:

- **Colleague Resource Groups (CRGs)**, formerly known as Employee Resource Groups, are well established at Macy's, Inc. and each one has a mission linked to our overall DE&I vision and strategic priorities. These CRGs provide an opportunity for colleagues to experience connection, achieve belonging and develop leadership skills. **In 2022, we added 198 Store CRG chapters across the country to further reinforce community building and greater colleague engagement.** Our 19 CRGs now operate in 535 locations across our corporate offices, stores and distribution centers. By the end of 2023, CRG participation will be available to all our Macy's and Bloomingdale's colleagues.
- **"Can We Talk?"** is one of our signature programs and one of the most well-attended DE&I discussion forums led by Macy's, Inc. Chairman and CEO. The series began in 2016 in response to colleague feedback and continues as a way for colleagues to engage in meaningful dialogue around topics like psychological safety and well-being and how to have difficult conversations.
- **Week of Understanding** was inspired by our work with CEO Action for Diversity & Inclusion™ and is part of our ongoing commitment to foster a culture of inclusion and awareness.
- **A quarterly education series** was developed in 2022 in partnership with CEO Action for Diversity & Inclusion™ and uses audio and video scenarios to help mitigate unconscious bias and increase recognition of unfair treatment.
- **DE&I Simulation-Based Skill Training** was developed and launched enterprise-wide as a result of a Bias in Retail and Colleague Study conducted in 2021. This training approach provided a safe space for colleagues to learn and practice specific DE&I skills and behaviors.

We offer a suite of leadership development programs to all colleagues, some examples include:

- **MOSAIC:** A year-long professional development program tailored to top talent at the manager and director levels who self-identify as ethnically diverse. Launched in 2019, MOSAIC was established to stem attrition of top talent

Since 2015, Macy's, Inc. has achieved a score of 100 on the Human Rights Campaign Foundation's Corporate Equality Index (CEI), earning the designation as Best Place to Work for LGBTQ+ Equality.



at the manager and director levels who self-identify as ethnically diverse. The program consists of an in-person conference and monthly virtual learning opportunities focused on different aspects of professional and personal development, as well as an individual development plan.

- **McKinsey Leadership Program:** A program focused on building functional capabilities, exploring leadership mindsets and strengthening networks, that enables more than 300 of our high performing, high potential, diverse Macy's, Inc. leaders to interact with Asian, Black and Hispanic/Latino executives outside the company across different industries throughout North America.

DIVERSE REPRESENTATION

We believe that when the demographics of leadership reflect those of our customer, we foster a more inclusive culture and are better positioned to advance growth and innovation.

In 2022, we accelerated our objective to incorporate ethnically diverse candidates by making it a requirement to have diverse candidate pools for all director-level and above external searches. We also introduced tools and reporting that allow us to more consistently calibrate talent and build both external pipelines and internal bench strength.

Accomplishments include:

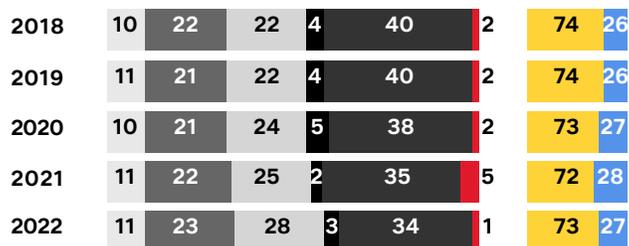
- Improved ethnically diverse representation at the vice president level through focused efforts to develop internal talent at the director level and above
- Maintained trend for external hiring at director level and above

- Reduced turnover of ethnically diverse manager-level colleagues
- Grew representation of female leadership at director and senior director levels

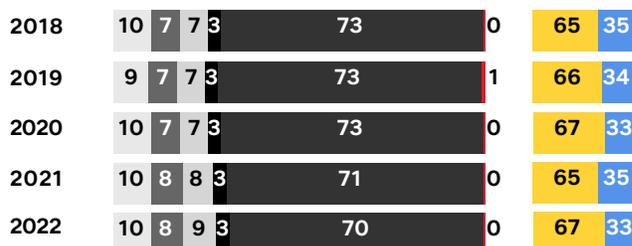
We have a strong legacy of balanced gender representation, and we are proud to say that in 2022, we increased total female leadership over a period when national statistics record more women leaving the workforce. Also, starting in 2022, we began sharing our Federal Employer Information Report EEO-1 Component 1, which reflects our US employees. This reporting will follow disclosure guidelines and align to federally mandated job categories that might not align with our organization structure. Click [here](#) to view for reporting periods 2019, 2020 and 2021.



