

macys inc

2023

Corporate  
Responsibility  
Report

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MISSION  
EVERY  
ONE

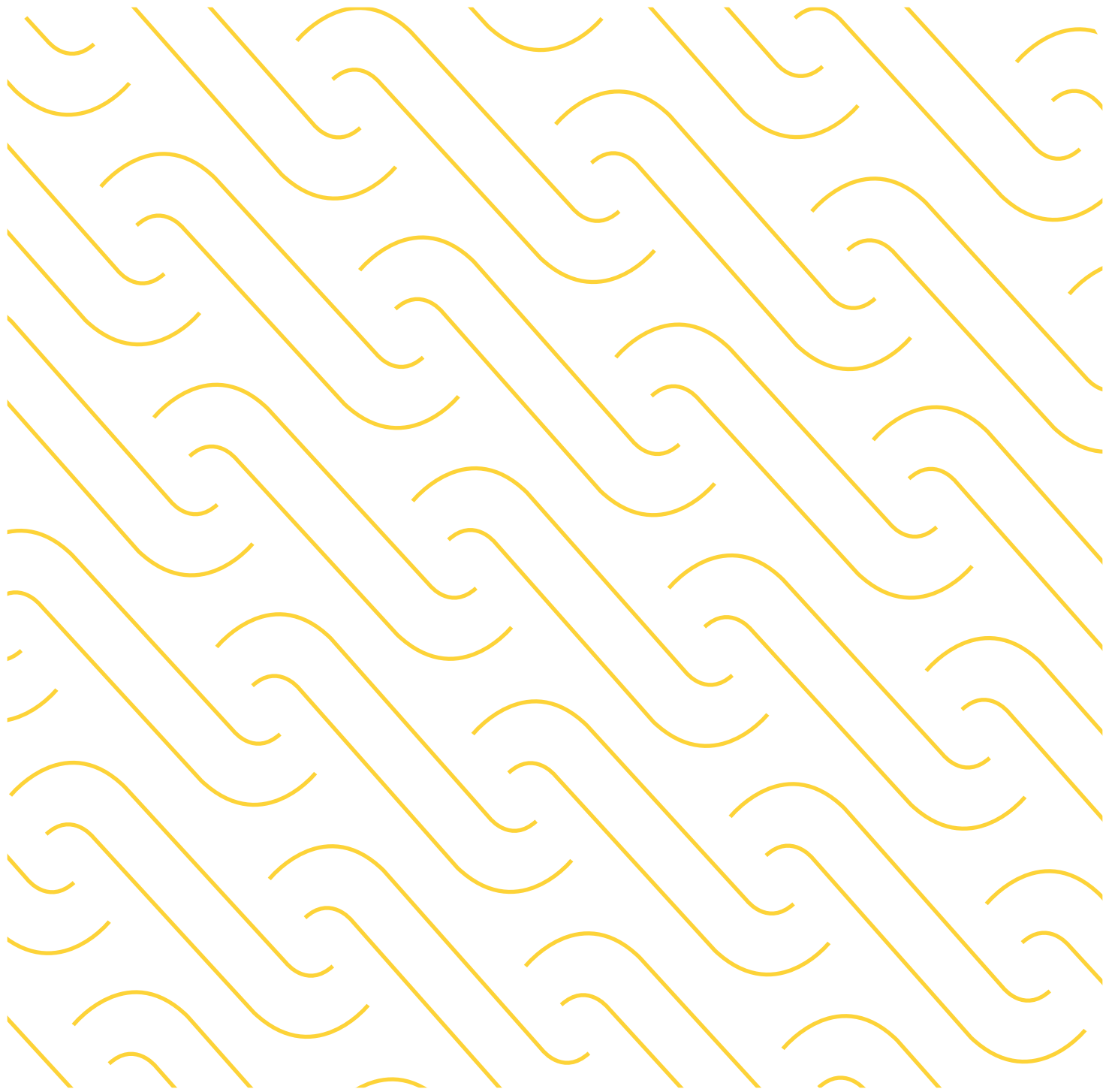


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## **ABOUT THIS REPORT**

This report highlights our commitment to corporate responsibility, and it provides an overview of our multifaceted governance, oversight, policies, programs and performance related to corporate responsibility matters that are important to Macy's, Inc. and its stakeholders. Unless otherwise stated, this report covers Macy's, Inc.'s performance in fiscal year 2023 ended February 3, 2024, and included 53 weeks. Throughout this report, references to "Macy's, Inc.," "we," "our," "us" and "company" refer to the Macy's, Inc. enterprise and references to "2023," "2022" and "2021" are references to the company's fiscal years ended February 3, 2024, January 28, 2023, and January 29, 2022, respectively. Our three nameplates — Macy's, Bloomingdale's and Bluemercury — are referred to as their own. This report reflects feedback received from our colleagues, customers, investors and other key stakeholders. We report using the following standards: the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD).

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# A Message from Our Chairman and CEO



**TONY SPRING**

Chairman and Chief Executive Officer

## Dear Stakeholders,

Earlier this year, we introduced our new strategy: A Bold New Chapter. It is designed to fundamentally reposition our company, enhance the customer experience, deliver growth and unlock shareholder value. Our teams are energized by the work as we accelerate our path to market share gains and sustainable, profitable growth.

As we implement the components of our strategy to create a more modern Macy's, Inc., our social purpose platform – *Mission Every One* – remains an essential part of how we operate as a business. Launched in early 2022, *Mission Every One* is built on the company's heritage of corporate citizenship and aims to direct \$5 billion of our spend through 2025 to people, partners, products and programs that create a more equitable and sustainable future for all. In 2023, we continued to fuel these efforts. Through 2023, nearly \$3.2 billion in spend has been directed towards our colleagues, suppliers, brand partners and communities.

We are pleased to provide the full scope of our corporate responsibility efforts in one consolidated report for the first time. Our 2023 Corporate Responsibility Report emphasizes our three pillars of impact — people, community and planet — and showcases the many ways we create a more equitable and sustainable future through stewardship of resources and maximizing our positive societal contributions.

## People

We are a company defined by the dedication of our people. Across our portfolio of iconic nameplates, we commit to being the preferred employer everywhere we operate by enabling our colleagues to bring their best selves to work each day. We refreshed our established Colleague Resource Group ecosystem and expanded it to all Macy's and Bloomingdale's locations in 2023. Providing our colleagues with more opportunities to connect and support one another strengthens our relationship-focused culture, one of our greatest competitive advantages.

Investing in our customers, our brands and the next generation of entrepreneurs is part of our DNA. For more than a decade, Macy's, Inc. has built a holistic ecosystem that provides suppliers with access to customers, education and capital. In 2022, we introduced S.P.U.R. Pathways, an innovative funding program to advance entrepreneurial growth. Since its inception, the program deployed \$9.2 million in investment capital to underfunded and growth-stage businesses and entrepreneurs, creating new economic opportunities in our communities.

## Community

We believe in the power of giving back as a core value. Our philanthropic investments fund programs that nurture the curiosity and confidence of young people, fueling their journey to be future leaders, and support mental health and well-being to help navigate the challenges of today and tomorrow. Through our social impact commitments, in 2023, we raised and directed \$33.1 million to over 800 organizations in communities across the U.S. that support immediate need and long-term, sustainable solutions. Our colleagues volunteered 66,000 hours, including increased time for mentorship.

## Planet

We believe that managing our environmental impact and caring for the people who make our products is key to the company's continued growth and success. We are committed to ensuring safety and security across our supply chain and, in 2023, 100% of the Macy's private brand suppliers managed by the Macy's Sourcing team completed zero tolerance training, which reinforces our Vendor Code of Conduct. 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), and we continue to integrate sustainable energy-management practices and infrastructure into our operations.

We could not have accomplished these results without the passion and commitment of our teams and partners across the entire Macy's, Inc. enterprise.

As we progress toward our ambitions and the promise of *Mission Every One* in the years ahead, we look forward to driving positive impact for our people, communities and planet.



### TONY SPRING

Chairman and Chief Executive Officer

# Macy's, Inc. at a Glance

At Macy's, Inc., we help our customers express their unique style and celebrate special moments through our portfolio of iconic nameplates: Macy's, Bloomingdale's and Bluemercury. Our purpose is to create a brighter future with bold representation — so we can realize the full potential in every one of us.

Headquartered in New York City, our comprehensive digital and nationwide footprint empowers us to deliver a seamless shopping experience for our customers.

## \$23.1 billion

FY 2023 net sales

## 38.8%

FY 2023 gross margin as a percent of net sales

## \$105 million

FY 2023 net income

## ~85,500

Combined full-time & part-time colleagues\*

## 718

Store locations across brands\*

\*As of fiscal year end February 3, 2024  
Note: FY 2023 was a 53-week period.



Macy's is **our largest retail brand, known for having the latest styles in fashion, beauty, home and beyond, as well as 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 their 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

## Creating a Brighter Future with Bold Representation for All

*Mission Every One*, our enterprise-wide social purpose platform, builds on our heritage of corporate citizenship to achieve positive societal change. This commitment aims to create a brighter future with bold representation for all that empowers more voice, choice and ownership for colleagues, customers and communities.

### OUR SIGNATURE COMMITMENT

# \$5 billion

of the company's spend through 2025 will be directed to **the people, partners, products and programs** that help create a more equitable and sustainable future.

### OUR PROGRESS

Approximately  

# \$1.8 billion

of spend was directed to *Mission Every One* in 2023, totaling approximately \$3.2 billion since the program launched in early 2022.

### OUR COMMITMENT PILLARS



**People**

We recognize and value the diverse community of colleagues and partners that **fuels our mutual growth and innovation.**



**Community**

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



**Planet**

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

This work is brought to life by initiatives across **diversity, equity & inclusion; sustainability and social impact.**

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# Our Approach to Corporate Responsibility

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. Stewardship of resources and maximizing our positive social impact continue to be at the forefront of the organization. Proactively engaging on issues that span the breadth of our operations — transparency; product responsibility and supply chain management; resource management; human capital; diversity, equity & inclusion (DE&I); and building resilient communities — remains a critical component of our Environmental,

Social and Governance (ESG) programs. Our relationships with our customers, colleagues, suppliers and communities drive our deep sense of stewardship in how we serve our stakeholders and underpin our commitment to promoting ESG across our global value chain.

We actively engage stakeholders to better understand the topics that are important to our Macy's, Inc. colleagues, customers, suppliers and communities. Both actions and reporting are guided by stakeholder feedback and third-party frameworks, including the SASB multiline and specialty retailers & distributors standard.

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## Corporate Responsibility Governance

We have embedded management of ESG matters at all levels of our company. The Board of Directors and the Macy's, Inc. leadership team take an active role in our ESG strategy and corporate responsibility programs. Macy's, Inc. leadership is responsible for the development and implementation of our ESG strategies and programs enterprise-wide. Ultimate oversight by our Board of Directors is included in its committee charters and practices.

We have established several Board-level and leadership-level 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.



For more information regarding our oversight of climate-related risks and opportunities, see the [TCFD](#) in the Appendix.



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## Board of Directors

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

### ESG oversight responsibilities are included in Board committee charters:

#### NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

- Responsible for overseeing the programs, policies and practices relating to charitable, political, social, environmental and human rights issues, impacts and strategies
- Responsible for overseeing the company's corporate governance

#### COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE

- Responsible for overseeing the company's strategy and initiatives in support of an inclusive corporate culture
- Reviews and provides guidance on the enterprise talent and people strategies
- Receives periodic updates and provides guidance on other programs and initiatives, such as labor relations, compensation and colleague engagement

#### AUDIT COMMITTEE

- Responsible for discussing policies with respect to the company's risk assessment and risk management, including possible risks related to data privacy, computerized information controls, cybersecurity and to consider any recommendations for improvement of these controls

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## Chairman of the Board and Chief Executive Officer

Sets the ESG vision and drives accountability across the organization

### Management committees are under the direction and supervision of the CEO:

#### SUSTAINABILITY EXECUTIVE STEERING COMMITTEE

- Leaders from Private Brand Product Development and Operations, Legal, Communications and the Corporate Controller, as well as the Sustainability team

#### DISCLOSURE COMMITTEE

- Leaders from Finance, Legal, Investor Relations and Communications
- Chief Operating Officer and Chief Financial Officer works with the Disclosure Committee to engage with stakeholders on ESG issues and provide feedback to management and the Board

#### DIVERSITY, EQUITY & INCLUSION BUSINESS COUNCIL (DEIBC)

- Leaders from every department and division, as well as the Diversity, Equity & Inclusion team

#### CORPORATE STRATEGY GROUP (CSG)

- Leaders of all operating and functional divisions

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The Sustainability Executive Steering Committee, Disclosure Committee and Corporate Strategy Group also approve the ESG strategy and priorities, guide risk management and link to growth opportunities

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The DEIBC, the Disclosure Committee and the CSG work together to maintain our performance-driven culture and operating model that encourages lifelong learners and empowers colleagues to be leaders regardless of title or function

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# Corporate Responsibility FY 2023 Highlights

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## People

**99%** pay equity across gender and race maintained in 2023

**89%** engagement score for our 12th Culture Pulse Survey, completed in January 2024

**100%** of Macy's and Bloomingdale's colleagues have access to Colleague Resource Groups

**100%** of all Macy's, Bloomingdale's and Bluemercury store managers received store leader training on the Customer Bill of Rights

See [Progress Report: People](#)

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## Community

**\$33.1 million** raised and donated to 800+ organizations across the U.S.

**66,000** volunteer hours

**\$1 million** funded for organizations advancing justice and equity in underserved communities

See [Progress Report: Community](#)

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## Planet

**7,000+** product pages on macys.com and bloomingdales.com sustainability sitelets, meeting requirements of our sustainability pillars

**100%** of private brand suppliers sourced by Macy's Private Brand Sourcing, Product Development & Production team completed zero tolerance training, including transparency and business ethics, labor and health and safety

**65%** of waste from direct operations was diverted from landfills

See [Progress Report: Our Sustainable Stewardship Ambitions](#)

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## Governance

Established an **Artificial Intelligence (AI) Policy** that defines the use and implementation of AI across Macy's, Inc.

Highlights are enterprise-wide unless otherwise stated.

# People

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# Overview

At Macy's, Inc., we recognize and value the diverse community of colleagues and partners that drive our mutual growth and innovation. We are fueled by a culture of belonging and the belief that what we do and how we do it have equal weight. The work of each colleague directly impacts our business and is key to bringing inspiration and joy to our customers.

Our Board of Directors, through the Compensation and Management Development Committee, maintains ultimate oversight of human capital management and human capital-related risks. Our Chief Human Resources and Corporate Affairs Officer is responsible for overseeing our human capital program. Our SVP and Chief Diversity, Equity & Inclusion Officer and our Diversity, Equity & Inclusion Business Council (DEIBC) lead our initiatives to be an inclusive employer, committed to increasing our diverse candidate pools to better engage with all members of our customer base.

# People

We are working to create a brighter future with bold representation for all. We set ambitions to support and celebrate our talented and diverse colleagues and our customers.



Ongoing



Completed

## Human Capital

FULLY FUNDED EDUCATION	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
*We launched a partnership to provide a fully funded education benefit program for eligible colleagues. (For details, see the <a href="#">Fully Funded Education</a> section.)	2022	Completed	Completed in 2022	Completed	

\*Mission Every One-related commitment across our commitment pillars.

## Diversity, Equity & Inclusion

SPENDING WITH DIVERSE SUPPLIERS	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
Achieve 4.9% spend with underrepresented suppliers and increase our investment with Black-owned businesses** (For details, see the <a href="#">Suppliers</a> section.)	2023	4.2% of total company spend	4.2% of total company spend	No change	

\*Mission Every One-related commitment across our commitment pillars.

\*\*Spending with diverse suppliers is a total of retail spend and non-retail spend.

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# Human Capital

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



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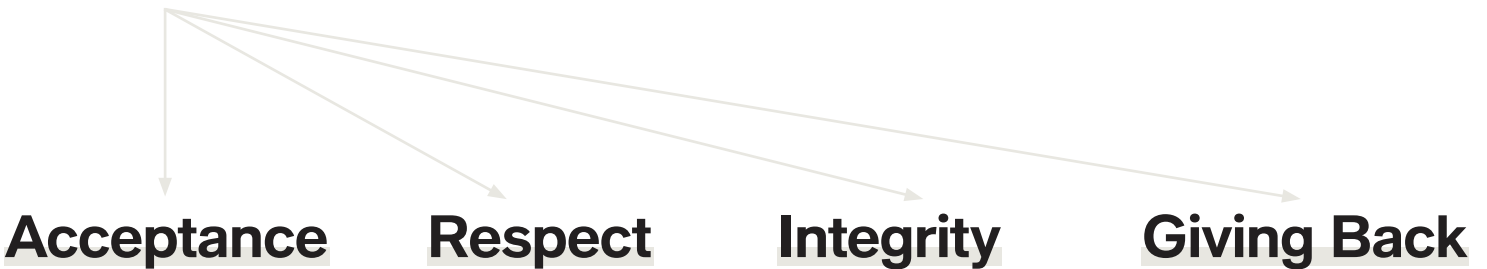
# Culture

Our strong culture is a competitive advantage and is all about relationships — how we serve and support our customers, our communities and each other. We know each person is unique, so we respect and invest in each individual to create growth, pride and satisfaction. We value transparency and honest conversations, and we thrive in a dynamic, collaborative and inclusive environment.

In 2023, we built a purpose-driven, collaborative and inclusive culture that encourages lifelong learning and empowers our colleagues to be leaders, regardless of title or function. Looking forward to our next chapter, we are focused on being intentional in how we evolve our ways of working, leading to drive growth across Macy's, Inc. and empowering our colleagues. In 2023, we reflected on the strongest elements of our culture and where we have opportunities to improve.