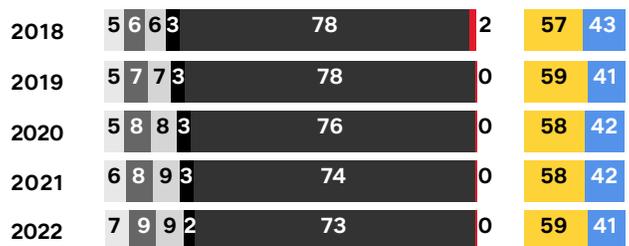
Total Colleague Diversity



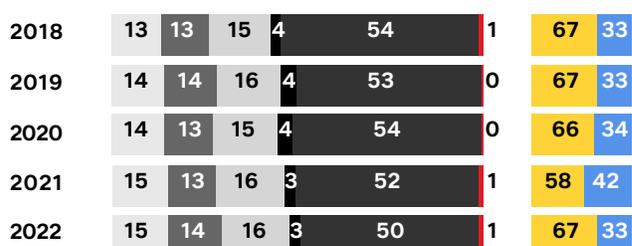
Directors Diversity



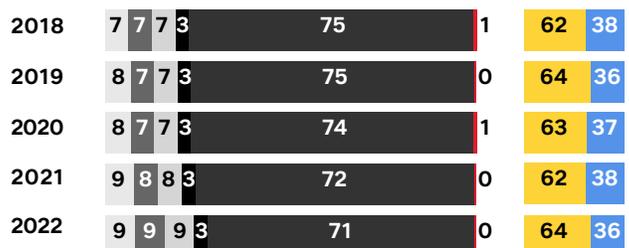
Senior Directors and Above Diversity



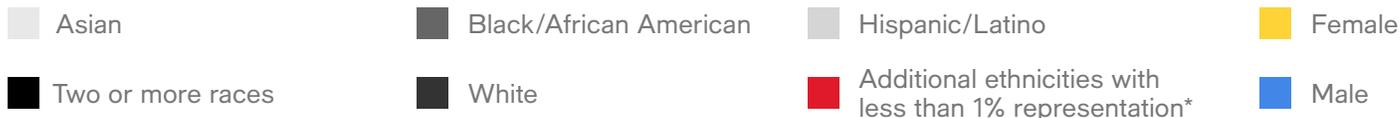
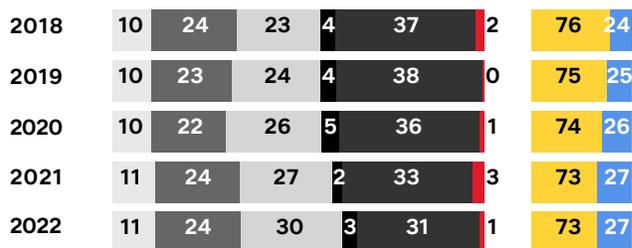
Managers Diversity



Directors and Above Diversity



Hourly Colleague Diversity



Note: These tables reflect colleague diversity across Macy's and Bloomingdale's only.

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

Customers and Communities



Every Customer Is Welcomed, Accepted and Respected

We are committed to providing a shopping experience where customers are treated with dignity, respect and kindness and are authentically seen and valued. We aspire to build a culture that ensures our vision, actions and product offerings are inclusive of all customer dimensions across all channels.

The foundation of our commitment is our [Customer Bill of Rights](#) (CBOR), which was introduced in 2019 across our Macy's and Bloomingdale's stores as a consistent, visible declaration to our customers of our beliefs about their fair and equitable treatment. This document is posted in multiple locations throughout our stores — including colleague-only spaces.

We have a DE&I Champion Team to help model the behaviors expected of our colleagues within our stores, as well as to encourage and advance the application of DE&I best practices. The team is composed of Macy's and Bloomingdale's divisional and trade area vice presidents, store managers and department leaders.

We also have a clear, consistent system to ensure that any customer feedback or complaints regarding profiling or discrimination are taken seriously and handled within 48 hours. L.E.A.R.N. (Listen Empathize Apologize React Now) is an educational approach designed to help guide our store leaders' responses to any customer discrimination or profiling experiences. This model helps us hold ourselves accountable to understanding how conscious or unconscious biases can lead to behavior that does not reflect best DE&I practices and can undermine the principles of good customer service.

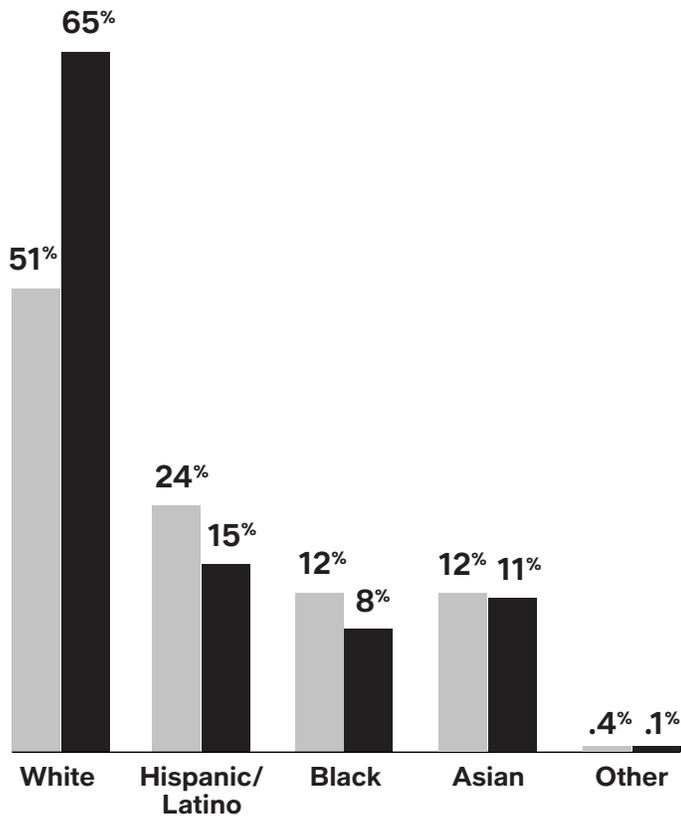
Our current priorities as part of our strategy of continuous improvement include:

- Creating a more equitable and inclusive experience for people with disabilities through education, accessibility and advocacy
- Fielding customer research to help us advance our product offering to best meet the needs of more diverse dimensions
- Launching the Customer Bill of Rights at Bluemercury



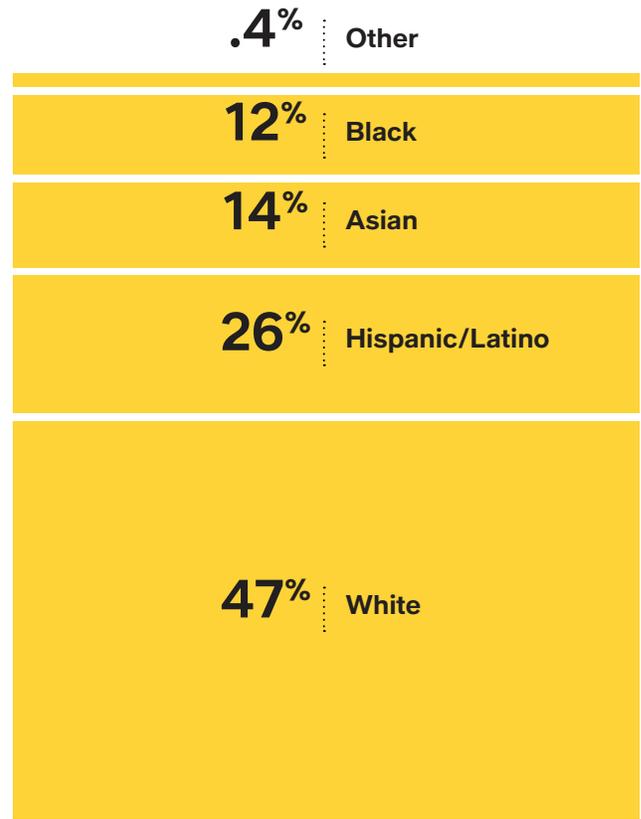
Customers by Demographic

Fiscal 2022



Sales by Demographic

Fiscal 2022



Macy's and Bloomingdale's Customer and Sales Penetration, February 2022–January 2023.

Race and Ethnicity inferred data is derived from a third party source.



Part of improving our customers' shopping experience is focusing on our marketing initiatives to ensure they consistently and genuinely reflect the full spectrum of our customers and represent the diverse values and identities held by our customers within our imagery, messages and experiences. We are on track to exceed our goals for media reach to diverse audiences and diverse representation in advertising with notable advancements in areas of body shape and size, age (50+) and people with disabilities. We deepened our relationship with Seven Elements Group, a Black- and women-led team of strategists and cultural experts, by continuing culture conversations and adding roundtables around brand campaigns and life moment/celebration marketing.



Macy's elevated digitally-led campaigns and increased exposure for diverse-owned brands through content, featured colleagues in marketing collateral, tagged diversity designations (e.g., AAPI-owned, LGBTQ-owned) on macys.com and offered multicultural holiday gift cards featuring illustrations by diverse creators.



Bloomingdales.com launched its first DE&I shop, bringing visibility to 100 diverse-owned brands with the appropriate designations.



Bluemercury introduced a new series of emails featuring diverse-owned founders of brands outside their own portfolio, leveraging their platform to help drive awareness of BIPOC creators.



Supplier Diversity

Our supplier diversity goals for 2023 include:

Increasing spend with diverse suppliers that reflect the communities in which we operate

Welcoming Disability-Owned Business Enterprises (DOBE) into our supplier diversity program

Establishing sourcing pipelines for diverse businesses as part of our S.P.U.R. Pathways program

Since 2021,
we have added more
than 350 diverse-
owned businesses to
our supplier portfolio.



As we strive to be a catalyst of change, our work with diverse suppliers plays a significant role in our work to ensure that Macy's suppliers and products reflect our customers and communities and that we support local economies and engaging in new markets.

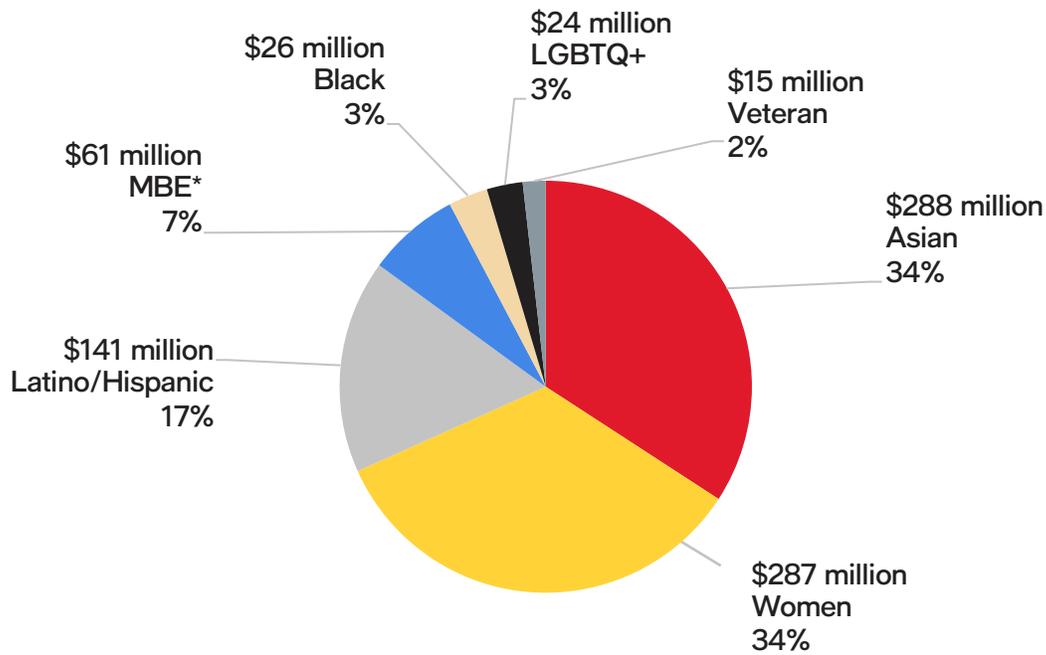
Learn more about how we are promoting diverse designers, entrepreneurs and other suppliers in our Supplier Diversity Economic Impact Report at macysinc.com/purpose.

Our mission is to offer an ecosystem that supports diverse and underrepresented communities and encourages meaningful and sustainable growth for them. We have taken a holistic approach in our work by offering a unique set of programs, solutions and outcomes so that we can meet the needs of our broad network of suppliers at their varying points along their business journey.