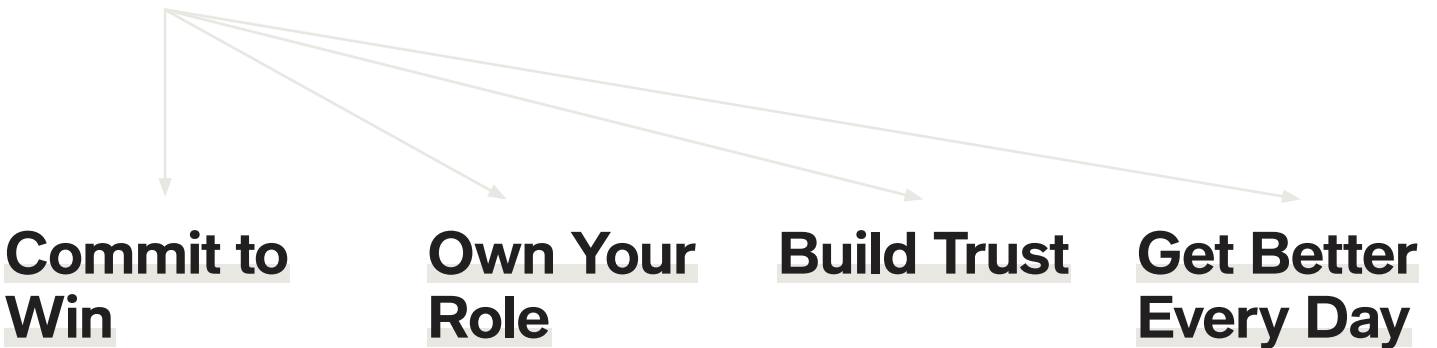
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## OUR VALUES ARE WHAT GUIDE US



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## OUR BEHAVIORS ARE HOW WE BRING OUR CULTURE TO LIFE



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## WE ARE ALL LEADERS

### Personal leadership

Bringing pride and passion to your work and pushing each other to deliver excellent results; all are encouraged to be leaders and maximize their impact, no matter their specific role

### People leadership

Leading others is a privilege, not simply a career status to be reached

We empower our colleagues in our **PERFORMANCE-DRIVEN CULTURE** with an aim to achieve superior financial and team results, including engagement and retention. We share a motivation to perform and succeed, measuring our progress and holding ourselves accountable. For colleagues, this means:

**Meaningful goals**

I see how my work aligns with our business strategies and results, and I know what I'm accountable for.

**Collaboration**

We communicate openly, make decisions quickly and learn from one another.

**Continuous feedback**

My people leader provides me with the personalized feedback and support I need to grow in my role and achieve my goals.

**Recognition and rewards**

My unique contributions are appreciated, recognized and valued.



Our iconic events would not be possible without our dedicated, talented colleagues who inspire and create memories for our customers.

**BUILDING & CELEBRATING COMMUNITY WHILE STRENGTHENING BRAND AWARENESS**

For nearly 100 years, the **Macy's Thanksgiving Day Parade®** has served as a reflection of the finest of American popular culture. Millions tune in each year to witness the iconic event that ushers in the holiday season. It is also one of our biggest volunteer events of the year, with thousands of dedicated volunteers bringing the Parade to life annually.

**Macy's 4th of July Fireworks®** is the nation's largest Independence Day celebration. Fired from various locations across New York City, we invite spectators from coast to coast to join the pyrotechnic salute to America through the national broadcast.

**Macy's Flower Show®** is an annual springtime floral celebration held at our flagship store in New York City. The show offers a one-of-a-kind opportunity for customers to marvel at intricate flower sculptures and landscaped gardens across the iconic store's main floor, mezzanine and windows.



# Talent Acquisition

We strive to work with the best and brightest talent in the industry by fostering a dynamic culture in which colleagues can thrive and be their best each day. From students looking for their first job and seasonal candidates, to experienced talent that we recruit to drive our key growth initiatives, Macy's, Inc. has job opportunities for candidates at all stages of their career journey.

## In 2023...



We hired more than **75,000 combined colleagues (28,000 full-time and 47,000 seasonal)** into the organization.



Stores and supply chains performed strongly with **over 90% staffing levels met.**



We received more than **1.8 million applications** across the enterprise, an increase of 6% from 2022.

### Job Descriptions

We started refreshing Macy's, Inc. job descriptions, putting a greater emphasis on job skills and what Macy's, Inc. can provide a candidate. Our work in 2023 was focused on updates to hourly colleagues' job descriptions, and we expect to extend this work to professional colleagues in 2024. We also expanded the descriptions to better describe what we expect from candidates. In addition, we worked to remove barriers for candidates in our employment application, such as removing the degree requirement for all roles except for those that require a specific professional license. Through this change, we hope to eliminate bias and encourage more candidates to apply.

### College Internship Programs at Macy's & Bloomingdale's

Our college internship programs at Macy's and Bloomingdale's are 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 unmatched learning experience and a talent pipeline for future leaders. The 2023 program included 42.5% ethnically diverse participants and 76% female participants. The internship program also includes programming to engage with diverse, high-potential participants in an effort to increase our future candidate pools.



Macy's, Inc. received a *Handshake 2023 Early Talent Award*, recognizing our internship program for providing hands-on, in-depth experience with core business functions and management teams, as well as mentorship and leadership insights from company leaders.



Building a diverse candidate pipeline is a key component of our talent strategy. In 2023, as a result of our focus on ensuring we have diverse talent pools from which to draw the very best talent, 46.5% of our external hires at the director level and above were ethnically diverse. We have multiple initiatives that focus on hiring a diverse colleague population and creating opportunities for an inclusive workforce. (See the [Diversity, Equity & Inclusion](#) section for more information.)

### Community & Professional Partnerships

We partner with many organizations to promote our employer brand and create meaningful connections with candidates. Our partners span across the U.S. and include organizations such as UNCF, Out in Tech, Professional Diversity Network and Women in Tech.

### Campus Partnerships

We partner with 12 core universities across the U.S. to enrich our candidate pools. Of the 12 schools, four of them are HBCUs and two are Hispanic Serving Institutions (HSIs).

### Bloomington's Early Immersion

We offer a two-day program focused on providing experiential learning and career exposure to those who identify with underrepresented groups.

### Second Chance Hiring

Macy's, Inc. prides itself on providing opportunities to people of all backgrounds, including those with prior involvement in the justice system. In 2023, we became a member of the Second Chance Business Coalition.

### Inclusive Workplace Initiatives

We took steps toward removing language as a barrier to employment or success across our supply chain by prioritizing bilingual workplace initiatives. During our holiday hiring season, we now offer onboarding sessions in Spanish to train new seasonal colleagues in support of the increased hiring needs in select fulfillment centers.



### Clark Atlanta University

With a \$100,000 donation from Macy's Future of Style Fund in 2023, Macy's invested in scholarships and opportunities for HBCU students to explore careers in retail. The team hosted a full-day visit for 15 fashion students in February and provided career workshops and networking opportunities for students throughout the year.

See the [Social Impact](#) section for more details on how we are strengthening communities by supporting local and national nonprofit organizations to help make a difference.



## Total Rewards

Our rewards strategy recognizes performance and talent development, rewarding colleagues as individuals or teams, as well as across business functions. We prioritize and support the well-being of our colleagues through our healthcare and benefits programs — because when we take care of our colleagues, they take care of our customers.

BENEFIT OPTION	ALL COLLEAGUES <sup>1</sup>	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 (comprehensive coverage and 100% eligible preventative care included in all medical plans)			X
Short-Term Disability		X	X
Vision		X	X
Life Solutions Employee Assistance Program	X	X	X
Paid Time Off <sup>2</sup>		X	X
Parental Leave <sup>3</sup>			X
Holiday Pay <sup>2</sup>		X	X
401(k) and Company Match <sup>4</sup>	X	X	X
Auto Coverage	X	X	X
Colleague Discount	X	X	X
College-Bound 529	X	X	X
Commuter Benefits		X	X
Dependent Care Flexible Spending Account		X	X
Fully Funded Education <sup>5</sup>	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
Macy's Discount Mall	X	X	X
Pet Insurance	X	X	X
North Star Relief Fund 501(c)(3)	X	X	X
Tuition Reimbursement <sup>6</sup>			X

1. All colleagues include full-time and part-time, as well as seasonal and contingent colleagues.

2. Paid time off and holiday pay are offered to Macy's, Inc. colleagues averaging 15 hours (not 20).

3. Parental leave is offered only to Macy's, Inc. salaried colleagues.

4. 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.

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

6. Tuition reimbursement is only available for professional colleagues.

We provide tools, education and resources to help colleagues manage their finances throughout their career. Key financial benefits include:

- 401(k) and company matching contributions
- Colleague discounts
- Earned wage access before scheduled payday
- North Star Relief Fund to help colleagues in their time of need, such as natural disasters and personal hardships, through rapid financial assistance
- A fully funded education program for a wide range of educational and upskilling opportunities
- Tuition reimbursement for pursuing an undergraduate or master's degree in job-related programs or majors that are useful in meeting career objectives

## Our Approach to Compensation

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

As part of our commitment to pay transparency, all colleagues have access to view their role's pay zone and salary range, ensuring colleagues understand their earning potential. In addition, pay ranges are viewable on all job postings nationwide. People leaders and salaried colleagues have access to on-demand Compensation Education Webinars to learn how pay is determined and to deep dive into our incentive programs.

## Pay Equity

We work with a third-party vendor to conduct an annual independent pay-equity analysis. Starting in 2021, the company has maintained greater than 99% pay equity across gender and race. This means we expect to pay female colleagues at greater than 99% of what we pay male colleagues, and we expect to pay minorities at greater than 99% of what we pay non-minorities in the U.S.

## Incentives & 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 are committed to having the best talent in retail, so we invest in our colleagues' knowledge, skills and abilities. We strive to ensure rewarding opportunities for our colleagues' career growth and advancement by providing many opportunities to learn, grow and become leaders at every stage of their career journeys. We leverage internal and external expertise to support real-time reskilling and upskilling, as well as leadership development and role-specific capability building.

## Purpose-Driven Career Journeys

At Macy's, Inc., we encourage purpose-driven career journeys that inspire colleagues to pursue experiences that serve their passion and purpose, broaden their skill sets and drive the business. All colleagues are encouraged to consider a career path that takes the shape of a lattice rather than the traditional ladder, with cross-functional experiences that broaden our perspectives and equip us with skills to drive the business.

In 2023, we expanded our virtual Career Expo from two weeks to a three-month-long series of small-group interactive sessions, enabling colleagues to interact directly with experts and leaders to learn about career resources and build skills. Throughout the series, we featured 18 workshops, panel discussions and career-planning sessions that gave colleagues a better sense of 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.

We continued to enhance the support resources available to colleagues and people leaders on the Career Hub (a site on our colleague intranet, which we launched in 2022). Additionally, we launched the My Career site in 2023 to provide a targeted group of tools and resources tailored to professional and hourly colleague career needs. The site can be accessed 24/7 via My Total Rewards. My Career has been accessed more than 9,000 times per month since it was launched.

## Onboarding

We view onboarding as a critical moment to build belonging, leverage our welcoming and inclusive culture and set 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.



# 87%

of colleagues agreed with the statement “Macy’s/ Bloomingdale’s/ Bluemercury provides me opportunities to learn and develop” on our January 2024 Culture Pulse Survey.

# 5,000+

colleagues have enrolled in a course through our fully funded education program.

## Learning & Development

### Reskilling & Upskilling

We invest in the continuous upskilling of our colleagues, ensuring they have the resources, access and encouragement needed to achieve their goals. Our digital-first learning approach helps colleagues learn at scale and with speed, while also reacting quickly to evolving customer needs by equipping thousands of colleagues with new and critical skills. We offer a robust skill library that defines critical and evolving skills for all key roles.

### Fully Funded Education

We provide educational programs to Macy’s, Inc. colleagues through our fully funded education program. This includes nearly 100 programs covering a wide range of subjects, from foundational learning, like high school completion and learning the English language, to college degrees. We also hosted opportunity events for enrolled learners, connecting them with leaders in their area of focus and talent acquisition, with the goal of networking and providing them with interview support and clarity around skills needed. More than 5,000 colleagues have enrolled in a course. Additionally, many colleagues are completing certificate programs, upskilling and reskilling to position themselves for new opportunities within our company.

### Leadership Development

We offer a suite of leadership development programs across the enterprise, each with unique learning objectives. We are committed to building our people leaders’ leadership capabilities as we believe that they are the single most important factor behind driving performance and culture. We make meaningful investments in the development of these leaders to assist them in delivering on the people leader commitments we have set out and communicate clearly and frequently. These commitments are:



#### I promote diversity and inclusion.

We achieve our best results when we recognize each person’s unique strengths, background and perspective.



#### I encourage growth.

I see the potential in others and seek to help them achieve their career goals. I strive to get better every day and inspire others to do the same.



#### I create connection.

I genuinely care about the colleagues on my team and take the time to get to know and understand them. I help to connect value to each role, context to each task and clarity to each communication.



#### I drive performance.

I demand the best from myself and my team. I inspire them to set goals, seize opportunity, seek feedback and own their results. I recognize progress and celebrate achievement.

We invest in both initial development — when colleagues transition from being an individual contributor to leading others — and continuous learning for more experienced leaders. We help build their leadership capabilities through curated learning experiences and targeted, immersive experiences that include formal education, coaching, assessments and mentoring to accelerate development of top talent. A few programs that exemplify this investment are:

### **Leading Colleagues at Macy's, Inc.**

We enhanced our training plan for first-time people leaders (originally launched in 2022) by adding a capability to automatically assign the program to colleagues who are becoming people leaders for the first time and to those who are hired externally into a people leader role. In addition, we created monthly virtual orientation sessions for new leaders to help them understand our leadership philosophy, explain key people leader responsibilities throughout the year and provide an opportunity to start connecting with other new leaders across the company.

### **Executive Development Programs**

Macy's and Bloomingdale's Executive Development Programs (EDP) offer immersive, hands-on learning experiences for recent college graduates from top universities across the U.S. to jump-start a career in retail with specialization in technology, digital, stores, merchandising or planning. Diversity continues to be an important focus area within this initiative, and we have partnered with HBCUs to expand the reach of this program to enrich candidate pools. 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**

ELEVATE is a leadership development program designed to prepare top performing director- and principal-level colleagues to lead larger initiatives and teams. The program focuses on enhancing key business and leadership skills, while also creating connections

with peers across the enterprise. In 2023, our first cohort included director-level colleagues across Macy's and Bloomingdale's. In 2024, Bluemercury colleagues will be invited to participate in ELEVATE.

### **MOSAIC**

MOSAIC is an internal program intended to accelerate career success, maximize professional growth and stem attrition of top-performing, ethnically diverse manager and director-level colleagues.

### **McKinsey Connected Leaders Academy**

The Connected Leaders Academy is hosted by McKinsey & Company and is designed to support career progression for ethnically diverse manager through VP-level colleagues, while providing opportunities to network externally with other diverse leaders across industries.

We have seen an increase in career movement and retention rates after colleagues participate in these programs. In 2024, Bluemercury colleagues will also be invited to participate in MOSAIC and McKinsey.

### **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 on their own journeys by creating a development plan, becoming an inclusive leader and leveraging resources to support their career aspirations.

### **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 professional colleagues receive formal annual 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

Colleague feedback, both positive and constructive, is essential to creating an environment in which all colleagues can be at their best and is used to shape our ongoing culture priorities. We leverage both formal and informal touchpoints to encourage our colleagues to share feedback that assists in measuring engagement and 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. We provide venues for colleagues to ask questions and share their opinions, such as Ask Me Anything sessions, town halls, Colleague Resource Groups and our biannual enterprise-wide Culture Pulse Survey.

Colleagues are also 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 can help address and resolve the issue.

# 2

## Solutions InSTORE

Macy's Early Dispute Resolution Program allows colleagues to 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 can anonymously report workplace issues through Macy's third-party reporting service, Compliance Connections, by phone or online.



## Measuring Success

We formally solicit feedback from all colleagues twice a year through an enterprise-wide Culture Pulse Survey. It measures colleague sentiment across topics like belonging, overall well-being, colleague experience and growth, people leader support and inclusion. The results of our Culture Pulse Survey are shared openly across the organization and made available to both people leaders and colleagues, creating the opportunity for open, constructive discussions among teams.

**88%**

participation rate\*

**89%**

engagement score\*\*

for 12th biannual January 2024  
Culture Pulse Survey

From our first Culture Pulse Survey in February 2018, which had a 19% participation rate, to our 12th biannual January 2024 survey, which had an 88% participation rate, we have steadily been building momentum and engagement across the enterprise. We continue to compare favorably to other U.S. retailers:

**“At Macy’s/Bloomingdale’s/Bluemercury, I feel motivated to contribute more than what is normally required to do my job.”**

+18 percentage points external benchmark

**“I can be myself at work.”**

+6 percentage points external benchmark

**“At Macy’s/Bloomingdale’s/Bluemercury, everyone can succeed to their full potential, no matter who they are.”**

+4 percentage points external benchmark

To see information regarding our turnover, please see our [SASB framework](#).

## SELECT CULTURE PULSE SURVEY ITEMS (JANUARY 2024)

## TOTAL MACY’S, INC. FAVORABILITY SCORE

My people leader meets with me regularly to discuss my growth and development. 86%

My people leader provides me with feedback that helps me improve and succeed in my role. 89%

I can see a clear link between my work and Macy’s/ Bloomingdale’s/Bluemercury strategic objectives. 89%

How would you rate your overall well-being? 93%

I trust my people leader. 90%

Macy’s/Bloomingdale’s/ Bluemercury is committed to colleagues’ safety. 86%

My immediate supervisor invites me to share my perspective, even if it is different from their own. 81%

Overall, I feel that my career goals can be met at Macy’s/ Bloomingdale’s/Bluemercury. 82%

\*Participation rate: This is the percentage of participants who responded to our Culture Pulse Survey.

\*\*Engagement score: Our engagement score is based on seven key drivers of colleague engagement. Provides a quantitative measure of how engaged colleagues are within the organization.

# Future of Work

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.

## Health & Safety

The health and safety of our colleagues and customers comes first. All Macy's, Inc. stores, distribution centers and corporate offices run a robust safety program based on required government regulations as well as identified company needs. Our stores and supply chain locations run a safety committee comprised primarily of our hourly colleagues with representation from specific location executives. It is these committees that help identify location opportunities, communicate safety topics and assist with location training. This has resulted in health and safety consistently ranking in our top net promoter scores through customer satisfaction with our enhanced health and safety measures in-store. We have subject-matter experts available to create procedures, train colleagues and review emergency response plans in the event of a threat or other crisis.

Our [Workplace Safety Policy](#) outlines our commitment to creating an environment free of hazards for both colleagues and guests.

For details regarding how we are committed to respecting international human rights throughout our operations, see the [Human Rights](#) section. Information regarding our human rights in our supply chain can be found in the [Human Rights & Social Compliance](#) section.

## Hybrid Work

We remain focused on building a workplace that ensures our colleagues can learn and grow in a hybrid work environment where they are able to divide their time between in-office and virtual work, driven by the analysis of Culture Pulse Survey responses. Remote colleagues, representing 10% of salaried colleagues, have one of the highest engagement scores of any group at 92%.

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 compensation and benefits
- **Talent Recruitment and Retention:** Leveraging recruiting data from previous years to forecast talent needs and lead 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

# Diversity, Equity & Inclusion

Diversity, Equity & Inclusion is embedded into how we think, act and operate and is woven throughout our business strategy. Through action, transparency and accountability in our five focus areas, we continually make strides toward a brighter future with bold representation for all. In 2023, we continued our efforts to enhance diversity and inclusion across all levels of our organization to reflect our diverse customer base and the communities we serve.

Our SVP and Chief Diversity, Equity & Inclusion Officer leads the strategic development of DE&I across the enterprise, which is guided by our five focus areas and supported by the Macy's, Inc. Diversity, Equity & Inclusion Business Council (DEIBC). The DEIBC is co-chaired by our CEO and our SVP and Chief Diversity, Equity & Inclusion Officer and is composed of senior executives and leaders from all areas of the company who are committed to expand the company's DE&I work and accelerate progress across the enterprise.



“At Macy’s, Inc., we are driven by our purpose and guided by action, transparency, intentionality and accountability. Our work in DE&I prioritizes institutional advancement and personal development — fueling both systemic change and individual growth.

This work strengthens our brand and creates meaningful connections for all our stakeholders. By prioritizing these values and through *Mission Every One*, we aim to create a brighter future with bold representation for all that empowers more voice, choice and ownership for colleagues, customers and communities.”

— SHAWN OUTLER, Chief Diversity, Equity & Inclusion Officer

## DE&I IMPACT

### 2023 BY THE NUMBERS

As of FY 2023

**30.1%**

Ethnically diverse director-level and above colleagues to engage with our entire customer base

**\$805 million\***

In products and services from diverse suppliers, 4.2% of our company spend

**\$250,000**

In business grants committed to The Workshop at Macy's program participants

**\$1 million**

Funded for organizations advancing justice and equity in underserved communities

**75%**

Of all MOSAIC participants were retained since inception of the program

\*Unaudited as of 3/1/24.

Our **DE&I Vision** is to be the beacon of diversity, equity & inclusion for our colleagues, customers and communities.

Our **DE&I Mission** is to embed diversity, equity & inclusion into how we think, act and operate.



## Our DE&I Journey

For more than two decades, Macy's, Inc. has embedded DE&I into how we think, act and operate enterprise-wide. Our strong foundation, established over time and reinforced continually through our actions, underpins our industry-leading position today. Our portfolio of innovative investments and authentic partnerships drives supply chain resiliency, contributes to the economic vitality of communities in which we do business and ensures we have a strong team to serve all our customers.



# DE&I Milestones

EARLY 2000'S	2010 – 2017	2018 – 2019	2020 – 2021	2022	2023
<p><b>Business Case for Diversity</b></p> <ul style="list-style-type: none"> <li>• Focused on compliance and representation</li> <li>• Managed brand reputation through relationships with influential community leaders</li> <li>• Launched Customer Bill of Rights in New York</li> </ul>	<p><b>Merchandising Strategies to Address Emerging Markets</b></p> <ul style="list-style-type: none"> <li>• Established retail and non-retail supplier diversity offices</li> <li>• Launched The Workshop at Macy's designed to educate Women and Minority-owned brands to do business at scale</li> <li>• Organized Diversity &amp; Inclusion Business Council (DIBC) to drive accountability</li> </ul>	<p><b>Established Diversity &amp; Inclusion Center of Expertise</b></p> <ul style="list-style-type: none"> <li>• Launched holistic, enterprise-wide diversity and inclusion vision and mission</li> <li>• Defined clear goals and KPIs leveraging global benchmarking</li> <li>• Reinstated DIBC to drive accountability</li> <li>• Published goals externally to increase transparency</li> </ul>	<p><b>Addressed Racial Injustice &amp; Need for Systematic Change</b></p> <ul style="list-style-type: none"> <li>• Refocused diversity and inclusion strategy to address stakeholders' needs</li> <li>• Led change and accountability through five focus areas: Colleague, Customer, Supplier, Community and Marketing</li> <li>• Joined efforts with the CEO of Action for Racial Equity to advance scalable and sustainable public policies</li> </ul>	<p><b>Accelerated Progress on DE&amp;I</b></p> <ul style="list-style-type: none"> <li>• Launched a new enterprise-wide social purpose platform: <i>Mission Every One</i></li> <li>• Drove action, transparency and accountability in the five focus areas</li> <li>• Delivered on published goals, including publication of EEO-1 Report</li> <li>• Launched S.P.U.R. Pathways: Shared Purpose, Unlimited Reach for greater access to capital, education and customers</li> </ul>	<p><b>Advanced an Inclusive Culture &amp; Environment</b></p> <ul style="list-style-type: none"> <li>• Strengthened fluency of diversity dimensions across the five focus areas</li> <li>• Expanded Colleague Resource Groups and leadership development resources so all Macy's and Bloomingdale's colleagues can join within their business function</li> <li>• Maintained \$1M commitment to funding organizations advancing justice and equity in underserved communities</li> <li>• Launched inaugural DE&amp;I annual report available on <a href="https://www.macysinc.com">macysinc.com</a></li> </ul>

# Customers

Our commitment to customers is to provide a shopping experience where they are valued and treated with dignity, respect and kindness. This includes ensuring our vision, actions and products are accessible to and inclusive of the full spectrum of who our customers are.

## Customer Bill of Rights

The foundation of our commitment is our [Customer Bill of Rights](#) (CBOR), introduced in 2019 across our Macy's and Bloomingdale's stores. The CBOR is a consistent and visible declaration to our customers, reinforcing our beliefs about fair and equitable treatment. In 2023, we made progress on our phased approach by introducing a Customer Bill of Rights at Bluemercury, furthering our efforts to foster stronger advocacy and intervention enterprise-wide.

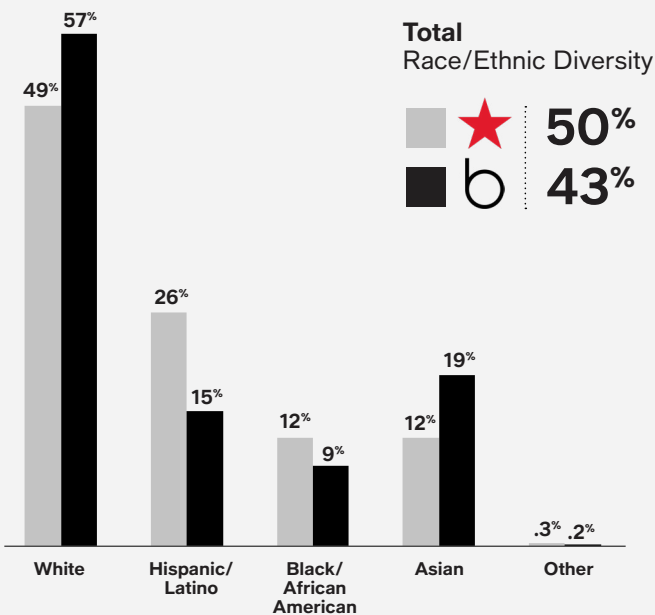
## DE&I Champion Team

We reinforce these principles consistently through colleague development and resolving concerns in a manner consistent with our customer commitments. Our stores' DE&I Champion team models the behaviors that encourage and advance the application of DE&I best practices. This team is composed of Macy's and Bloomingdale's divisional and trade-area vice presidents, store managers and department leaders who convene regularly to advance DE&I and discuss the impacts of societal topics on the work environment.

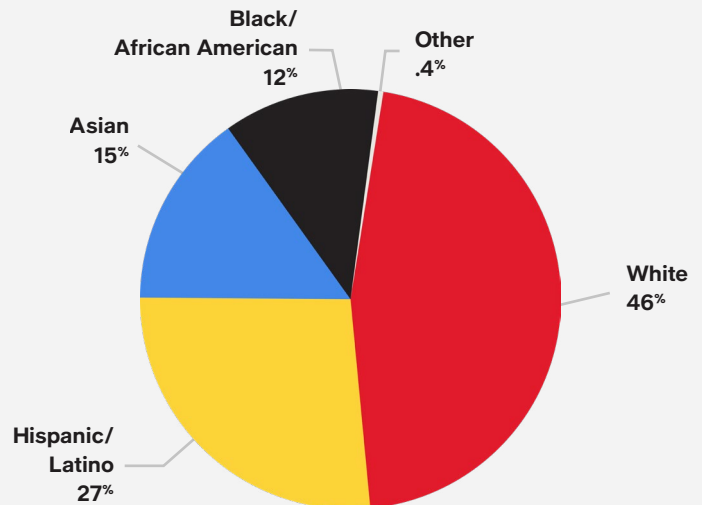
## L.E.A.R.N.

We respond quickly and consistently when issues arise by following the L.E.A.R.N. (Listen, Empathize, Apologize, React Now) education model. This ensures that customer feedback or complaints regarding profiling or discrimination are handled within 48 hours, and customers are assured their concerns are taken seriously.

## Customers by Demographic



## Sales by Demographic



Macy's and Bloomingdale's Customer and Sales Penetration in fiscal year 2023. Race and ethnicity inferred data is derived from a third-party source. Figures may not sum due to rounding.

# Colleagues

Five DE&I skills are embedded into all signature colleague programming, education and leadership development opportunities:

- Acting on unconscious bias
- Awareness and mitigation of microaggressions
- Communicating with empathy
- Cultivating an inclusive environment
- Displaying advocacy and allyship

We are committed to reflecting the full spectrum of diversity at all levels of our organization. We believe that by empowering colleagues to harness and unleash the power of their individuality, we can drive better business decisions and greater innovation. Because of this, we continue to embed DE&I in all talent strategies as we strive to be the preferred employer in retail.

In 2023, we focused on building a culture of increased inclusion and cultural fluency by establishing an environment of culturally aware and emotionally intelligent leaders. By leveraging learnings from our prior DE&I simulation-based training to further embed our five DE&I skills (acting on unconscious bias, awareness and mitigation of microaggressions, communicating with empathy, cultivating an inclusive environment and displaying advocacy and allyship) into all signature colleague programming, education and leadership development opportunities. As a result, our colleagues were able to build individual and group skills that contribute to building company culture.





## Diverse Representation

We are building a workforce that represents, across all levels of our organization, the diversity of our customers. We know that when our colleagues and leadership more closely reflect our customers, we are better positioned to advance growth and innovation.

We improve and maintain diverse representation through retention, development and support programs and increased external hiring. We have a strong legacy of gender representation at the director level and above. Additionally, by increasing diverse candidate pools, we achieved 30.1% ethnic representation at those levels in 2023.

As part of Macy's, Inc.'s continued commitment to transparency, our Federal Employer Information Report EEO-1 Component 1, which reflects our U.S. colleagues, is available on our [website](#). This reporting will follow disclosure guidelines and align to federally mandated job categories that might not align with our organization structure.

### Board of Directors Diversity

As of April 15, 2024

#### Race/Ethnicity

27% Ethnically Diverse

(7% Black, 13% Asian, 7% Hispanic/Latino)

#### Gender

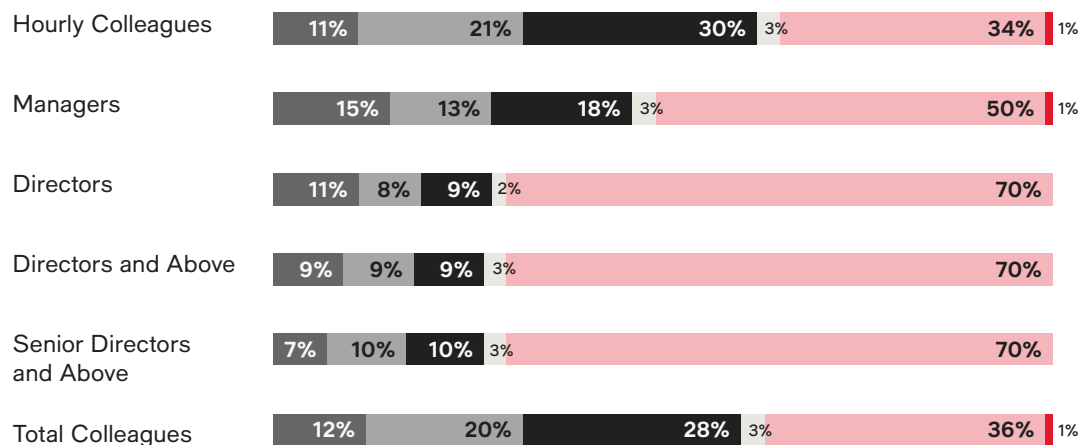


40% Women (6 of 15)

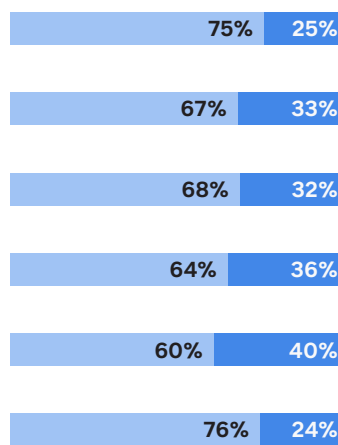
### Colleague Diversity

As of February 3, 2024

#### Race/Ethnicity



#### Gender



Note: Data reflects colleague diversity across Macy's and Bloomingdale's only.

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

## Connecting Colleagues

We strive for colleagues to reach their highest level of achievement by building a culture that embraces who we are, what we care about and what we believe. Our investment in building this culture includes company-wide programming and learning opportunities that open space for colleagues to grow their awareness, education and fluency on a wide range of topics.

### Colleague Resource Groups

Our colleague-led, company-endorsed Colleague Resource Groups (CRGs), formerly known as Employee Resource Groups, are formed by a common interest that empowers a community whose collective voice fosters an inclusive company culture. Our enterprise network of CRGs hosts conversations and events and partner across the organization to support our communities, drive colleague engagement and development and serve as a key resource to Macy's, Inc. Each one has a mission aligned to our overall DE&I vision and strategic priorities and is a key driver in building a more inclusive culture that fosters colleague connection.

In 2023, we embarked on a CRG Refresh "From Legacy to Leadership," centered on building a wider and more connected CRG ecosystem. This included expanding CRGs to all Macy's and Bloomingdale's stores across the country, bringing local chapters together for collaboration and connection and aligning to four focus areas: Career, Commerce,



Today there are 17 CRGs available across our corporate offices, stores and distribution centers, now operating in 682 locations, and all Macy's and Bloomingdale's colleagues now have the ability to join a CRG within their business function.

Culture and Community. To empower CRG leaders and enhance the CRG ecosystem, skill-building workshops were conducted on facilitating societal-topical open forums and effective LinkedIn usage.

### Week of Understanding

For the third consecutive year, we held our Week of Understanding, which 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. The goal of the week is to drive open dialogue and allyship and inspire action for change. In 2023, we encompassed additional facets of identity by including sessions addressing disability inclusion and religious diversity.

#### CRG | ateam

Asians & Pacific Islanders at Macy's

#### CRG | atlas

Emerging Leaders at Macy's

#### CRG | better earth

Environmental & Social Impact at Macy's

#### CRG | embrace

All Cultures & Backgrounds at Macy's

#### CRG | hsw

Health, Safety & Wellness at Macy's

#### CRG | la voz

Hispanics & Latinos at Macy's

#### CRG | live well

Physical, Mental & Financial Well-Being at Macy's

#### CRG | onyx

Blacks & African Americans at Macy's

#### CRG | wam

Women at Macy's

#### CRG | working families

Work/Life Balance at Macy's

#### CRG | embrace

All Cultures & Backgrounds at Bloomingdale's

#### CRG | fit & well

Fitness & Well-Being at Bloomingdale's

#### CRG | futuregen

Future Leaders at Bloomingdale's

#### CRG | sustainable

Environmental Sustainability at Bloomingdale's

#### CRG | women+

Women at Bloomingdale's

#### CRG | multicultural+

All Cultures & Backgrounds at Bloomingdale's

#### CRG | interfaith

Spiritual Inclusivity at Macy's & Bloomingdale's

#### CRG | pride

LGBTQIA+ at Macy's & Bloomingdale's

## “Can We Talk?”

Established in 2016, our signature “Can We Talk?” series is one of the most well-attended DE&I discussion forums. These sessions cover current societal topics and include guest speakers who lend their insight to help our colleagues navigate today’s complex and difficult topics.



Kelley Robinson (right), President of the Human Rights Campaign and Human Rights Campaign Foundation, America’s largest civil rights organization working to achieve equality and liberation for LGBTQ+ people. Jeff Gennette and Robinson discussed the issues affecting the daily lives of LGBTQ+ people, their learnings from lived experiences and how to further build our critical DE&I skills of advocacy and allyship.



Dr. John Fitzgerald Gates (right), Vice Provost for Diversity, Inclusion and Belonging and Clinical Professor for the Mitchell E. Daniels, Jr., School of Business at Purdue University. Jeff Gennette and Dr. Gates discussed the impact of societal events on cultivating inclusive environments and how embracing DE&I concepts can have positive business benefits for corporations.

# Suppliers

Macy's, Inc. has over a decade-long history of building a holistic ecosystem that engages suppliers with access to customers, education and capital and aims to support growth, close wealth gaps and remove barriers faced by diverse-owned and underrepresented businesses. This foundation has helped our vendor partners scale. As a result, we increase supply-chain resiliency and offer more differentiated products and solutions to our customers.

As we strive to be a catalyst of change, our work in business diversity plays a significant role in ensuring that we have diverse perspectives and experiences to better understand the needs of and to better engage our customers and communities and that we support local economies and engage in new markets. In 2023, we evolved from supplier diversity to business diversity to foster increased economic growth with underrepresented segments of the business and customer community. Business diversity is a holistic approach to supporting diverse supplier growth internally and externally by collaborating across a robust ecosystem and multiple business stakeholders.