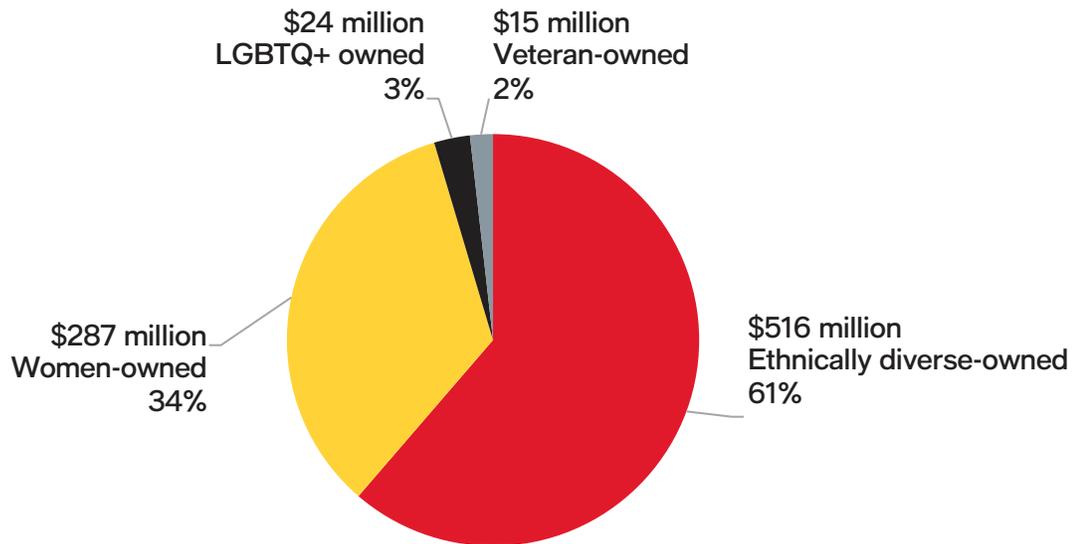
Macy's, Inc. has a decade long history of promoting business diversity within its ecosystem. In 2020, Macy's, Bloomingdale's and Bluemercury all signed the Fifteen Percent Pledge — a call-to-action for corporations to commit 15% of their purchasing power to Black-owned businesses — which has resulted in an eight-fold increase in the number of Black-owned brands in our portfolio. Since then, we have launched comprehensive merchant education and support programs and resources for diverse-owned brands to be in addition to our merchants and suppliers programs and resources already in place.

Representing 4.2% of total company spend, our diverse supplier spend in 2022 was \$842 million, which is an increase of approximately \$152 million or 22% versus 2021. We are on track to meet our long-term ambition of achieving \$5 billion cumulative spending on diverse suppliers and sustainable products by 2025.

2022 Diverse-owned Spend by Affinity Group



2022 Diverse-owned Spend Breakdown



Note: Data as of 7/31/23.

*Minority Business Enterprises (MBEs) represent companies with certification from a national certifying body, with no specific ethnicity distinction noted.

SUPPORTING DIVERSE SUPPLIERS



In November 2022, we launched **.S.P.U.R. Pathways: Shared Purpose, Unlimited Reach**, an innovative funding program to provide diverse and underrepresented entrepreneurs with a comprehensive range of financing options, mentorship and an advisory network, through a \$30 million investment — all designed to accelerate growth and create jobs in historically underrepresented communities. This multiyear, multifaceted funding program was created in partnership with Momentus Capital and aims to advance our longstanding commitment to diverse and underrepresented businesses, galvanizing the retail industry to invest in the next generation of entrepreneurs.

S.P.U.R. Pathways will ultimately represent up to \$200 million in access to critical funding for underrepresented businesses and will feature a comprehensive range of financing options. This program also offers suppliers access to an ecosystem that includes mentorship and an advisory network of successful entrepreneurs; assistance with credit improvement, business strategy and planning, financial reporting, operating challenges and more; as well as valuable training and resources ranging from templates, technology and software development tools to online and in-person workshops.

THE WORKSHOP AT macy's

Operating for more than a decade, **The Workshop at Macy's** is the longest running retail development program for underrepresented suppliers in our industry.

More than 220 diverse and women-owned businesses have completed our accelerator program and received assistance scaling their enterprises. We advanced the program in 2022 through a larger class size, introducing an e-learning platform providing education, tools and resources to vendors in the earliest phase of their development and hosted a pop-up shop on macys.com for brands to reach new customers. Selected brands participated in The Workshop's comprehensive program designed and led by Macy's leaders, alongside retail experts from organizations including Babson College, Google and Meta. Course offerings include in-depth explorations on building brand identity, financial management, assortment planning, perfecting the pitch, accessing growth capital and more.



As part of a total investment of \$250,000 in business grants, all participants received \$5,000 upon completion of the program and the opportunity to enter a vendor pitch competition. The winning brand, Black Paper Party, received a \$100,000 business grant; a partnership with Macy's sourcing team; buy now, pay later services from Klarna; and marketing support from Spark Foundry, as well as other prizes.

Co-Founders
Madia Willis (CEO), Jasmine Hudson (Chief Merchant), J'Aaron Merchant (Chief Creative Officer)

The annual event included vendor spotlights for women-owned brands carried at Macy's and Bloomingdale's. Programming also included a virtual coffee chat with Macy's executives who spoke about what the personal and professional theme "It Starts with Her" means to them.

We expanded our programming from one bootcamp in 2021 to two bootcamps, in 2022. The bootcamps offered lessons on education, capacity building, what large retailers are looking for in suppliers, the role of supplier diversity in the buying process, forging successful merchant relationships and operational logistics.

PARTNERSHIPS



AWARDS



Community

Building on a 160-year tradition of corporate citizenship, we strengthen communities by supporting local and national charities to help make a difference in the lives of our customers. With the launch of our social purpose, *Mission Every One*, we built on our legacy of corporate citizenship to give focus to our social impact work.

In 2022, Macy's, Inc. raised and directed more than **\$35 million** to nonprofit partners, with more than \$25 million to organizations and programs that empower youth. We continued to provide grant support to our nonprofit partners that align to our commitments in DE&I and Sustainability. Our colleagues volunteered nearly **54,000 hours** to support nonprofit organizations in our communities. This was achieved through:

NATIONAL GIVING CAMPAIGNS

We invite our customers to join us in giving back throughout the year at Macy's and Bloomingdale's through our national giving campaigns. With our customers' help, we were able to raise more than \$19 million in 2022 through 17 national campaigns that support the critical work of nonprofits across the country like UNCF, Girls Inc., DonorsChoose, No Kid Hungry, Reading Is Fundamental, The Trevor Project, Child Mind Institute and Big Brothers Big Sisters of America.