Some of our business diversity accomplishments for 2023 included:

- Expanded our business diversity policy to include all Macy's, Inc. nameplates: Macy's, Bloomingdale's and Bluemercury
- Welcomed Disability-Owned Business Enterprises (DOBE) into our business diversity ecosystem
- Amplified sphere of support through three key pillars of access opportunities through our 2023 Business Diversity Roadshow
- Launched the Business Diversity Learning Hub to educate and support our colleagues in supply chain and merchandising with tools, resources and videos for best practices to support our diverse supplier streams
- Offered \$250,000 in business grants to participants of The Workshop at Macy's cohort
- Increased spend with diverse-owned and underrepresented suppliers that reflect our customers' evolving needs as we further expand our portfolio of diverse and underrepresented suppliers to reflect our changing customer demographics

## BUSINESS DIVERSITY ECONOMIC IMPACT 2023 BY THE NUMBERS

As of FY 2023

**\$805 million\***

Macy's, Inc. purchases from underrepresented businesses

**\$250,000**

Total business grants offered to The Workshop at Macy's 2023 class cohort

**900+**

Total number of underrepresented suppliers in the Macy's, Inc. portfolio

**1,800+**

Entrepreneurs attended 2023 Business Diversity Roadshow to learn about our sphere of support

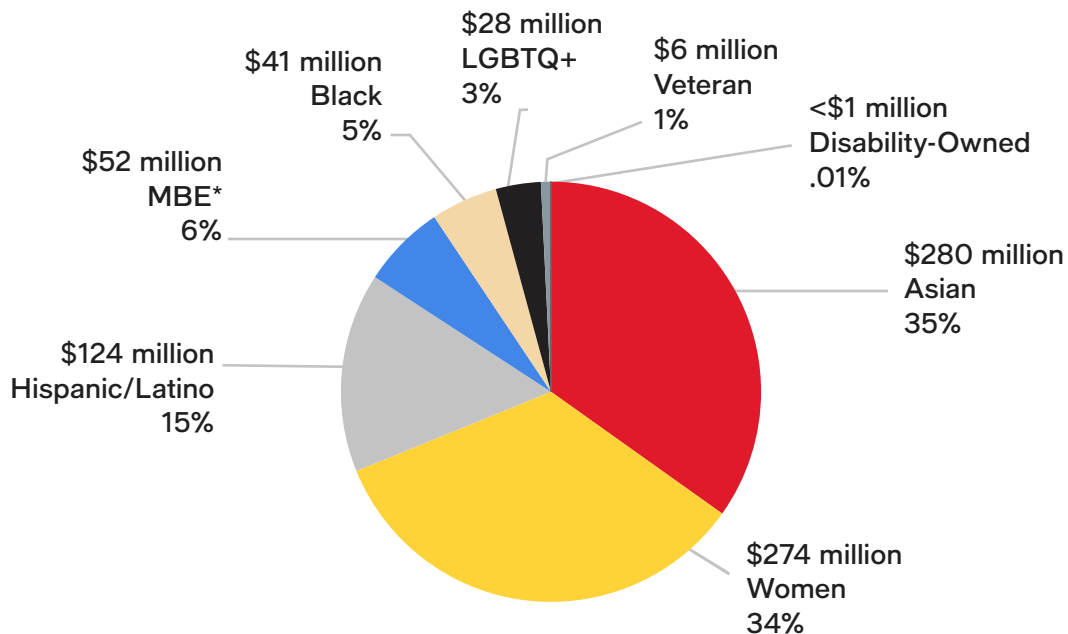
**120+**

New retail and non-retail\*\* suppliers onboarded in 2023

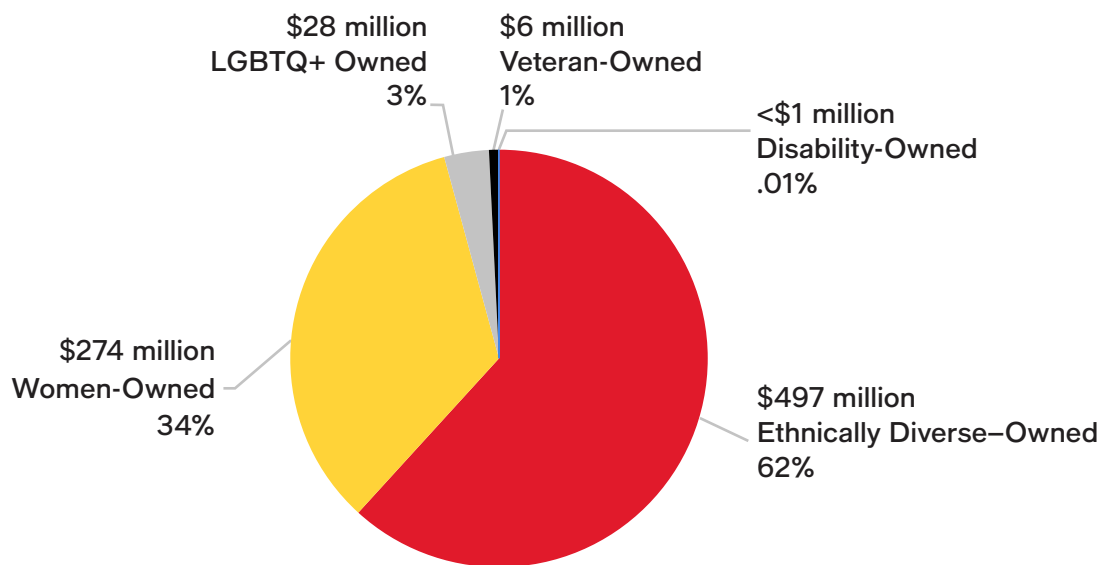
\*Unaudited as of 3/1/24.

\*\*Retail is the sale of goods directly to customers. Non-retail represents services and goods not for resale.

## 2023 Diverse-Owned Spend by Affinity Group



## 2023 Diverse-Owned Spend Breakdown



Note: Spend unaudited as of 3/31/24.

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

## Supporting Business Diversity with Access to Education

Through access to education, we create and provide programs, tools and resources to foster growth of our diverse-owned businesses.

### The Workshop at Macy's

The Workshop at Macy's (The Workshop) is the retail industry's longest-running retail accelerator program dedicated to driving growth and providing opportunities to diverse and underrepresented brands. Since its founding in 2011, The Workshop has represented our ongoing commitment to amplifying and uplifting underrepresented businesses by providing entrepreneurs with a best-in-class development program. The program has grown to empower more than 220 graduate brands, provide more than 500 hours of educational training and supply \$500,000 in business grants.

During this year's program, 25 business owners were immersed in an extensive curriculum covering fashion trend forecasting, assortment planning, sustainability, marketing and branding, financial management and access to capital.

In addition to offering access to critical education and funding resources, Macy's holistic supplier ecosystem offered the 2023 class an opportunity to connect with new customers through a pop-up shop on macys.com and \$250,000 in business grants. Throughout the program, Workshop participants were able to attain first-hand experience selling their products at scale.

Following The Workshop graduation, participants were introduced to Macy's Buyers and Digital Marketplace teams that may lead to the opportunity to onboard as vendors across Macy's retail ecosystem.

The 2023 winner of the competition was Cardon, which received a \$100,000 business grant, \$25,000 in marketing services from Klarna and a marketing consultation with SPARK Foundry. Cardon provides high-quality but affordable products for men's skin and hair concerns, backed by Korean innovation and science. Cardon's products target men's specific personal-care needs, such as shaving irritation, and use unique ingredients like cactus extract. The Asian and Women-owned company, founded by Narae Chung and Jacqueline Oak, is based in New York and now sells at Macy's.

Applications for the 2024 cohort were accepted between September and November 2023.

## THE WORKSHOP AT macys

### In 2023, The Workshop at Macy's:

- Marked its 12th year
- Graduated 25 diverse and underrepresented entrepreneurs
- Offered \$250,000 in business grants to participating businesses
- Added new classes on Sustainability Best Practices and Macy's Marketplace

### The Workshop at Macy's Vendors\*

CARDON

BESIDA

WAX BUFFALO  
PURE SOY Candle CO.

SURPRISE  
POWERZ

carlton jones

\*Examples of brands that participated in the Women-Owned in Retail vendor spotlight.

## Women-Owned in Retail

We partnered with Women's Business Enterprise National Council (WBENC) to host the Women-Owned in Retail program for the third consecutive year. Women-Owned in Retail is an education and outreach program designed to help grow women-owned businesses with consumer goods to scale and thrive in the retail space.

In 2023, Macy's, Inc. and WBENC developed a three-part Women-Owned in Retail series. We kicked off our first activation at the WBENC National Conference, in Nashville, Tennessee, alongside representatives from several retailers. We spoke to attendees about the holistic Macy's, Inc. business diversity ecosystem, from *Mission Every One* and *The Workshop* at Macy's to Macy's Marketplace and S.P.U.R. Pathways.

We also hosted two boot camp sessions to extend the impact of the program. The first was titled *Fashion Forward*, in which women-owned business enterprises (WBEs) were offered insights on what large retailers are looking for in suppliers, the role of business diversity in the buying process, forging successful merchant relationships and best practices within operational logistics. The second boot camp, *It Starts with Her*, provided vendor spotlights for women-owned brands carried at Macy's and Bloomingdale's. Programming included a virtual coffee chat with Macy's and Bloomingdale's executives sharing their stories about their career journey, effective leadership, mentorship and techniques to manage stress and avoid burnout.



## Supporting Business Diversity with Access to Capital

One of the biggest barriers to scaling diverse-owned brands is accessing capital. Offering access to capital lowers the barriers to entry and increases access to capital needed to scale and grow.

### **.S.P.U.R. pathways**

Shared Purpose, Unlimited Reach

In November 2022, we launched S.P.U.R. Pathways: Shared Purpose, Unlimited Reach, an innovative funding program to advance entrepreneurial growth, close wealth gaps and shatter systemic barriers faced by underrepresented businesses and underserved communities.

Through a \$30 million investment, Macy's, Inc. supports access to critical funding, as well as a comprehensive range of financing options from growth equity capital to loans for working capital and commercial real estate. S.P.U.R. Pathways also provides founders a full suite of educational resources, aimed to fuel outsized growth.

This innovative effort, created in partnership with Momentus Capital, will ultimately represent up to \$200 million in access to critical funding and advances a long-standing Macy's, Inc. commitment to underrepresented businesses and underserved communities and aims to galvanize the retail industry to invest in the next generation of entrepreneurs.

Since its inception, S.P.U.R. Pathways deployed \$9.2 million in capital to underfunded growth-stage businesses and entrepreneurs creating economic growth in these communities.



### SUPPLIER SPOTLIGHT: VAILA SHOES

Founded by Ahriana Edwards, Vaila Shoes is a modern dress footwear brand offering extended sizes of 9–14.

Through funding from S.P.U.R. Pathways, Ahriana Edwards was able to scale Vaila Shoes, ultimately enabling her to onboard as a

Macy's brand. Vaila Shoes are now available at select Macy's stores and online at [macys.com](https://www.macys.com).

Participating in Macy's, Inc.'s holistic supplier ecosystem, Ahriana Edwards will join the 2024 class of The Workshop at Macy's.

## Supporting Business Diversity with Access to Customers

Access to customers creates opportunities for diverse-owned brands to increase brand recognition and reach at Macy's, Inc. and beyond.



### Fifteen Percent Pledge

In 2020, Macy's, Inc. was an early signatory of the long-term pact Fifteen Percent Pledge. Since our commitment, we have onboarded more than ten times the number of Black-owned brands, with product sold nationwide and online. Through this partnership, we are reaching a broader community, including the *Business Equity Community*.<sup>\*</sup> As part of our efforts to create a sustainable and supportive foundation for Black-owned businesses to succeed, we collaborated on several activations throughout the year from amplifying brands on digital media channels to holiday in-store events and holiday gift guiding. We provided programming to educate on access to capital with S.P.U.R. Pathways and access to education with The Workshop at Macy's.

<sup>\*</sup>A directory of Black businesses for every category from fashion & beauty to food, wellness, art, publishing and more.





Desiree Rogers of Fashion Fair

### Macy's Live

We also provide additional access to customers for suppliers to increase brand awareness through Macy's Live, a regular live shopping event on macys.com. The events offer customers personal stylist tips, the latest trends and exclusive offers. Macy's Live sessions and Live Style are focused on diverse-owned brands during heritage and history months, including Black History, Women's History, AAPI, Pride and Hispanic Heritage.

In 2023, Desiree Rogers of Fashion Fair cohosted a Macy's Live session. Fashion Fair is part makeup company, part history. Co-owners Cheryl Mayberry McKissack and Desiree Rogers are preserving the legacy of this iconic brand while introducing it to new multicultural audiences. The newly envisioned prestige makeup and skincare line has built upon its 50-year history to create new natural, dermatologist-approved formulations that do double duty to fight issues associated with deeper skin tones while creating beautiful finishes.

### Partnerships with National Advocacy Groups & Organizations

We partner with national advocacy groups and trade organizations and associations to advance, connect and source suppliers. These partnerships represent a shared commitment to breaking down barriers and increasing opportunities for diverse-owned suppliers to develop from infancy to scale. We continue our commitment with our partners through a variety of activations, including conferences, events, sponsorships, programming and technical capacity building.

In 2023, we shared our sphere of support and reached over 1,800 entrepreneurs and engaged more than 40 presenters and speakers. Our reach spanned internal colleagues and external leaders and 14 organizations, including the National Urban League, CEO Action for Racial Equity and other national advocacy groups.



# Community

Our community partnerships reflect our goals and values. We maintain balanced support across all facets of identity aligned to *Mission Every One* and stay relevant to address the current climate to drive impactful and sustainable changes. Our nonprofit partners work within our focus areas of social justice, workforce development, economic development and education.

We partner with over 30 organizations across the U.S., including:

## Economic Development



## Education



## Social Justice



## Workforce



In 2023, we expanded our partner portfolio to include social justice nonprofit organizations focused on environmental justice and defending the rights of people with disabilities and the Hispanic/Latino communities. We work closely with our CRGs to strengthen these relationships and demonstrate our authentic commitment whether through volunteer events, mutually supportive events, partner sessions and more.

We remain steadfast in our commitment to directing \$1 million in funding to organizations advancing justice and equity in underserved communities, including the National Urban League and the Human Rights Campaign. We are proud to share that for the ninth consecutive year, Macy's, Inc. scored 100 on the Human Rights Campaign's Corporate Equality Index, resulting in being awarded the 2023 – 2024 *Equality 100* and earning a designation as a leader in LGBTQ+ workplace inclusion (formerly known as the Best Places to Work designation).

To learn more about how we are empowering communities, see the [Social Impact](#) section.

## Macy's x The Divine Nine

In our second year of the Macy's x Kasper Divine Nine Sorority Collection, we continued to build meaningful relationships with several organizations of The Divine Nine to support their mission and membership in meaningful ways. The special collection of apparel now includes more than 40 styles in various color combinations, reflecting the signature colors of historically Black-founded sororities, as well as an inclusive size scale to encompass all sizes offered in Missy and Plus. In 2023, we continued to feature members in advertisement photography. Macy's donated a total of \$1.75 million in 2022 and 2023 to various Divine Nine Sorority educational and research foundations in celebration of the collection. In addition, Macy's partnered with and supported signature events and national conferences throughout the year, including career fair participation, professional development workshops, programming for business owners and more. In 2024, we will continue to build and expand the meaningful relationships between our organizations for even greater impact.



## Human Rights Campaign (HRC)

Macy's, Inc. supported HRC, the nation's largest national advocacy organization for lesbian, gay, bisexual, transgender and queer (LGBTQ+) Americans, as a Platinum National Corporate Partner in their work to end discrimination against LGBTQ+ people by doing our part to ensure workplace equality and providing funds for this crucial work.

## National Urban League (NUL)

Macy's, Inc. partnered with NUL, a historic civil rights organization dedicated to economic empowerment, equality and social justice for underrepresented communities, by sponsoring the Social Justice Forum, *Beyond Crime & Punishment: The Path to Restorative Justice*, and the Women of Power Luncheon events at the 2023 NUL Conference in Houston, Texas. In addition, Macy's, Inc. sponsored NUL's Equal Opportunity Dinner, an annual event that celebrates trailblazing leaders in industry, media, the arts and government who personify the NUL's mission of equal opportunity for the underserved.



# Marketing

Marketing continues to consistently and genuinely reflect the full spectrum of our customers within imagery, messages and experiences through diverse representation, embracing and expressing cultural fluency and championing diverse-owned brands.

In 2023, we continued our focus on diverse representation in casting (defined as: size, race/ethnicity, age and LGBTQ identification) and increased media reaching ethnically diverse audiences. Additionally, for the first time in company history, we established diverse representation in marketing for Bluemercury.

We continue to increase exposure for diverse-owned brands by developing content and holiday/gifting look books, as well as featuring our own colleagues in marketing collateral, tagging diversity designations (e.g., AAPI-owned, LGBTQ-owned) on our website and offering multicultural holiday gift cards.

## Macy's Studios & Iconic Events

Advancement of diverse representation and the embedding of DE&I throughout the business is a priority across our organization. This work is highlighted within our large-scale and uniquely Macy's Iconic Events. By showcasing diverse talent, creators and designers, we further our social purpose platform's aim to create a brighter future with bold representation for all by offering our customers and viewers a front row seat to the best entertainment.

The Macy's Thanksgiving Day Parade is the biggest stage for entertainers during the holiday season, drawing millions of viewers in New York and across the country annually. The 2023 edition of the holiday tradition celebrated balloons, floats, celebrity talent, marching

bands and performance groups from around the country, showcasing different communities and cultures and continuing the advancements made in 2022. The 97th edition also welcomed a very special Mrs. Claus — the first Black actor portraying the role — bringing joy to millions across the nation in our most viewed Macy's Thanksgiving Day Parade ever.

The 2023 4th of July Fireworks® paid tribute to the 50th anniversary of hip hop and America's trailblazers, while celebrating New York City's first-ever drone display and earning the highest broadcast viewership to date. Additionally, as part of our efforts to create a more equitable and inclusive experience for our customers, we continue to incorporate Black, Spanish-speaking and closed-caption-preferred Santa options as part of Macy's Santaland® experiences in select flagship locations.

## Best-in-Class Partners

In 2023, we deepened our relationship with Seven Elements Group, a Black- and women-owned marketing and creative agency, to further advance the cultural fluency of our marketing, as well as our history and heritage moments. We held a "culture conversations" series to lead our Marketing team through discussions about the cultural nuances, passion points and insights of underrepresented consumers. In 2023, we evolved culture conversations and introduced roundtables designed for marketing colleagues to strengthen their cultural fluency. With these weekly office hours, cross-functional teams have real-time access to cultural experts, strengthening their DE&I fluency and impacting communications, decision-making and execution. This has provided an opportunity to think differently and ask critical questions, bringing an elevated level of thoughtfulness to the work.