Macy's partnered with Big Brothers Big Sisters of America (BBBSA) to help support one-to-one mentoring relationships that ignite the power and promise of youth. Through in-store round ups and online donations, we were able to raise more than \$4.8 million for BBBSA to expand the reach of their mentoring model, connecting more young people with the transformative mentors and mentorship experiences they need to reach their full potential.



As part of their commitment to support today's youth, Bloomingdale's has been a long-standing partner of the Child Mind Institute since 2009, partnering with them to raise funds and awareness to support their mission of transforming the lives of children and families struggling with mental health and learning disorders. In 2022, we raised more than \$365,000, adding to our multiyear total of \$3 million, which has provided clinical care to more than 1,000 children and services to 142,000 students, educators and parents through school and community programs.



Bluemercury reinforced its philanthropic commitment in 2022 by partnering with organizations that support underserved and underrepresented communities, including Girls Inc., the Compass LGBTQ Community Center in Florida and N Street Village in Washington, D.C.



In support of Earth Month, Macy's raised \$1.5 million to support Trust for Public Land's Community Schoolyards Initiative, which helped to clean and restore schoolyards for nearly 2,500 students.

COLLEAGUE GIVING & VOLUNTEERING

Our colleagues participated in our two annual month-long giving and volunteering campaigns: Bag Hunger in March and The Big Give Back in August, resulting in Bloomingdale's and Macy's colleagues donating more than \$3 million and volunteering about 54,000 hours in 2022. Macy's, Inc. offers a 1:1 matching gifts program for eligible colleagues.

- Since 1998, through the Macy's, Inc. **Bag Hunger campaign**, colleagues have helped provide hundreds of millions of meals and year-round support to fight hunger. In 2022, they partnered with **No Kid Hungry** to address systemic issues contributing to childhood hunger and supporting the company's commitment to food equity through CEO Action for Racial Equity.



CORPORATE GRANTS

Our corporate giving is allocated at local, regional and national levels to serve the communities in which we live and work, and in 2022, we awarded \$12 million to more than 300 communities across the US. At the national and regional level, grants are awarded to nonprofit partners by invitation only and are aligned to the organization's youth empowerment, DE&I and sustainability commitments. Funds were also distributed through a network of division grant captains and store leaders who had direct connections to their local communities and partners for grassroots impact.

- Macy's launched the **Divine Nine Sorority Dress Collection** in partnership with The Kasper Group, aiming to help members of historically Black-founded sororities find styles in their signature colors for conferences, community service events and ceremonies. They also donated \$1 million, split evenly, to fund the education and research foundations of Delta Sigma Theta Sorority, Inc., Zeta Phi Beta Sorority, Inc. and Sigma Gamma Rho Sorority, Inc.
- Macy's "**Future of Style Fund**" has committed \$2 million by 2025 to the creation of scholarships for students and funding for programming promoting bold representation in design, styling and sustainability. In 2022, we directed \$680,000 toward this goal.
- Macy's recommitted a \$1 million donation to social justice causes and elevated our partnership levels and investments in two well-established and respected organizations — **Human Rights Campaign and National Urban League** — deepening the relationships and identifying new engagement opportunities. In addition, they elevated two of their partners — **APIA Scholars and Hispanic Federation** — to national-cause campaign status, which makes it possible for customers to round up their in-store purchases or donate online.
- **Bloomingdale's x FIT Sustainable Innovation Fund** provides funding for student-led projects around sustainability innovation at the Fashion Institute of Technology (FIT).

Integrity and Accountability



We foster a culture of ethical conduct by emphasizing our core values of acceptance, respect, integrity and giving back to guide everyone in our organization, from our leaders to our colleagues and out to our suppliers.

Our Compliance and Ethics program is designed to ensure compliance with company policies and applicable laws, while guiding our actions toward one another, our customers and our partners. We regularly share our expectations, and they are set out for our colleagues in our [Code of Conduct](#), for our Board in our [Code of Business Conduct and Ethics for Non-Employee Directors](#) and for all our suppliers in our [Vendor Code of Conduct](#).

Our Compliance and Ethics programs are managed by our Compliance and Ethics Executive Committee, whose members include our Chief Legal Officer; Controller; Vice President of Internal Audit; Vice President of Operations; Vice President, Enterprise Security and CISO; and Vice President, Colleague Support. The Audit Committee of the Board of Directors has ultimate oversight of our ethics and compliance programs and receives regular briefings.

Ethics and Oversight

Annual Ethics Training

To help ensure that our entire organization behaves in a legal and ethical manner, we provide annual training, alternating between our Code of Conduct and General Legal Compliance Training, to all colleagues in the business support functions and central offices, as well as to those in our digital operations. In Macy's Logistics, all exempt and salaried overtime-eligible colleagues receive training, while in Bloomingdale's and Macy's Stores, all executives, supervisors and cosmetic counter managers receive training. Contractors also receive training based on their role in the company. In addition to this formal instruction, we regularly train our colleagues in additional areas that affect how we conduct our business with integrity. We work to instill our values and communicate expected behaviors through team huddles, Knowledge and other ongoing communications.

Grievance Mechanisms

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. All reports are promptly forwarded to the company and then fully investigated according to the processes set in our Investigation Guidelines document. These include:

- The issue is assigned for investigation to colleagues who are skilled and objective.
- The investigators gather information and determine facts with the investigation being prompt and thorough, and confidentiality is maintained to the maximum extent possible.
- The investigators may recommend corrective action, when necessary, to appropriate managers for implementation.

We do not retaliate against colleagues who report Code of Conduct violations, and we provide full legal protection for issues reported in good faith.

We also offer a separate email address for our suppliers to report their concerns, which is shared in our Vendor Code of Conduct. 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.

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 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 three scheduled updates per year on the topic.

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 and regulators.

We have established a data security breach preparedness and response plan. This plan was tested in 2022, during a tabletop exercise where the Event Management Response Team went through a breach scenario.