## Marketing to Promote Diverse-Owned Brands

Black History Month	Women's History Month	Asian American Pacific Islander Heritage Month	Pride Month	Hispanic Heritage Month

## Awards & Recognitions

We are proud to have been recognized by organizations who shine a light on achievements in diversity, equity & inclusion.



2023 – 2024 Equality 100 by Human Rights Campaign  
Corporate Equality Index



2023 America’s Greatest Workplaces for Diversity and LGBTQ+ by *Newsweek*



2023 America’s Best Places to Work for Hispanics/Latinos by Hispanic/Latino Professionals Association



America’s Top Corporations for Women’s Business Enterprises (WBEs) by Women’s Business Enterprise National Council



The Forefront 25 Top Corporations for Minority Businesses by the National Minority Supplier Development Council



“Best-of-the-Best” Corporations for Inclusion by National Business Inclusion Consortium



Inaugural Candace Waterman “Living By Your Values” Award by National Business Inclusion Consortium



Business Equality Excellence Award by BEQ-Business Equality Network



2023 Best of the Decade for Outstanding Supplier Diversity Programs by Minority & Multicultural Business News and Women’s Enterprise



Top Corporation of the Year by National Minority Supplier Development Council



2023 Black Enterprise Best Companies for Diversity by Black Enterprise



2023 Brandon Hall Gold HCM Excellence Awards for Best Learning Program that Supports and Promotes Diversity, Equity and Inclusion by Brandon Hall Group



# Community

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# Overview

At Macy's, Inc., we empower the curiosity and confidence of young people on their journey to become the leaders of tomorrow. We continue our decades-long legacy of giving back to the communities in which we live, work and play through grants, customer-led donations and colleague volunteerism. Giving back is one of our core values, and we want to create as much positive impact as possible.

# Community

We are working to create a brighter future with bold representation for all. We set ambitions to empower our communities.



Ongoing



Completed

## Social Impact

### MAINTAINING COMMITMENT TO SOCIAL JUSTICE

	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
\$1 million funded for organizations advancing justice and equity in underserved communities <small>(For details, see the <a href="#">Social Impact: 2023 by the Numbers</a> section.)</small>	Annual	\$1 million committed	\$1 million committed	Completed	

### EMPOWERING YOUTH WELL-BEING, LEARNING & LEADERSHIP

	YEAR	FY22	FY23	% TO GOAL	PROGRESS
*We will raise and direct more than \$100 million by 2025 to nonprofit organizations that support the mental health and education of youth, as well as environmental stewardship. <small>(For details, see the <a href="#">Social Impact</a> section.)</small>	2025	\$25 million	Nearly \$23 million	Approximately 48%	

### INSPIRING THE NEXT GENERATION OF DESIGNERS & CREATORS

	YEAR	FY22	FY23	% TO GOAL	PROGRESS
*We will provide \$2 million by 2025 to support programs and scholarships for youth in fashion, design and sustainability, and we will offer mentorship and employment opportunities through our business. <small>(For details, see the <a href="#">Philanthropic Investments &amp; Community Outreach</a> section.)</small>	2025	\$680,000	\$762,000	72%	

\*Mission Every One-related commitment across our commitment pillars.



# Social Impact

Building on a 160-year tradition of corporate citizenship, we strengthen communities by supporting local and national nonprofits as they create meaningful social impact. We leverage our unique position as a national retailer to create meaningful programs with our partners, empowering our future leaders nationwide.

In 2023, we continued our efforts by focusing on our partnerships with *Mission Every One*-aligned nonprofits to help deliver on our people, community and planet commitments. This included developing strategic partnerships to support our sustainability ambitions in human rights, environment and circularity, as well as developing meaningful programs and activations between colleagues and nonprofits, such as mentorships and scholarships. Our analysis shows that Macy's social purpose efforts continue to support stronger love for and commitment to the Macy's nameplate.

In September 2023, Macy's, Inc.'s *Mission Every One* was recognized as an outstanding Philanthropic Initiative by Ragan's CSR and Diversity Awards.



## **Education & Mentorship**

We encourage youth to access diverse learning experiences, such as mentorship programs, learning experiences and resources that can strengthen their financial stability, economic mobility and employment opportunities.



## **Mental Health & Well-Being**

We support developing a strong foundation for youth to navigate the challenges of today and tomorrow by focusing on outcomes that destigmatize mental health and increase access to resources and services that build a strong foundation for success.



## **Environmental Stewardship**

We empower youth to protect and advocate for a healthier planet for many generations to come by engaging young people in environmental stewardship programs and increasing access to nature and the outdoors.



# 2023 by the Numbers

As of FY 2023

**\$33.1 million**

raised and donated to 800+ organizations across the U.S.

**nearly \$23 million**

directed to youth-focused programs supporting mental health, mentorship and environment stewardship

**66,000**

colleague volunteer hours

**\$11.8 million**

donated in over 1,000 grants to almost 400 communities, including \$1 million funded for organizations advancing justice and equity in underserved communities

**\$17.8 million**

raised through 16 national customer fundraising campaigns

**\$3.5 million**

donated by our colleagues to over 5,000 causes

**943,000**

youth received access to mental health services, resources and materials

**53**

nonprofits supported with volunteer grants (Dollars for Doers)

**\$407,000**

provided to respond to disasters through corporate giving, colleague matching/donation and customer round-up

## Social Impact Collaborative

To amplify our impact and move from partner-focused campaigns to create mission-focused campaigns, we created the Social Impact Collaborative with select nonprofit partners in 2023. The purpose of this group and initiative is to identify untapped opportunities and innovations surrounding a shared goal of empowering youth. This new mission-focused partner collaborative and activation series leverages our resources for greater impact.



**Within the Social Impact Collaborative, we formed two sub-committees focused on career development and mental health:**

**The career development sub-committee** bridges the career-development gap for future generations by providing students with opportunities to explore different careers, connect with industry experts and engage in industry-trend conversations.

The career development sub-committee sponsored 30 college students to attend the 2024 National Retail Federation (NRF) Foundation Student Conference and hosted a Tour and Talk with Macy's Talent Acquisition team to explore potential careers at Macy's.

**The mental health sub-committee** brings our partners together to identify initiatives and programs to create meaningful change in young people's mental health.

### SOCIAL IMPACT COLLABORATIVE NONPROFIT PARTNERS INCLUDE:

- Ali Forney Center
- Big Brothers Big Sisters of America
- Center for Native American Youth
- Fashion Institute of Technology
- Girls Inc.
- Good Shepherd Services
- Hispanic Federation
- National Alliance on Mental Illness
- Partners for Youth with Disabilities
- Reading Is Fundamental
- Student Conservation Association
- The Jed Foundation
- The Trevor Project
- The Trust for Public Land








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# National Customer Campaigns

We invite our customers to join us in giving back throughout the year at Macy's and Bloomingdale's through our national social-impact campaigns. With our customers' help, we were able to raise more than \$17.8 million in 2023 through 16 national campaigns that support the critical work of nonprofits across the country. In 2023, our efforts were focused on deepening our relationships with our partners.



# FY 2023 National Customer Campaigns

FEBRUARY Black History Month	MARCH Women's History Month	APRIL Earth Month	MAY AAPI Heritage Month	JUNE Pride Month	JULY Back to School
 <p><b>UNCF<sup>1</sup></b> Funding scholarships for students at HBCUs <b>\$1.6 million*</b> <small>*Includes January 2024 fundraising of \$432,000</small></p>	 <p><b>Girls Inc.<sup>1</sup></b> Funding mentorships for girls and young women to realize their college and career aspirations <b>\$1.3 million</b></p>	 <p><b>Trust for Public Land<sup>2</sup></b> Funding their Community Schoolyards initiative, turning asphalt yards into vibrant playgrounds <b>\$1.2 million</b></p>	 <p><b>APIA Scholars<sup>1</sup></b> Funding college access and student success for APIA students <b>\$1.25 million</b></p>	 <p><b>The Trevor Project<sup>3</sup></b> Funding suicide prevention services for LGBTQ+ youth <b>\$1.2 million</b></p>	 <p><b>Reading Is Fundamental<sup>1</sup></b> Funding programs to close the youth literacy gap, with a focus on race, equity and inclusion work to help every child read <b>\$1.3 million</b></p>
			 <p><b>Bloomingdale's: Child Mind Institute<sup>3</sup></b> Advancing kids' mental health through clinical care and research <b>\$97,000</b></p>		

AUGUST 1 – SEPTEMBER 14 Mental Health	SEPTEMBER 15 – OCTOBER 15 Hispanic Heritage Month	OCTOBER 16 – OCTOBER 31 Local Charities	NOVEMBER 1 – DECEMBER 31 Holidays	DECEMBER Holidays
 <p><b>National Alliance on Mental Illness and The Jed Foundation</b> Funding mental health and well-being resources and support for high school and college-aged youth <b>\$1.49 million</b></p>	 <p><b>Hispanic Federation<sup>1</sup></b> Funding educational, mentorship and leadership programs to equip Latino youth for college success <b>\$1.1 million</b></p>	<p>Funding local nonprofit beneficiaries chosen by select Macy's stores, helping foster local grassroots connections <b>\$419,000</b></p>	 <p><b>Big Brothers Big Sisters (BBBS)<sup>1</sup></b> Funding BBBS's mission to ignite the power and promise of youth through mentorship <b>\$4.7 million*</b> <small>*\$4.3 million in customer round-ups and \$400,000 in grants</small></p>	 <p><b>Bloomingdale's: Child Mind Institute<sup>3</sup></b> Advancing kids' mental health through clinical care and research <b>\$200,000</b></p>
 <p><b>Bloomingdale's: DonorsChoose</b> Providing supplies to public school classrooms in need <b>\$63,000</b></p>			 <p><b>Bloomingdale's: Breast Cancer Research Foundation, the Tutu Project</b> Raising awareness for breast cancer research and support <b>\$792,000</b></p>	 <p><b>Bloomingdale's: No Kid Hungry</b> Helping fight childhood hunger <b>\$101,000</b></p>
 <p><b>Bloomingdale's: FIT Sustainable Innovation Fund</b> Supports the next generation of sustainable fashion leaders <b>\$62,000</b></p>				

1. Education & Mentorship: Our partners are UNCF, Girls Inc., APIA Scholars, Reading Is Fundamental, Hispanic Federation and Big Brothers Big Sisters.  
2. Environmental Stewardship: Our partner is Trust for Public Land.  
3. Mental Health & Well-Being: Our partners include The Trevor Project, National Alliance on Mental Illness (NAMI), The Jed Foundation and Child Mind Institute.



### Child Mind Institute

The Child Mind Institute is dedicated to transforming the lives of children and families struggling with mental health and learning disorders. In 2023, Bloomingdale's entered the 14th year of partnership with the Child Mind Institute and raised funds and awareness during our May Mental Health Awareness Month campaign and December Holiday campaign. Customers could make a donation at check-out or purchase our limited-edition Little Brown Bear to support the organization. Bloomingdale's shoppers have funded financial aid for mental health, free diagnostic evaluations and in-school services for students in high-need communities — helping the Child Mind Institute reach more than 60,000 children and youth in need.



### Big Brothers Big Sisters (BBBS)

Macy's partnered with BBBS for the second year to help support one-to-one mentoring relationships that ignite the power and promise of youth. Our commitment to youth empowerment was accelerated as we expanded and deepened our partnership with BBBS in 2023, raising and directing \$4.7 million.\*

\*\$4.3 million from customer fundraising and \$400,000 Macy's corporate grants.



Ocean, 10  
Little Brother



Joe, 52  
Big Brother

## We believe mentorship creates brighter futures

Nov. 1-Dec. 24  
Donate to Big Brothers  
Big Sisters at checkout.





## KEY HIGHLIGHTS FROM OUR PARTNERSHIP WITH BBBS INCLUDE:

### Parade Integration

30 Bigs and Littles selected from a nationwide talent search and 30 Macy's colleagues were invited on the Macy's Singing Christmas Tree float in the iconic Macy's Thanksgiving Day Parade®. The group sang holiday classics along the Parade route and was featured on the national NBC broadcast, as well as NBC Nightly News. This integration brought to life our *Mission Every One* commitment to youth by providing unique mentorship access.

### C-Suite Mentorship

Macy's, Inc. hosted an afternoon of learning, pairing 15 Littles with senior leadership to discuss building professional and peer networks, self-advocacy, workplace mentorship and how to identify your strengths and be your authentic self at work. Senior leadership participants included Jeff Gennette, Macy's, Inc. Former-Chairman; Tony

Spring, Macy's, Inc. Chairman and Chief Executive Officer; Danielle Kirgan, Macy's, Inc. Chief Human Resources and Corporate Affairs Officer and Marc Mastronardi, Macy's Chief Stores Officer alongside Artis Stevens, BBBS President and CEO.

### Macy's x BBBS Little Doodle Collection

19 Littles from across the country provided the designs featuring bears, mugs and tree ornaments that were sold in 51 stores and online at macys.com. Macy's donated 50% of the purchase price of each item to BBBS.

### Best Mentor & Mentee

Macy's and BBBS invited their colleagues to nominate each other as Best Mentor and Best Mentee. The winners were celebrated with internal recognition and exposure to senior leadership.

# Philanthropic Investments & Community Outreach

Our corporate grants are allocated at local, regional and national levels to serve the communities in which we live and work. In 2023, we awarded \$11.8 million to nearly 400 communities across the U.S. We made further progress to align our grantmaking and community outreach programs with *Mission Every One*. In 2023, we reached 82% mission alignment across our corporate, regional and divisional grants, compared to 71% in 2022.



At the national and regional level, grants are awarded to nonprofit partners by invitation only and are aligned to the organization's youth empowerment, diversity, equity & inclusion and sustainability commitments. At the local level, funds are distributed through a network of division grant captains and store leaders who have direct connections to their local communities and partners.

## Education & Mentorship Spotlights

### Future of Style Fund

As a part of Macy's commitment to inspire the next generation of designers and creators, we developed the Future of Style Fund and committed \$2 million by 2025 to support fashion and design institutions with scholarships and resources for underrepresented students. Building on the \$680,000 we directed toward this goal in 2022, we directed an additional \$762,000

in 2023 taking our total to \$1.4 million. Partners include the Fashion Institute of Technology, Fashion Scholarship Fund, Clark Atlanta University, Parsons, NYU Stern Center for Sustainable Business, University of Delaware, Austin Community College, Henry Street Settlement, DreamYard and Savannah College of Art & Design.



# FASHION SCHOLARSHIP FUND

EST 1937

## Fashion Scholarship Fund

For 12 years, Macy's has supported Fashion Scholarship Fund and provided scholarship awards for deserving students, as well as networking, mentoring and professional development programming.

In partnership with the Fashion Scholarship Fund, we announced the Macy's, Inc. Jeff Gennette Scholarship in January 2024. In the next three years, Macy's will donate \$100,000 a year to provide scholarships, aligned with *Mission Every One* commitments, for eight fashion students each year. This donation will provide cash awards to subsidize students' tuitions and provide enrichment programming.

## Fashion Institution of Technology (FIT)



Macy's was a title sponsor of the FIT 2023 Future of Fashion Runway Show, which features cutting-edge designs from FIT's graduating BFA class. A panel of Macy's judges chose five finalists from the 2023 show — all of whom were mentored by Macy's Design team members — to compete in the Macy's Capsule Collection challenge. The winning look was sold as a short run in Macy's Herald Square and six other Macy's stores in Fall 2023. Macy's presented three Bold Representation Awards at the event, including a new award category — the Best Culturally Inspired Look — encouraging the next generation of creative talent to infuse heritage and culture into their fashion.



## Dress for Success (DFS)



Macy's donated \$100,000 and collaborated with DFS Worldwide to create a robust and informative program focusing on career exploration for DFS clients globally. The store team also hosted seven shopping experiences for local DFS clients.

## Partners for Youth with Disabilities (PYD)



Macy's supported PYD's national fellowship program, a cohort of 15 young adults with disabilities. Macy's Embrace Colleague Resource Group hosted a panel discussion and mentored the students.

## Reading Partners



Bloomington's partnered with one of our newest grant recipients, Reading Partners, to offer volunteer opportunities to colleagues for MLK Day of Service. Colleagues visited a New York City public school to spend the morning in their reading center delivering additional tutoring sessions to Reading Partners students. Colleagues around the country could also participate in giving back by donating a book through a book drive.

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## Mental Health & Well-Being Spotlights

### The Steve Fund



Macy's supported The Steve Fund's Survey of Students at HBCUs to uncover new data to understand the dynamics of mental health on the campuses of Black colleges and universities. The Steve Fund will use the data collected to design and deliver nine workshops and seminars for students, staff and faculty. This programming will build a responsive and innovative set of resources that will support mental health at HBCUs.

### Active Minds



Macy's supported Active Minds to fund eight Emerging Fellowship scholarships. The scholarship program is designed to provide funding and mentorship to early-stage BIPOC mental-health researchers to complete independent mental-health research projects and be connected with a network of young scholars and national experts in the field of behavioral health. The projects have a particular emphasis on health equity and antiracism related to young adult mental health.

## On Our Sleeves

### ON OUR SLEEVES

The Movement for Children's Mental Health

Macy's supported the creation of Primary Care clinician videos to start important conversations and give valuable tools to families about how to support the mental health of their children. These tools can improve both patient and clinician experiences.

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## Environmental Stewardship Spotlights

### Jane Goodall's Roots & Shoots



Macy's helped fund the National Youth Leadership Council and support the newly opened Tampa Basecamp in partnership with Roots & Shoots, a program of the Jane Goodall Institute that empowers young people to create a better world for humans, other animals and our shared environment.

### Student Conservation Association



Macy's provided funding to the Student Conservation Association, a nonprofit that aims to build and inspire the next generation of conservation leaders to support affinity groups in Chicago, Houston (BIPOC and low-income) and Atlanta (LGBTQ+).

For more information on our newly launched Sustainability Research Project in partnership with academic institutions, see the [Responsible Products and Sourcing — Environmental Responsibility in our Supply Chain](#) section.