We previously 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. In 2022, we implemented improved end point detection, network visibility software and administrative controls. We also added ransomware detection and protection software and a system to tokenize third-party credit card numbers.

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.

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. That data is maintained in accordance with our [Data Handling and Protection Policy](#), as well as our Standards and Procedures that outline protection of Protected, Sensitive and Highly Sensitive data. We inform customers, through our privacy notices, about how we will use their data and limit our use to those purposes. The collection is done in compliance with current state privacy legislation requirements, such as the amended California Consumer Privacy Act (CCPA), as we continue to operationalize privacy requirements from state privacy laws as more states enact them. Recently, state regulators have focused on online data (pixels, tags, tracking technologies) and targeted advertising. In response, Macy's reviewed each pixel on its ecommerce sites in 2022 by evaluating whether the pixel was necessary for performance of the website, the pixel vendor could (or should) be considered a service provider and if the written agreement included

the appropriate written service provider requirements. In 2022, our Consumer Data Privacy Team conducted a privacy program assessment with a third-party to assess Macy's enterprise privacy program and benchmark our program against retail competitors. The privacy program received favorable scores.

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/share the following categories of customer data: identifiers, payment information, event information, demographic information, device information, location information, commercial information, information a consumer posts such as ratings and reviews and Internet or other network activity information.

Appendix

SASB

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, as well as for the consumer goods sector in the e-commerce industry (EC) standards.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Energy Management	CG-MR-130a.1	Total energy consumed	1,476,774 MWh
	CG-EC-130a.1	Percentage grid electricity	95.3%
		Percentage renewable	4.7%
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	(1) 98% of Tier 1 (2) Not reported
	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	(1) Approximately 61% Tier-1 factories shared their Higg FEM results with us (2) Not reported For more information, see the Factory Audits section of this report
Employee Recruitment, Inclusion & Performance	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Not reported
	CG-EC-330a.1	Employee engagement as a percentage	88%

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE				
Employee Recruitment, Inclusion & Performance	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Voluntary Turnover				
	CG-EC-330a.2		FY2018	FY2019	FY2020	FY2021	FY2022
			42.6%	47.1%	33.0%	50.4%	49.8%
			Involuntary Turnover				
	CG-EC-330a.2	FY2018	FY2019	FY2020	FY2021	FY2022	
		24.7%	26.8%	14.3%	23.8%	28.3%	
		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			
	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for (1) management (2) technical staff and (3) all other employees	EMPLOYEE TYPE		FEMALE	MALE	NOT AVAILABLE OR NOT DISCLOSED
	CG-EC-330a.3		Management	68%	32%	0%	
			Technical staff	31%	69%	0%	
All other employees			73%	27%	0%		
CG-EC-330a.3	EMPLOYEE TYPE		ASIAN	BLACK OR AFRICAN AMERICAN	HISPANIC OR LATINO	WHITE	OTHER*
	Management		9%	17%	17%	57%	4%
	Technical staff		52%	9%	5%	32%	2%
	All other employees		11%	24%	30%	32%	4%
*Other includes the following classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander as well as “two or more races”							
For more insight into Macy’s, Inc. colleague representation, our EEO-1 disclosures are available on macysinc.com							
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					
CG-EC-330a.4	Percentage of technical employees who are H1B visa holders	21.5%					
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	<p>(1) 83% of Macy’s private brand Tier 1 factories of products managed by the Macy’s sourcing team</p> <p>(2) Not reported</p> <p>(3) 100% of audits conducted by a third party</p> <p>For more information, see the Factory Audits section of this report</p>				

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE											
Labor Conditions in the Supply Chain	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	5% For more information, see the Factory Audits 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											
Raw Materials Sourcing	CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	*Sourced through Private Brands Sourcing Team (1) Cotton; Synthetic; MMC (2) Cotton is most at risk to both Social and Environmental factors (3) Cotton has been connected to forced labor during harvest (4) Cotton: In determining risks in the supply chain; the cross-functional team inclusive of Sustainability, Compliance, and Sourcing will review material that is deemed high risk by season and develop an action plan based on findings											
	CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	<table border="1"> <thead> <tr> <th></th> <th>METRIC TONS</th> <th>% CERTIFIED</th> </tr> </thead> <tbody> <tr> <td>Cotton</td> <td>19,395</td> <td>6.00%</td> </tr> <tr> <td>Synthetic</td> <td>12,896</td> <td>0.02%</td> </tr> <tr> <td>MMC</td> <td>5,303</td> <td>0.02%</td> </tr> </tbody> </table>		METRIC TONS	% CERTIFIED	Cotton	19,395	6.00%	Synthetic	12,896	0.02%	MMC	5,303
	METRIC TONS	% CERTIFIED												
Cotton	19,395	6.00%												
Synthetic	12,896	0.02%												
MMC	5,303	0.02%												
Product Sourcing, Packaging, Distribution & 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-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	See link to Chemical Management Policy											
	CG-MR-410a.2 CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	See the Environmental Responsibility section of this report											
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	See the Environmental Management section of this report											

Task Force on Climate-related Financial Disclosures Index

A summary of our response to the Task Force on Climate-related Financial Disclosures (TCFD)-recommended disclosures is below. This information can be found in this report or in our response to the CDP annual climate change survey available on our [website](#).

Governance

Board Oversight

Our Board of Directors is responsible for oversight of Macy's, Inc.'s corporate strategy and enterprise risk management framework and receives reports from the Nominating and Corporate Governance ("NCG") Committee. The NCG Committee is responsible for overseeing the programs, policies and practices related to environmental issues, impacts and strategies. The NCG Committee assesses the adequacy and effectiveness of management's plan to monitor, manage and mitigate ESG risks (including climate risks) in our operations and supply chain.

The governance mechanisms into which climate-related issues are integrated include reviewing and guiding strategy, requiring and guiding major plans of action, reviewing and guiding business plans and monitoring and overseeing progress against ambitions and targets for addressing climate-related issues. The company's strategies and progress on sustainability ambitions are reviewed twice annually with the NCG Committee. The company's biennial sustainability report is reviewed with the NCG Committee and provided to the Board of Directors.

The organization has competence on climate-related issues. One board member has professional experience with sustainability and inclusion, with climate change as a key topic of work and discussions, including monitoring and advancing progress on climate-related ambitions. Macy's assessment of board-member competence in climate-related issues considers past and current professional experiences of each member, as well as current knowledge and responsibility in their overall work in terms of climate-related issues.

Management Role

The NCG Committee has direct oversight of ESG matters. In addition, the Corporate Strategy Group ("CSG") is led by the chairman and chief executive officer, who has ultimate responsibility for climate-related issues, and comprises the senior-most executives of Macy's, Inc. and is overseen by the Board of Directors. Together with the company's Sustainability Executive Steering Committee, the Group determines how, within the boundaries of good business decision-making, Macy's, Inc. can adopt business practices that help preserve and protect the environment. We feel it is important that the most senior person in the company has oversight of climate-related issues (e.g., our response to extreme weather events, sustainable procurement policies, supply chain resilience, etc.) as they pose both risks and opportunities to the whole business.

The Macy's, Inc. Sustainability Executive Steering Committee partners with the executive management team. This group includes leaders in finance, legal, supply chain and communications. These members provide direct insight into all areas of our business and have the responsibility to set sustainability ambitions and drive progress toward them. The VP of Sustainability reports to the Senior Vice President of Private Brand Sourcing, Product Development & Production and is responsible for developing strategy and orchestrating communications and decision-making between business functions including Supply Chain, Operations, Legal, Communications, Finance and Risk Management, Investor Relations and others. The Senior Vice President of Private Brand Sourcing, Product Development & Production reports directly to the COO and CFO and is responsible for the teams that manage Sustainability Initiatives and Supply Chain transportation for the company.

Strategy

CLIMATE-RELATED RISKS AND OPPORTUNITIES

We have identified certain climate change-related risks 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 legal, regulatory and market requirements; pressure to reduce our carbon footprint; and our ability to understand and respond to rapidly evolving developments. Climate change and related measures could have adverse impacts on the Company's business, financial condition and results of operations, including, but not limited to:

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) that apply to our energy suppliers have the ability to impact indirect costs to our operations through shifts in energy prices. Recent and future developments in regional cap-and-trade programs such as the Regional Greenhouse Gas Initiative (RGGI), which sets a declining limit on emissions from regulated power plants within the RGGI states, could increase our energy costs and affect the profitability of operations. The RGGI program spans 11 states and includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Vermont and Virginia. In 2020, Macy's, Inc. reported energy data for 217 locations across these states and could experience increases in the cost of energy in these regions as a result of the RGGI program. From 2021 to 2022, Macy's, Inc. experienced a 22% electricity cost increase across its sites located in RGGI states. Current environmental and climate-related regulation, both at the state and federal levels, are monitored as part of our enterprise risk management process.

Reputational Risk

Maintaining our Company's reputation and brand image at a high level is critical to our operations and financial results. Reputational risk in relation to climate-related issues encompasses both supply chain issues and our position and progress toward cleaner energy production and consumption. We rely upon a diverse, global network of suppliers and vendors within our supply chain that may expose us to risks from a reputational and brand perspective. We utilize the Sustainable Apparel Coalition's Higg Index, a suite of tools for the standardized measurement of value chain sustainability. Data is collected from multiple tiers in our Macy's private brand apparel and home textile supply chains as part of our continued efforts to identify brand risk and advocate for sustainability improvements, including energy/greenhouse gas efficiency. Macy's private brands supply chain is and will continue to be impacted by climate change related weather events that may

cause supply disruptions. We also use the Higg Index to collect data about the likely resiliency of our supply chains and as an engagement tool to strengthen relationships and make continuous improvement.

We face increasing pressure to demonstrate our products are environmentally friendly. Our efforts to mitigate that risk include using materials or processes that are third-party certified for environmentally friendly attributes like OEKO-TEX® as well as trademarked fibers like TENCEL™ and REPREVE®. Macy's and Bloomingdale's have curated sitelets online to help strengthen Macy's, Inc.'s position of being identified as a responsible retailer, committed to climate-related and broader environmental topics. These mitigation efforts may not be successful.

Technology Risk

We monitor developments in technology associated with climate change to determine the potential risks involved with maintaining a business-as-usual scenario or to evaluate opportunities for technological advancements or innovation. While the adoption of new technology to combat climate change has the potential to be a business opportunity, the resources associated with implementing this technology introduce financial risk to our organization. For example, upfront costs associated with efficiency projects such as LED lighting retrofits could negatively affect our business results if projected returns on investments are not met. Before adopting new technology, we evaluate the immediate costs and balance them with how long it will take to recoup the investment as well as how likely it is for that return to be realized.

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 energy-efficient solutions to sharply reduce our use of natural resources is 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, 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 greenhouse gas 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 more than 500 facilities, benchmarking by facility type to allow comparison of performance against that of peers.

Macy's, Inc.'s greatest opportunity for energy reduction continues to be through our lighting. Since 2010, across Macy's and Bloomingdale's store locations, total energy consumption has been reduced by more than 19.7% through LED lighting retrofits.

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 wildfires, over a prolonged period could make it difficult for our customers to travel to our stores and thereby reduce our sales and profitability. Natural disasters such as hurricanes, tornadoes and earthquakes could damage or destroy our facilities, thereby negatively affecting our business and results of operations. Our business is also susceptible to unseasonable weather conditions, which could reduce demand for a portion of our inventory and reduce sales and profitability. In addition, extreme weather conditions could result in disruption or delay of production and delivery of materials and products in our supply chain or impact staffing in our stores.