## Colleague Giving & Volunteering

Giving back is one of our core values and is embedded in our culture and brought to life across every Macy's and Bloomingdale's location, store or supply chain facility. Colleagues are encouraged to connect with and give back to their local community and can do so by participating in one of our annual fundraising campaigns, volunteer programs, volunteer grants or a one-to-one matching gift program for eligible colleagues. In 2023, our colleagues volunteered more than 66,000 hours and donated nearly \$3.5 million to over 5,000 charities across the country.

### Volunteer Program

As an organization, we celebrate our colleagues who donate their time to make a difference by providing monetary awards to nonprofit organizations with which colleagues volunteered more than 100 hours annually. In 2023, we awarded volunteer grants to more than 50 nonprofits.

### Giving Captains and District Grant Captains

Our social impact programs are powered by a network of more than 1,000 community-minded Giving Captains who are colleagues working nationwide. Giving Captains volunteer as social impact champions by

leading volunteer projects, managing relationships with local nonprofit partners and educating customers and colleagues about our nationwide cause campaigns.

### Matching Gifts

Our matching gift program matches colleagues' donations 100 percent. To celebrate Giving Tuesday this year, Macy's, Inc. offered a double-match campaign for all eligible colleague donations. Together, we were able to triple our impact of nearly \$200,000 to nonprofit organizations across the country. In 2023, our colleagues donated a total of \$3.5 million to over 5,000 charities, and we matched our colleagues' generosity with nearly \$1 million in matching gifts.

## Annual Fundraising Campaigns

In 2023, 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 Macy's and Bloomingdale's colleagues donating more than \$2.8 million and volunteering approximately 22,000 hours.

- **Bag Hunger Campaign:** Since 1998, Macy's, Inc. colleagues have helped provide hundreds of millions of meals and year-round support to fight hunger. In 2023, we partnered with No Kid Hungry to address systemic issues contributing to childhood hunger and to support the company's commitment to food equity through CEO Action for Racial Equity. We are proud to announce that Tony Spring is our ambassador for Bag Hunger and our partnership with No Kid Hungry in 2024, helping to provide kids with access to food.
- **The Big Give Back:** This annual Macy's, Inc. colleague fundraising and volunteer campaign, launched in 2018, has raised almost \$19 million for local charities across the country, benefiting more than 10,000 unique charity recipients.

### Macy's and Reading Is Fundamental Partnered to Refresh a Detroit Area School Library

In 2023, honoring 20 years of partnership between Macy's and Reading Is Fundamental, more than 70 Macy's colleagues came together to help close the youth literacy gap in America. Detroit-area colleagues spent three days cleaning a school library space, assembling furniture and filling bookshelves to create a comfortable and inviting space for children of Charles Wright Academy of Arts and Science to read and learn. Each one of the 500 students were able to bring home a book, and all 30 area locations supported the initiative by donating more than 5,500 pieces of school supplies to the students.



# Planet

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# Overview

At Macy's, Inc., we strive to embed corporate responsibility throughout the enterprise to support sales-growth strategies while improving the company's ESG performance. Through our efforts to care for the people who make our products and manage our environmental impact, we curate and create sustainable products and services so people and the planet can thrive together.

The Chief Operating Officer and Chief Financial Officer (COO and CFO) reports to the Chief Executive Officer and is responsible for the teams that manage sustainability Initiatives. 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 Vice President of Sustainability & Responsible Sourcing 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, Risk Management, Investor Relations and others. The Sustainability team closely collaborates with the Sustainability Executive Steering Committee to engage stakeholders on ESG issues and ultimately provide feedback and recommendations to management and the Board of Directors. The COO and CFO works with the Disclosure Committee, which is made up of leaders from Financial, Legal, Investor Relations and Communications, to engage with stakeholders on ESG issues and provide feedback and recommendations to management and the Board of Directors.

The Board, through the Nominating and Corporate Governance Committee, provides ultimate oversight and guidance related to governance matters, as well as the company's programs, policies and practices relating to environmental and human rights issues, impacts and strategies. Twice a year, the Vice President of Sustainability & Responsible Sourcing presents an update to the Nominating and Corporate Governance Committee.

THE SUSTAINABILITY TEAM IS ORGANIZED AROUND FOUR PILLARS:

## Environment



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

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Maintain adherence to environmental regulatory requirements

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Manage environmental impacts, including greenhouse gas emissions accounting across Scopes 1, 2 and 3

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Establish policies and practices to improve environmental impact, including lowering greenhouse gas emissions and diverting operational waste from landfills

## Human Rights



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

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Confirm social compliance across Macy's, Bloomingdale's and Bluemercury private label sourcing suppliers

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Provide social compliance transparency

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Support worker well-being programs at factories producing private brand products

## 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.

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Maintain guidelines and parameters that support product designation of "sustainable"

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Increase penetration of preferred materials within private brands products managed by the Macy's Sourcing team

## Governance



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

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Embed sustainability throughout the enterprise

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Leverage KPIs, metrics and scorecards to track progress for internal and public disclosure

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Engage colleagues through training, awareness and sustainability initiatives

# Our Sustainable Stewardship Ambitions

We developed our Sustainable Stewardship Ambitions to advance our corporate strategy while creating shared value for our company and our stakeholders. Established in 2018, we continuously evaluate and adjust our ambitions to support future profitable sales growth strategies, improve our ESG performance and reflect our evolving stakeholder expectations.



Ongoing










Completed



## Products

FIBER & MATERIAL SOURCING	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p><b>40% of private brand</b> products managed by the Macy's Sourcing team made with <b>preferred sustainable fibers</b>, as defined by policies for each of Macy's key materials</p> <p>(For details, see the <a href="#">Sustainable Materials in Private Brand Products Managed by the Macy's Sourcing team</a> section.)</p>	2025	6.4%	35%	+28.6 percentage points	
<p>*Implement policies for Macy's materials, focused on cotton, synthetic, cashmere, wool and all wood-based materials, that support achieving <b>100% preferred materials in private brand</b> products managed by the Macy's Sourcing team</p> <p>(For details, see the <a href="#">Sustainable Materials in Private Brand Products Managed by the Macy's Sourcing team</a> section.)</p>	2030	Published Cotton and Wood Policies	Published Animal Welfare Policy, Exotic Skins Policy and Preferred Material Policy (Includes Cotton, Wood, Synthetics and Cashmere)	N/A	





CHEMICAL MANAGEMENT	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p>Implement a <b>corporate chemical policy</b> laying out our key principles for management, restriction and disclosure for private brand products managed by the Macy's Sourcing team</p> <p>(For details, see the <a href="#">Environmental Responsibility in Our Supply Chain</a> section.)</p>	2025	Published	Completed in 2022	Completed in 2022	
<p>Develop and implement a private brand <b>Restricted Substance List (RSL)</b> and <b>Manufacturing Restricted Substance List (MRSL)</b> for private brand products managed by the Macy's Sourcing team</p> <p>(For details, see the <a href="#">Chemical Phase-Out Ambition</a> section.)</p>	2025	Published RSL	<i>See below for progress related to testing of RSL</i>	RSL completed in 2022	
<p><b>75% of private brand apparel and soft textiles</b> managed by the Macy's Sourcing team will be <b>compliant to the hazard profile established</b> in the Macy's RSL</p> <p><b>100% of private brand apparel and soft textiles</b> managed by the Macy's Sourcing team will be <b>compliant to the hazard profile</b> established in the Macy's RSL/MRSL</p> <p>(For details, see the <a href="#">Chemical Phase-Out Ambition</a> section.)</p>	2025	Published RSL	78% Implementation of RSL began in Fall 2023	Completed in 2022	
<p><b>Eliminate discharge of hazardous chemicals in 50%</b> of Strategic and Core private brand Tier 1 supplier facilities for products managed by the Macy's Sourcing team</p> <p><b>Eliminate discharge of hazardous chemicals in 100%</b> of Strategic and Core private brand Tier 1 and Strategic Tier 2 supplier facilities for products managed by the Macy's Sourcing team</p>	2025	Establishing roadmap to support in 2024	Establishing roadmap to support in 2024	N/A	
<p>Develop and implement a <b>restricted ingredient list for conscious beauty</b></p> <p>Expand to additional categories, such as baby care, personal care and household cleaning products</p>	2025	Establishing roadmap to support conscious beauty in 2023	Developed updated conscious beauty guidelines for brands that will be published in 2024	N/A	

WATER	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
Implement <b>policy</b> to guide claims that products <b>reduce water consumption</b> (For details, see the <a href="#">Water Stewardship</a> section.)	2025	N/A (Launched in 2023)	Engaged WWF in 2023; Published Water Policy	Completed	
<b>Reduce water use</b> 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 (For details, see the <a href="#">Water Stewardship</a> section.)	2025	N/A (Launched in 2023)	Using established industry standard tools, identified our most water-intensive private brand product categories and determined the regions with the greatest water stress within our supply chain  Published Water Policy that guides our approach to address issues such as water scarcity, water quality and WASH (Water Access, Sanitation & Hygiene)	N/A	

SUPPLIER MAPPING & TRANSPARENCY	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<b>Publicly disclose 95%</b> of Core & Strategic private brand Tier 1 suppliers managed by the Macy's Sourcing team (For details, see the <a href="#">Factory Audits</a> section.)	2025	N/A	Published to Open Supply Hub	Completed	
<b>Publicly disclose 95%</b> of Core & Strategic private brand Tier 1 and Strategic Tier 2 suppliers managed by the Macy's Sourcing and Raw Materials teams (For details, see the <a href="#">Factory Audits</a> section.)	2030	N/A	Established Strategic Tier 2 Matrix	N/A	





MARKET & PRIVATE BRAND ENGAGEMENT	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p>Engage 20 of Macy's larger <b>market brands and private brand suppliers to collaborate</b> towards shared sustainability objectives and require data sharing to demonstrate progress</p> <p>(For details, see the <a href="#">Product Donation Through Give Back Box and Good360 Partnerships</a> and <a href="#">Collaborating with Our Market Brands to Accomplish Our Sustainability Ambitions</a> sections.)</p>	2030	Establishing roadmap to support in 2023	<p>Established Market Brand Sustainability Summit with 9 key market brands and hosted 2 forums in March and October 2023</p> <p>Engaged 9 private brand strategic suppliers throughout the year on shared sustainability ambitions</p>	<p>+9 key market brands</p> <p>+9 key private brand suppliers</p>	

CIRCULARITY	YEAR	FY22	FY23	% TO GOAL	PROGRESS
<p>Scale <b>circular innovations</b> to extend the useful life of materials, avoiding <b>1,000 tons</b> of products and packaging from landfill</p> <p>(For details, see the <a href="#">Sustainable Innovations in Products</a> and <a href="#">Product Donation Through Give Back Box and Good360 Partnerships</a> sections.)</p>	2030	Establishing programs and measurement in 2023	~800 tons driven by e-waste recycling, Give Back Box and beauty signage recycling	Approximately 80% to 2030 goal	

ON-PRODUCT LABELING	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p>*Scale sustainable customer options to offer <b>5,000 products in Macy's and Bloomingdale's digital assortment tagged as a sustainable product backed by substantiated claims</b></p>	2025	Over 3,000 product pages on macys.com sustainability sitelet	Over 7,000 product pages on macys.com and bloomingdales.com sitelets	+ approximately 4,000 product pages	
<p>*Scale sustainable customer options to offer <b>25,000 products in Macy's and Bloomingdale's digital assortment tagged as a sustainable product backed by substantiated claims</b></p> <p>(For details, see the <a href="#">Sustainable Products</a> section.)</p>	2030				






\*Mission Every One-related commitment across our commitment pillars.

## Human Rights

SUPPLIER ENGAGEMENT & COMPLIANCE	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p><b>100% of Tier 1 private brand supplier facilities</b> of products managed by the Macy's Sourcing team <b>will meet social compliance requirements</b> through routine audits or implement remediation plans</p> <p>(For details, see the <a href="#">Factory Audits</a> section.)</p>	2025	95% acceptable compliance in 2022, with remaining factories completing remediation	91% acceptable compliance in 2023, with remaining factories completing remediation	-4 percentage points	
<p><b>100% of Strategic &amp; Core Tier 1 private brand supplier facilities</b> of products managed by the Macy's Sourcing team <b>will meet environmental compliance</b> requirements through routine assessments or will implement remediation plans</p> <p>(For details, see the <a href="#">Factory Audits</a> section.)</p>	2025	Establishing programs and measurement in 2023	95% shared Higg's Facility Environmental Module (FEM)	N/A	
<p><b>100% of Strategic Tier 2 private brand supplier facilities</b> of products managed by the Macy's Raw Materials team <b>will meet social and environmental compliance requirements</b> through routine assessments or implement remediation plans</p> <p>(For details, see the <a href="#">Factory Audits</a> section.)</p>	2030	Establishing programs and measurement in 2023	Established Strategic Tier 2 list Made Higg FEM a requirement	N/A	
FAIR LABOR PRACTICES & WORKER WELL-BEING	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p><b>*100% of Strategic &amp; Core private brand supplier facilities</b> of products managed by the Macy's Sourcing team will have participated in a <b>worker well-being program</b> 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</p> <p>(For details, see the <a href="#">Worker Well-Being</a> section.)</p>	2030	Implemented in 4% of factories in 2022	Implemented in 22% of factories in 2023	+18 percentage points	

\*Mission Every One-related commitment across our commitment pillars.



## Environment

GHG EMISSIONS	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
*Submit Emissions Reduction Target and Pathways to <b>Science Based Targets initiative</b> (SBTi) organization	2024	Committed in 2022	Published Scopes 1 and 2 emissions data and expanded Scope 3 data in our 2023 CDP Climate Change Report and 2022 Sustainability Report**	N/A	
*Achieve <b>near-term emissions reductions</b> versus 2021 baseline year (For details, see the <a href="#">Taking Action on Climate Change</a> section.)	2030				
RENEWABLE ENERGY	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<b>Achieve 50% renewable energy</b> in direct operations (including distribution centers, fulfillment centers and stores) (For details, see the <a href="#">Taking Action on Climate Change</a> section.)	2030	Host 95+ solar sites	More than 95 solar sites	No change	
WASTE	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<b>Divert 80% waste</b> from direct operations (packaging, hangers, advertising assets, etc.) from landfills (For details, see the <a href="#">Recycling &amp; Waste Reduction</a> section.)	2030	Diverted 65% waste	Diverted 65% waste	No change	
SUSTAINABLE PACKAGING	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
100% of <b>private brand product packaging</b> managed by the Macy's Private Brand Sourcing, Product Development & Production team will either be redesigned to reduce total material use or contain <b>recyclable, reusable or preferred materials</b> <i>Note: Packaging includes polybags, primary outer packaging, hangers, hangtags</i> (For details, see the <a href="#">Recycling &amp; Waste Reduction</a> section.)	2030	Establishing programs and measurement in 2023	20% for polybags	N/A	
100% of <b>fulfillment packaging</b> (e.g., corrugate and polymailers) managed by the Procurement team will either be redesigned to reduce total material use or contain <b>recyclable, reusable or preferred materials</b> (For details, see the <a href="#">Recycling &amp; Waste Reduction</a> section.)	2025	N/A	100% for fulfillment centers	N/A	

\*Mission Every One-related commitment across our commitment pillars.

\*\*Due to the extensive calculations and validation necessary to disclose FY 2023 GHG emissions for Scopes 1, 2 and expanded Scope 3, the data set will be published by October 2024 along with our 2024 CDP Climate Change Report. Our FY 2022 Scope 1, 2 and 3 GHG emissions can be found [here](#), and our 2023 CDP Climate Change Report, which we submitted in July 2023 and covers FY 2022, can be found [here](#).

## Governance

COLLEAGUE ENGAGEMENT	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p>100% of Design, Product Development, Sourcing and Buying teams involved in private brand products managed by the Macy's Private Brand Sourcing, Product Development &amp; Production team will complete <b>training on sustainable materials and design</b></p> <p>(For details, see the <a href="#">Sustainability Private Brands Trainings</a> section.)</p>	2025	100% of teams trained in 2022 on sustainable materials and certifications	100% of teams trained in 2023 on sustainable materials and certifications	Goal achieved for second consecutive year	
KPIS & ACCOUNTABILITY	YEAR	FY22	FY23	FY23 CHANGE VS FY22	PROGRESS
<p><b>Embed functional goals</b> across the enterprise that tie back to our sustainability commitments with clear tracking of KPIs and accountability</p>	2025	Establishing approach in 2023	Supply Chain implemented a functional goal	+1 functional goal	

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# Responsible Products & Sourcing

At Macy's, Inc., we are intentional about our decisions, and we consider our responsibility and impact carefully so that people and planet can thrive together. 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.

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## Sustainable Products

We have well-established programs for overseeing the production of Macy's private brand products managed by the Macy's Sourcing team to ensure they meet our labor and environmental standards.

The customer is at the center of all our work, and we prioritize efforts that support their ability to find and shop more sustainable products across our nameplates. In 2023, we continued to add products to our sustainability sitelets on [macys.com](https://www.macys.com) and [bloomingdales.com](https://www.bloomingdales.com) that meet at least one of our four sustainability pillar requirements — preferred materials, preferred practices, people first or designed for less waste — which are generally backed by an accepted third-party certification. The top three drivers of our sustainable product spend were:

- 
- |   |   |  |
|---|---|--|
| 1. More than 1,200 product pages tagged for their brands' investment of the Better Cotton mission | 2. More than 900 products made in factories with a worker well-being program with organizations like RISE: Reimagining Industry to Support Equality | 3. More than 200 beauty products considered to be refillable |
|---|---|--|

As of the end of 2023, we have more than 7,000 product pages on [macys.com](https://www.macys.com) and [bloomingdales.com](https://www.bloomingdales.com) identified as sustainable. We also work to incorporate more sustainably sourced raw materials and fibers into our private brand products managed by the Macy's Sourcing team. (See [Sustainable Materials](#).)

## Sustainable Innovations in Products

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

## Sustainability Private Brands Trainings

For Macy's Private Brand Product Development, Sourcing, Design and Buying teams, we provide a training program on our sustainable product guidelines and processes that is prepared by our Sustainability and Private Brand Design teams. In 2023, we expanded the training program to include the prioritization of preferred materials for cotton and polyester, as well as the certification process and best practices for marketing such claims. We trained all Private Brand teams, which included Product Development, Design, Sourcing and Merchandising teams — all accountable for designing, developing and sourcing Macy's products — 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."

In 2023, to further raise awareness of our programs throughout the company, each Corporate Strategy Group (CSG) leader identified key colleagues as Sustainability Ambassadors to help lead the work to embed sustainability throughout the enterprise. In 2024, the Sustainability Ambassadors will connect functional priorities to our sustainable stewardship ambitions within each area of the company and communicate to colleagues through town halls. The Ambassadors meet at least once per quarter with the Sustainability Team to discuss progress on sustainability ambitions.

## Sustainable Claims Supported by Traceability

We have implemented a rigorous, phased approach to provide customer confidence that claims of sustainability 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, to conduct third-party audits, to identify issues and to 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.

Our [Responsible Supply Chain Traceability Statement](#) details Macy's targeted approach to strengthening our due diligence and increasing visibility into the source of materials used in Macy's private brand products sourced and directly imported through Macy's Private Brands Sourcing team.





## 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 or 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
- Supima Cotton
- regenagri®
- 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 for 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

- Fair Trade
- 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 Products Managed by the Macy's Sourcing Team

## Human Rights & 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. We ensure that our suppliers operate at high ethical and performance standards through rigorous screening of new suppliers, ongoing training, regular audits and collaboration for improvement.

Macy's Private Brand Sourcing, Product Development & Production team is responsible for ensuring our suppliers understand and meet our standards. Additionally, the Social Compliance team oversees human rights and social compliance policies, practices and compliance with third-party providers.

Responsibilities include confirming social compliance across Macy's, Bloomingdale's and Bluemercury private label sourcing suppliers; providing the Sustainability Executive Steering Committee with regular updates on social compliance; and supporting worker well-being program at factories producing private brand products. This group also performs conflict minerals screening to keep conflict minerals out of our supply chain. The Board of Directors, through the Nominating and Corporate Governance committee, has ultimate oversight of the company's programs, policies and practices, as well as the risks relating to human rights issues, impacts and strategies.

To read more about our Macy's, Inc. commitment to human rights and risk assessment, see [Human Rights](#) in the Governance section of this report.

## Standards & 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. In 2023, Macy's developed a consolidated scorecard for each supplier to see the overall score and individual scores for topics like sourcing, product integrity and quality assurance, social compliance and environmental compliance. This allows the Sourcing team to better understand a vendor's performance and adherence to the company's standards.

Our Social Compliance team prepares and trains prospective suppliers on our Vendor Code of Conduct, audit protocols and terms of engagement. In 2023, 100% of our private brand suppliers sourced by the Macy's Sourcing team completed zero tolerance training, designed to reinforce our Vendor Code of Conduct. The training covered transparency and business ethics (bribery and inconsistent payroll records), labor (forced and child labor, migrant labor, recruitment fees, harassment and abuse) and health and safety (critical building safety risk and environmental pollution). In 2023, we also conducted vendor training with direct-import suppliers to review new product regulatory requirements, Macy's, Inc. chemical standards and reinforce our quality expectations.

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. Additionally, private brand suppliers are required to

annually sign the Macy's Supplier Acknowledgement which includes the Vendor Code of Conduct and all relevant policies.

Macy's private brand product development colleagues 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 Policy and Human Trafficking Policy, available on our [website](#). In June 2023, we expanded annual training on Social Compliance of private brands to all Macy's and Bloomingdale's merchandising colleagues.

### Promoting a Safety Culture in Bangladesh with Nirapon

We work to protect human rights and ensure the safe and ethical treatment of workers throughout our supply chain. 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 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 Service 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.

In addition to managing a worker help line, Nirapon also ensures that buildings are safe through an audit that is managed by a structural engineer.

## Factory Audits

We require factories supplying our private brands to be audited by a third party at least once every 18 months. Audits are conducted more frequently when issues are identified and are guided by our Vendor Code of Conduct. The audit verifies a supplier’s compliance with areas including, but not limited to, hours of work, young workers and child labor, forced labor, freedom of association, grievance mechanisms and wages and benefits. Alongside Macy’s policies, the Vendor Code of Conduct is part of the Supplier Acknowledgement, which suppliers must sign annually. Suppliers considered “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 2023, Macy’s, Inc. expanded Social Compliance audits of factories from Macy’s to also include Bloomingdale’s and Bluemercury.

In 2023, Macy’s, Inc. completed 458 audits covering 404 private brand factories managed by Macy’s Sourcing team. Altogether, this number accounted for 86% of Macy’s private brand Tier 1 factories for products managed by the Macy’s Sourcing team. 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. The initial audit results showed that 91% 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 54 verification audits performed in 2023. One factory was dropped due to failure to implement corrective actions.

RISK	LEVERAGE				TOTAL
	LOW	MEDIUM	HIGH	EXTREME	
Extreme	3	0	1	0	4
High	23	3	4	2	32
Medium	116	45	37	36	234
Low	75	39	13	7	134
<b>Total Factories Audited</b>	<b>217</b>	<b>87</b>	<b>55</b>	<b>45</b>	<b>404</b>

As part of our commitment to transparency, we list our Core and Strategic Tier 1 factories making private brand product managed by the Macy’s Sourcing team on [Open Supply Hub](#).

We continually 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. In 2023, we expanded risk profiling to enhance traceability beyond Tier 1 private brand suppliers.

Using third parties and industry indicators, Macy’s, Inc. scans for potential high-risk entities and institutes action plans where appropriate.

We ask our Tier 1 suppliers to request that their factories complete the Higg Facility and Environmental Model (FEM), a self-assessment survey through Cascale to assess the environmental impact of product manufacturing at the facilities. Of those that completed, 98 were Tier 1 factories, 119 were Tier 2 mills and two were Tier 2 trim suppliers.

## Worker Well-Being

We support efforts to help drive factories toward improvement to positively impact the well-being of workers.



Reimagining Industry to Support Equality

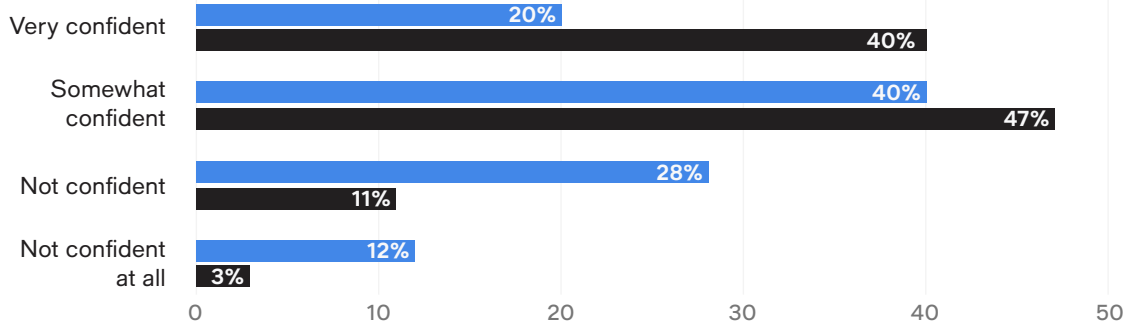
### RISE: Reimagining Industry to Support Equality

Macy's, Inc. partners with RISE: Reimagining Industry to Support Equality, an initiative to support collaborative industry action at scale to advance gender equality in global garment, footwear and home-textiles supply chains. In 2023, we added 13 new factories to the program to support training at a total of 22 of our private brands supplier factories, impacting approximately 33,000 workers and managers. In 2023, we began to provide training in health and finance to promote worker empowerment, as well as migrant parenting and gender equality.

Of the 22 factories that began training in 2022 or 2023, seven completed the program, while the remaining were still in progress. The following graphs illustrate the positive outcomes achieved by where programs were completed in 2023.

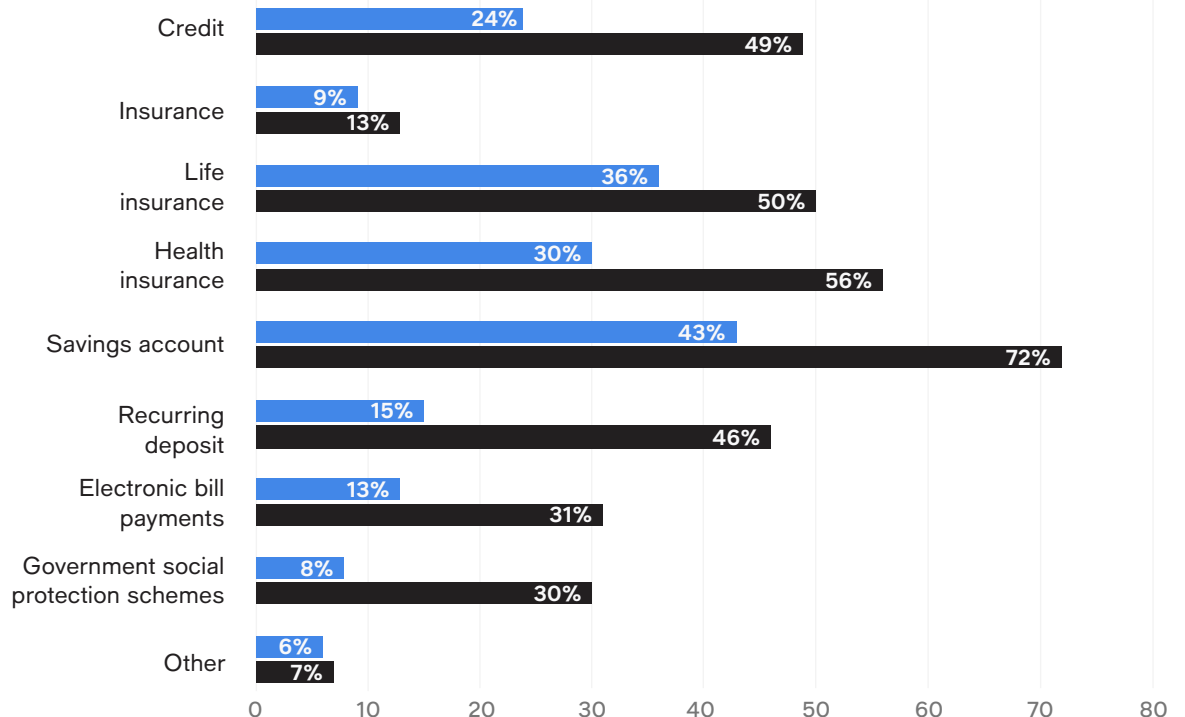
#### % of workers who reported confidence in being able to meet their family's expected future expenses

■ Baseline  
■ Endline



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

■ Baseline  
■ Endline



## Ethical Supply Chain Program (ESCP): Family-Friendly Spaces

In 2023, Macy's began participating in the ESCP's Family Friendly Spaces program to support "left-behind children" in China whose parents had migrated for work and were unable to live together. Since the program began in 2016, more parents have been able to bring their children to live with them full time by providing secure and well-equipped spaces for childcare at factories while the parent works. The program focuses on transforming parent-child relationships and supporting the developmental needs of children. This year's Family Friendly Spaces program included a range of activities that were both educational and stimulating. The curriculum this year also included environmental themes to enable children to learn about climate change.

In 2023, Macy's donation supported the participation of:

**4** factories in China

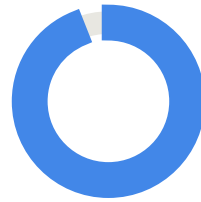
**1,144** families benefited

**1,366** children in total attended Family-Friendly Spaces



**79%**

of workers said they had a closer relationship with their child



**94%**

of workers said they have more time with their children



## Environmental Responsibility in Our Supply Chain

We have implemented policies and programs that help define our ambitions aimed at reducing the environmental impact of our merchandise across our global value chain — from production transport to final disposal. Macy's private brand sourcing policies, including our Preferred Materials Policy, Chemical Policy and Water Policy, are available on our [website](#). In 2023, we also published an Animal Welfare Policy, an updated Fur Policy and an Exotic Skins Policy.

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

For 2023, 35% of materials used in our private brands was "preferred,"\* compared to 3.4% in 2022: more than two-thirds of cotton was preferred cotton,\*\* 7% of synthetics was preferred synthetics and 1% of man-made cellulosic was preferred man-made cellulosic.

### Preferred Cotton

By the end of 2023, more than two-thirds of cotton products within Macy's private brands managed by the Macy's sourcing team was sustainably sourced.\*\* This work is supported by the company's continued third-party partnerships that support preferred cotton growing practices.

In 2023, Macy's joined the U.S. Cotton Trust Protocol (USCTP), providing traceable and preferred cotton. Launched in 2020, the USCTP is built on a foundation of robust data capture, aggregation and reporting that drives continuous improvement across six key sustainability metrics — water use, energy efficiency, greenhouse gas emissions, soil conservation, soil carbon and land use — and is the world's first sustainable cotton fiber program to offer article-level supply chain transparency. These program

elements make the Trust Protocol the first program to provide both access to full supply chain transparency and science-based field-level, verified data.

### Private Brands Packaging

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. In 2023, we began working with our private brand suppliers, managed by the Macy's Sourcing team, to convert polybags to be recyclable through Macy's backhaul recycling program for plastic film and to be made with recycled content. By the end of 2023, we converted 20% of polybags, compared to our baseline of 7% in 2022. Our ambition is to have up to 50% converted by the end of 2024.

### Water Stewardship

We are committed to improving water stewardship throughout our private brand supply chain and for the communities and environment that support our operations. Our [Water Policy](#), which was published in 2023, defines our ambition to work collaboratively with Macy's private brand suppliers managed by the Macy's Sourcing team, as well as industry experts, to scale actionable approaches within our supply chain and in the communities where we operate.

In line with our ambition to reduce water use by private brand supplier facilities managed by the Macy's Sourcing team by 25% against a 2021 baseline in areas of high-water stress by 2025, we have identified our most water-intensive private brand product categories and determined the regions with the greatest water stress within our supply chain by using established industry standard tools. Macy's intends to improve water stewardship by partnering with suppliers to implement and achieve contextual water targets that address the greatest water risks. Macy's is developing a program to evaluate our private brand suppliers' understanding of the impacts their operations can have on the local water supplies. Once these evaluations are complete, private brands supplier ambitions will be developed based

\*We adhere to the Textile Exchange's definition of a preferred material: "One which results in improved environmental and/or social sustainability outcomes and impacts compared to conventional production."

[https://textileexchange.org/app/uploads/2022/10/Textile-Exchange\\_PFMR\\_2022.pdf](https://textileexchange.org/app/uploads/2022/10/Textile-Exchange_PFMR_2022.pdf)

\*\*Based on the weight of the garment.

on location and water challenges within communities. Ambitions will also address water risks, such as water scarcity or flooding, that can impact supplier operations.

This program will track supplier performance toward their targets and goals. Regular monitoring and reporting will be expected by suppliers to ensure corrective actions can be taken if interventions are not achieving the desired outcomes.

In 2023, we partnered with World Wildlife Fund (WWF), which works to conserve nature and reduce the most pressing threats to the diversity of life on Earth, through collaborations with local communities to conserve the natural resources and build a future in which people and nature thrive. In 2023, Macy's, Inc. and WWF conducted water-risk assessments using WWF's Risk Filter Suite tool to analyze and determine the water related risks and impacts associated with Macy's, Inc. private brand suppliers. The assessments identified water-related risks in two areas of risk exposure, Basin Risk and Operational Risk, and identified specific water challenges with the greatest areas of influence and impact. Addressing these risks will lead to improvements for private brand suppliers, while addressing shared basin water challenges, community member livelihoods and the health and longevity of the basin and the surrounding environment. Based on the risk assessment results, we have identified India as our first region of focus.

We know that it is essential for our supply chain and the communities in which we operate to become more resilient as extreme weather-related events may intensify. Together, Macy's, Inc. and WWF will continue developing Macy's, Inc. global water stewardship strategy, establish a pathway for advancing water stewardship efforts and develop a program to evaluate the water stewardship and adaptation capabilities of our private brand suppliers managed by the Macy's Sourcing team. In addition, using the water risk assessment results, WWF is helping to support the creation of meaningful contextual water targets that will be implemented within our private brand supply chain.

In 2024, we will launch a program with Planet Water Foundation, a nonprofit organization

focused on alleviating the global water crisis by bringing clean water access and water health and hygiene education programs to the world's most impoverished communities. Planet Water Foundation's Aqua Tower water filtration solution provides communities and schools access to clean, safe drinking water and handwashing stations. Educational messaging is put on the towers to build awareness and reinforce best practices.

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

Our Product Integrity team works to deliver safe and 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 from being sold in-store or online. We also alert customers who purchased a recalled item on our website and through in-store messages. See our [Product Integrity & Quality Assurance Policy](#) for more details regarding our commitment to providing our customers with private brand products that comply with applicable laws, mandatory standards, voluntary consensus standards and Macy's-specific requirements, utilizing our domestic and international teams comprised of industry-leading product quality, safety and compliance professionals.

### **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.

Macy's, Inc. published its [Chemical Policy](#), which outlines our commitment to remove unwanted chemicals in our private brand products. We have implemented 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.

Implementation of the RSL began for the Fall 2023 season in apparel, home textiles and footwear private brand products managed by Macy's Sourcing team. We are proud to report that as of the end of 2023, 78% of private brand apparel and soft textiles managed by the Macy's Sourcing team is compliant to the hazard profile established in the Macy's RSL, meeting our 2025 ambition two years early. Macy's private brand policies restrict the use of certain 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. As part of our commitment to drive transparency, proactive chemical management

and partnership with our suppliers, we utilize third-party partners to train suppliers and manufacturers on ways to improve chemical stewardship.

Macy's continues to monitor the regulations and proposed regulations for per- and polyfluoroalkyl substances (PFAS). Private brand products managed by Macy's Sourcing team within the scope of regulations or products that are likely to contain PFAS are subject to third-party testing to verify the presence of total fluorine. Macy's partners with suppliers on the elimination of such chemicals or product disclosures based on regulatory requirements.

### **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 unable to meet or maintain these expectations risk being removed from our program.



## Working Together for Change

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. We are committed to advocating sustainable practices with our brand partners and across the retail and fashion industry. When it is appropriate and aligned with our brand values, we provide feedback and input on industry association white papers and policy comments and we join meetings with elected officials hosted by industry associations to share retailer perspective. We 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 Sustainability sits on the Cotton Board and chairs the Global Supply Chain Support Committee.



## Sustainability Research Project with University Students

As we continue making progress on our sustainability goals, we are expanding our partnership with more academic institutions to help us conduct research. For example, we worked with faculty and students from the Department of Fashion and Apparel Studies at the University of Delaware on a real business case in recycled content in textiles. In May 2023, the students visited our headquarters to present their key findings and recommendations to our leadership team, while being offered opportunities to network and gain invaluable industry insights from our colleagues. Macy's also partnered with City College of San Francisco to host the UpStyle Academy design and merchandising challenge. With a focus on sustainability and upcycling, students collaborated to create innovative displays. The winning students received scholarships as part of a grant provided by Macy's.