Impact on Strategy

There are three main channels through which managing climate-related risks and opportunities occur internally:

(1) The Corporate Business Resiliency Group (part of Risk Management) 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, Inc. management teams worldwide. One of several areas of responsibility includes the monitoring of weather and situational events, 24 hours a day, year-round, for emerging trends that pose a potential threat to the operations of the organization and the well-being of customers and colleagues. Examples include, but are not limited to:

- Pre-event recommendations and/or preparation checklists (fires, tropical storms, hurricanes)
- Up-to-date location/region-specific weather forecasts (including anticipated rain/snowfall amounts, wind speed, etc.) and situational status reports to assist in decision-making
- Strategy recommendations for resumption of critical business functions and operational requirements to be implemented during an event response.

(2) Macy's, Inc. also has an Enterprise Risk Management program pursuant to which enterprise risks are identified and prioritized 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.

(3) The Audit Committee, in particular, discusses with management the risk assessments and risk-management policies relating to a variety of risks, including certain environmental and compliance risks. The appropriate action plans, such as business continuity plans, are reviewed and approved by the affected departments.

Aside from our three primary channels for identifying, assessing, and responding to climate-related risks and opportunities, the company's CSG and Sustainability Executive Steering Committee determine how, within the boundaries of good business decision-making, we can adopt business practices that help preserve and protect the environment and address our climate-related risks and opportunities.

Climate Resilience

Given our reliance on customer spending and the risk posed by increasing pressure to demonstrate our products have been made sustainably as well as comply with the FTC's Green Guides, we have launched a claims verification process with both our private brands and market brands to be able to confidently tag products made with Preferred Materials, such as Better Cotton and Lenzing TENCEL™ or Preferred Practices such as OEKO-TEX® STANDARD 100 so that the customer may more easily identify the more sustainable options. Our target is to have 5,000 such products identified on our sites by 2025.

We have joined the Textile Exchange and the Ellen MacArthur Foundation to help identify areas where we can align with the industry on preferred materials and circular economy initiatives that will help us to reduce our carbon footprint. Macy's private brands supply chain is and will continue to be impacted by climate change related weather events. Macy's uses the Higg FEM Index to collect data from private brand Core and Strategic factories. The data provides an opportunity to learn about the likely resiliency of our supply chains but also to act as an engagement tool to strengthen relationships. Benchmarking by facility type allows facility managers to compare their performance against that of their peers, too — particularly energy sources and energy use. The modules' aspirational-level questions give manufacturers clear guidance on hotspots for improvement and outline the current best practices in the field. Our products need to be sourced from sustainable raw materials to reduce the impact of our supply chain and reduce the carbon footprint of the product. Our design teams have selected materials like, Lenzing TENCEL™ and REPREEVE® to create garments that have a lower

embodied carbon footprint. Our ambition is to source 100% of our private brands managed by our sourcing teams from preferred materials by 2030. Additionally, Macy's is currently conducting a research project for the optimization of package size and the consolidation of shipments to be implemented in the next reporting year.

Our own operations are converting to energy efficient technologies and/or renewable energy sources through the installation of solar panels and LED lighting (as well as waste and building material ambitions and initiatives). Additionally, by providing EV charging stations, we support the low carbon electric vehicle network. This lessens our exposure to the risk of fluctuating fossil fuel prices and prepares the business for a low carbon economy. Macy's, Inc. will continue to evaluate opportunities for alternate renewable energy initiatives across our portfolio in addition to targeted deployment of solar PV systems implemented in prior years.

Risk Management

Macy's, Inc. considers six months to one year our short-term risk horizon, as the resiliency team meets with all departments to assess business changes every year and looks at climate forecasts approximately six months ahead. Between the short- and long-term horizons, medium-term is defined as one to three years within Macy's, Inc. Macy's, Inc. looks as far as five years ahead in all planning arenas, including financial risk.

Macy's, Inc. assesses risks that may materially damage our reputation and brand; negatively affect customer satisfaction and loyalty; expose us to individual claims or consumer class actions, administrative, civil or criminal investigations or actions; or infringe on proprietary information; or cause us to incur substantial costs, including costs associated with remediation of information technology systems, customer protection costs and incentive payments for the maintenance of business relationships, litigation costs, lost revenues resulting from negative changes in consumer shopping patterns, unauthorized use of proprietary information or the failure to retain or attract customers. Macy's, Inc. defines substantive financial impact as any that could cause a risk to our bottom line and ability to operate as a company. Macy's, Inc. considers the applicable accounting literature, federal securities laws and other regulatory guidance in assessing and evaluating materiality. Such an analysis involves the consideration of a variety of quantitative and qualitative factors. The impact of these risk factors is measured by monitoring sales figures, margins, share value, as well as instances of modified hours to stores in cases of climate-related incidents, and other key indicators on an ongoing basis — since these indicators best reflect Macy's, Inc.'s current performance.

Metrics and Ambitions

Metrics

The company tracks and reports its Scope 1 and Scope 2 emissions. We published comprehensive Scope 3 emissions in our 2022 CDP Climate questionnaire submitted in July 2023. In addition, we track our energy use, and we monitor and report renewable energy generation from our on-site and community solar installations.

Data

FY 2022	ENERGY USE (MWH)	GREENHOUSE GAS EMISSIONS (MT CO ₂ E)
Direct energy use (Scope 1)	226,754	40,901
Purchased electricity, heat and steam (Scope 2)	1,250,020	439,168
Purchased goods and services (Scope 3)		11,616,562
Capital goods (Scope 3)		191,703
Fuel- and energy-related activities (Scope 3)		19,951
Upstream transportation and distribution (Scope 3)		203,717
Waste generated in operations (Scope 3)		28,047
Business travel (Scope 3)		7,037
Employee commuting (Scope 3)		126,473
Downstream transportation and distribution (Scope 3)		365,768

Ambitions

Macy's, Inc. has set several climate change-related ambitions:

- Achieve near-term emissions reductions by 2030 versus our 2021 baseline
- Achieve 50% renewable energy use in direct operations (including distribution centers, fulfillment centers and stores) by 2030
- In November 2022, the company committed to set near-term company-wide emission reductions in line with climate science with the Science Based Targets initiative (SBTi).



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For more information, please visit
[http://www.macysinc.com/
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