In addition, Macy's, Inc. launched the Sustainability Research Project program in November 2023, inviting students from 10 universities to tackle some of our most pressing sustainability opportunities. Students were invited to submit proposals for one or more sustainability topics: circular innovation, packaging or human rights risk. Macy's, Inc. selected two universities and provided \$130,000 in funding for research, discovery and implementation of the solution in 2024. Additionally, a group of selected students who work on the research project will join the upcoming summer internship program to support the implementation and continued research. Students will also have learning and career coaching opportunities with Macy's, Inc. leadership.

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# Environment

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## Environmental Management

We prioritize our commitment to minimizing the environmental impacts across our operations and global value chain. Defined and robust ambitions, including greenhouse gas (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 ensure compliance with federal, state and local environmental laws, as well as to advance our environmental responsibility ambitions.

As part of our environmental 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.

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

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## Taking Action on Climate Change

We recognize the risk climate change poses to our business, our industry and the planet, and we are dedicated to addressing those risks. We are committed to monitoring and mitigating the risks to our operations and facilities, as well as to reducing our GHG emissions and increasing our use of renewable energy. We seek to responsibly manage the resources we consume and the waste we produce across our stores and logistics network.

Macy's, Inc. worked with an external partner in 2023 and 2024 to conduct a company-wide comprehensive climate-related risk and opportunity assessment. A cross-functional group led by Financial Reporting, Sustainability and Enterprise Risk Management worked with multiple internal functions to identify top climate-related risks and opportunities, their implications to Macy's, Inc. business and the process for managing climate-related risks leveraging Macy's, Inc.'s risk management approach. For more information, see the [TCFD](#) in the Appendix.

In November 2022, we committed to set near-term, company-wide emissions reductions in line with climate science with the Science Based Targets initiative (SBTi). In 2023, we engaged nine of our largest apparel, beauty and accessories suppliers and nine of our strategic private brand 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.

## Celebrating Earth Month

In honor of Earth Month in April 2023, we launched an in-store round-up and online donation campaign to benefit Trust for Public Land's Community Schoolyards™ Initiative. Since 2022, the partnership has raised more than \$2.7 million to help to transform public schoolyards into community parks and green spaces to help ensure healthy, livable communities for generations to come.

As part of Earth Month celebrations, colleagues also had the opportunity to participate in a *Mission Every One* sustainability panel conversation featuring Macy's and Bloomingdale's leadership, hosted by Macy's environmental Colleague Resource Group: Better Earth. Colleagues also participated in a "lunch and learn" on recycling hosted by International Paper, Macy's corrugated cardboard recycling partner, as well as a series of volunteer events hosted by Trust for Public Land and Central Park Conservancy.



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## Climate Action

We are focused on integrating sustainable energy-management practices and infrastructure into our overall management model and workspaces.

Energy efficiency is central to our strategy to reduce our environmental impact. Our Director of Energy leads our energy-efficiency program. 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.

Macy's plans to open up to 30 small-format stores beginning in 2024 through Fall 2025. Paired with a digital experience, these small-format stores offer a unique shopping experience that provides convenience and curated, localized merchandise comprising private brands and top market brands and that delivers a seamless shopping experience across channels. The Macy's Store Environment team plans to incorporate sustainable building elements in the design of these small-format locations, such as energy-efficient LED lighting and energy management systems for optimizing energy consumption. Additionally, the team plans to install a mix of eco-friendly materials in various areas of the stores, such as polished concrete flooring instead of carpet.



### Renewable Energy

More than 95 active solar sites produced approximately 54 million kWh of power in 2023 from a combination of community solar and onsite solar installations.

Macy's, Inc. does not retain the renewable energy credits (RECs) for most of these sites.



### EV Charging

We have partnered with Volta Charging to offer free electric vehicle (EV) charging across 126 charging stations. In 2023, we provided approximately 4.6 million electric miles to our customers and colleagues.



### LED Retrofits

Retrofitting an additional 12 retail spaces in 2023 led to an overall reduction of about 724,000 kWh or 267 metric tons of CO<sub>2</sub>e.

Since 2010, 2,730 retail spaces have been retrofitted, reducing energy consumption by 19.7%, avoiding approximately 241 GWh and 89,000 metric tons of GHGs a year.

Note: Emissions derived utilizing the Average Emissions Factor from the International Energy Agency (IEA) 2023.

For additional information on our climate action, see the [Top Management and Realization Methods and Description of Current Activities](#) of our TCFD in the Appendix.

## GHG Emissions

We track our operational energy use and related Scope 1 and 2 emissions. Additionally, in 2022, we worked with a third party to calculate Scope 3 emissions across our value chain, expanding our effort to understand and reduce our climate impact. We identified eight categories as most relevant across the 15 listed by the GHG Protocol. The Macy's, Inc. Sustainability team met with multiple transportation partners in 2022, 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.

Due to the extensive calculations and validation necessary to disclose FY 2023 GHG emissions for Scopes 1, 2 and expanded Scope 3, the data set will be published by October 2024 along with our 2024 CDP Climate Change Report. Our FY 2022 Scope 1, 2 and 3 GHG emissions can be found [here](#), and our 2023 CDP Climate Change Report, which we submitted in July 2023 and covers FY 2022, can be found [here](#).



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# Recycling & 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. We prioritize efforts to achieve our ambition to divert 80% waste from direct operations, including packaging, hangers, advertising assets, etc., from landfills by 2030.

## In-Store Recycling

We have focused on increasing recycling at our stores. Initiatives such as bailing and tracking corrugated cardboard waste from stores and backhauling it to our distribution centers where we then recycle it have been instrumental in achieving our 65% waste-diversion rate in 2023.

## 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 autoboxing technology reduces box volume by 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.

## Marketing

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.

## Product 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 24,810 pounds to Give Back Box in FY 2023.

We also work with Good360, an organization that partners with corporations to source essential goods and distribute them to nonprofits and people in need. In partnership with one of our Market Brand Sustainability Summit partners, Macy's conducted two pilot return-to-vendor (RTV) programs in 2023 to connect product with local nonprofit organizations that were identified by Good360 to get the items directly to people in need instead of sending the product back to the vendor for disposition. The intention is to be able to roll the program out to more departments in the future as details progress and a smooth experience is established for buyer, brand, nonprofits and our Operational teams in stores and in our supply chain. For more information regarding our sustainability work with our market partners and our pilot programs, see [Collaborating with Our Market Brands to Accomplish Our Sustainability Ambitions](#).

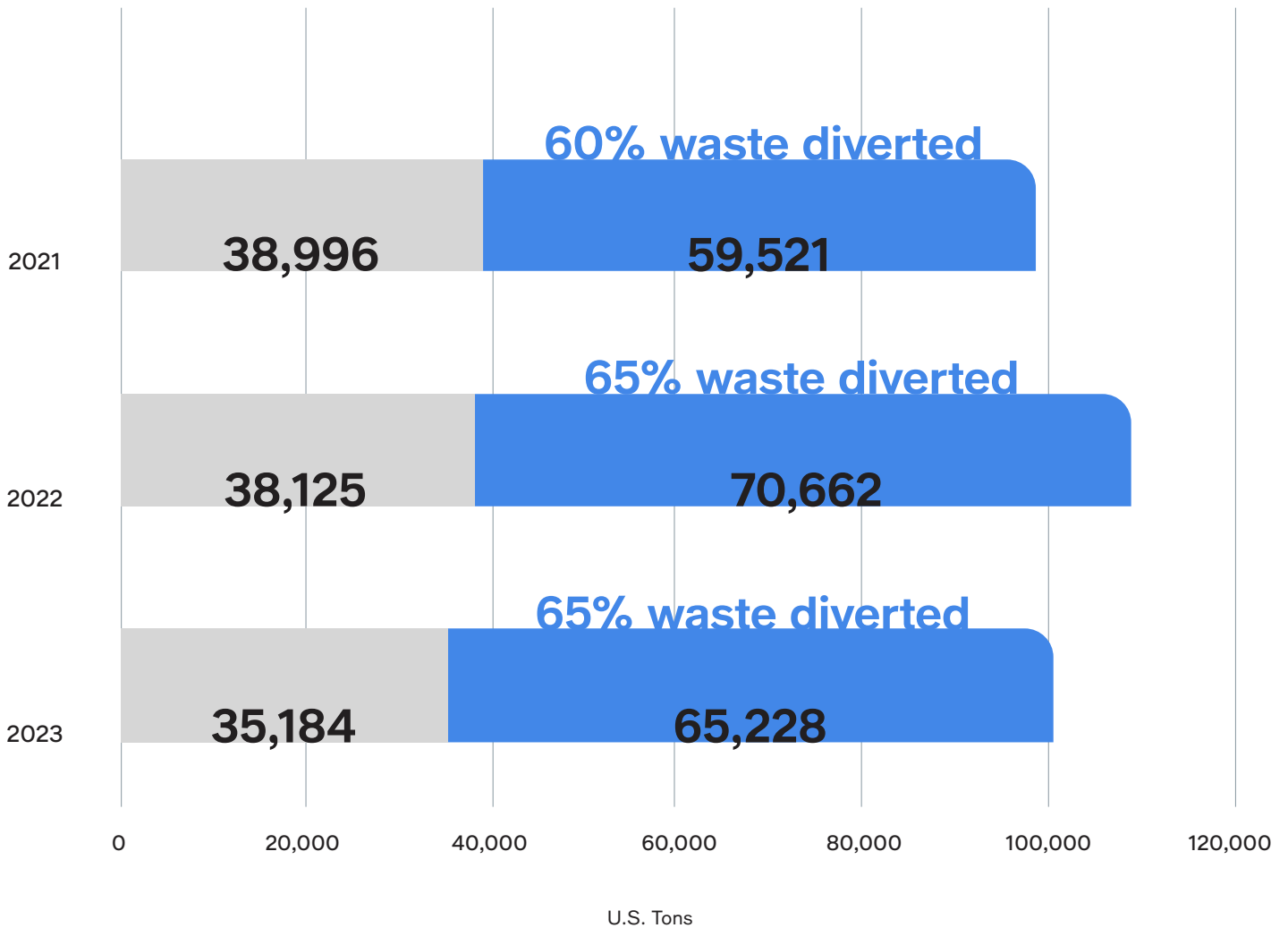
## Collaborating with Our Market Brands to Accomplish Our Sustainability Ambitions

The Macy's, Inc. Sustainability team is engaging resources and leveraging its talent and scale to create an essential framework for sustainable business operations across the enterprise, focusing on caring for people and managing our environmental impact. The Sustainability team works with suppliers, vendors, market brands, nonprofits and third-party certifiers to accomplish our sustainability ambitions.

As part of this work, the Sustainability team hosted two Market Brand Sustainability Summits with nine of our top market brand partners in March and October 2023 to collaborate on shared sustainability opportunities. Brand partners included Chanel, The Estée Lauder Companies, G-III Apparel Group, Levi Strauss & Co., PVH Corp./Calvin Klein and *TOMMY HILFIGER*, Ralph Lauren, Tapestry and L'Oreal.

### Increasing Our Waste Diversion

■ Total Waste to Landfill      ■ Total Waste Diverted (Recycled/Reused)





# Governance

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## Overview

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## Integrity & Accountability

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# Overview

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.

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# Integrity & Accountability

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## Ethics & Oversight

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, Labor Strategies and HR Business Partner. The Audit Committee of the Board of Directors has ultimate oversight of our Compliance and Ethics programs and receives regular briefings.

Our Compliance and Ethics program, which is described in our Compliance Ethics Policy, 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 of our suppliers in our Vendor Code of Conduct. All policies are available on our [website](#).

### 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 Macy's and Bloomingdale'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 meetings, 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 forth 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 promptly and thoroughly, with confidentiality 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 for the public to use to raise issues or complaints. They may contact us via Customer Service, U.S. mail, email, website or a convenient online "Tell Us What You Think" response form. Finally, we also encourage stakeholder and shareholder dialogue.

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# 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.

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# Data Protection & 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. The Audit Committee is responsible for discussing policies with respect to the company's risk assessment and risk management, including possible risks related to data privacy, computerized information controls and cybersecurity, and for considering any recommendations for improvement of these controls. The Audit Committee, and the full Board when appropriate, receive at least three scheduled updates from management per year on IT security, internal and external security reviews, data protection, risk assessments, breach preparedness, systems disruption risk, threat assessments, response plans and consumer privacy compliance in overseeing our cybersecurity risk management program. The chairperson of the Audit Committee updates the full Board on these discussions.

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 and internal and

external penetration testing quarterly. We are under regular information technology and security audits by both internal audit and by 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 2023 during a tabletop exercise in which the senior leadership 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. We also implemented improved end-point detection, network visibility software and administrative controls. In addition, we 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. Also, all colleagues and contractors with access to Macy's, Inc.'s systems must complete data security and privacy training annually and participate in quarterly phishing simulations.

In 2023, we established an Artificial Intelligence (AI) Policy that defines the use and implementation of AI across Macy's, Inc. Additionally, we established a review process to assess the regulatory requirements.

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). We continue to operationalize privacy requirements from state privacy laws as more states enact them. Also, in response to state regulators focusing recently on online data (pixels, tags, tracking technologies, etc.) and targeted advertising, Macy's has reviewed each pixel on its e-commerce sites by evaluating whether the pixel was necessary for the performance of the website, the pixel vendor could (or should) be considered a service provider or 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 expect to complete another assessment in 2024.

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 include confidentiality language in our written contracts to safeguard company data shared with third parties.

Macy's, Inc. is certified by the Payment Card Industry Data Security Standard (PCI DSS). This certifies the programs and processes we use to protect payment card data.

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.

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## Human Rights

Macy's, Inc.'s [Human Rights Policy](#) and [Human Rights Statement](#) detail our commitment to respecting international human rights throughout our operations, as we believe in building a better future in which human rights are universally respected and held in the highest regard. Macy's management is responsible for the development and implementation of our ESG strategies and programs, including those related to human rights. The Nominating and Corporate Governance Committee of the Macy's, Inc. Board of Directors oversees policies and practices related to political, human rights, social and environmental issues, sustainability initiatives and reporting. The Committee is updated twice a year

on any related matters. Our human rights strategy is implemented by our Senior Director of Sustainability. This position oversees a domestic and international team that manages the day-to-day activities needed to implement appropriate oversight of human rights risks.

Our Human Rights Policy is aligned to the UN Guiding Principles on Business and Human Rights; the International Bill of Human Rights, including the Universal Declaration of Human Rights; the ILO Declaration on Fundamental Principles and Rights at Work; The United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.

Human rights oversight is embedded in our organization across multiple areas. Risk analysis, training and awareness-raising are implemented across our internal teams and our wider supply chain. Our merchants and our Private Brand Sourcing, Product Development & Production and Design team are trained on social compliance annually, which includes zero tolerance offense training.

We continuously make program enhancements that increase our ability to identify and assess human rights risks and impacts across our business relationships. Building on the human right saliency and risk assessment conducted with a third party in 2021, we have continued to evolve and expand our work to assess risks and protect human rights. We use a risk-based approach to identify where to focus our efforts, informed by geographic and commodity-specific considerations, data collected through our audit program, input from external stakeholders and partners who provide expertise and insights and other mechanisms such as collaborative industry groups, for example, the American Apparel & Footwear Association (AAFA) and the Retail Industry Leaders Association (RILA) human rights-centric working groups. As potential issues arise, they are communicated to relevant teams who work together to gather and disseminate additional information and, when appropriate, implement additional measures. As an example, in 2023, Macy's Social Compliance team introduced a new framework to further assess potential risk of migrant workers and forced labor arising from geopolitical instability.

We recognize that certain groups may be at heightened risk given their vulnerable status. For that reason, Macy's is a signatory to the Commitment to Responsible

Recruitment — an effort to address potential forced labor risks for migrant workers in the global supply chain — and is taking steps to advance the rights of women and children across our supply chain. As a result of this commitment, we have taken steps to increase oversight when auditing factories producing product sourced through our Private Brand Sourcing team that are in countries where migrant workers are most prevalent. As an example, we have employed a migrant worker survey to assess worker sentiment and ensure that no worker is paying for their job in facilities located in countries where migrant workers are at high risk.

We have measures in place to eliminate health and safety concerns prevalent among women workers, including sexual harassment, physical security and protection and accommodation of pregnant and nursing workers. The team partners closely with RISE: Reimagining Industry to Support Equality to ensure that thousands of working women have access to services to improve their health and finances.

To further enable our ability to assess and mitigate risks to human rights, we increased supply-chain mapping in 2023 and evaluated new information through risk evaluation tools. Building on this greater visibility into our supply chain, we plan to increase supplier engagement in 2024 to reinforce our commitment, standards and support suppliers' readiness to perform to our expectations.

To read about how we ensure that our merchandise is produced in an ethical and responsible manner, see [Human Rights & Social Compliance](#) in the Planet section of this report. Additionally, our efforts to address human trafficking and slavery in the supply chain can be found in our [Human Trafficking Statement](#).



# Appendix

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115 Forward-Looking Statements



# Sustainability Accounting Standards Board Index

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

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE																													
Energy Management	CG-MR-130a.1	Total energy consumed	FY 2023 data will be published by October 2024.																													
	CG-EC-130a.1		For more information, see the <a href="#">GHG Emissions</a> section of this report.																													
		Percentage grid electricity	FY 2023 data will be published by October 2024. For more information, see the <a href="#">GHG Emissions</a> section of this report.																													
		Percentage renewable	FY 2023 data will be published by October 2024. For more information, see the <a href="#">GHG Emissions</a> section of this report.																													
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 95% Tier 1 factories shared their Higg FEM results with us. (2) Not reported For more information, see the <a href="#">Factory Audits</a> 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	89%																													
	CG-MR-310a.2 CG-EC-330a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	<table border="1"> <thead> <tr> <th colspan="5">Voluntary Turnover</th> </tr> <tr> <th>FY 2019</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> <th>FY 2023</th> </tr> </thead> <tbody> <tr> <td>47.1%</td> <td>33.0%</td> <td>50.4%</td> <td>49.8%</td> <td>41.3%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="5">Involuntary Turnover</th> </tr> <tr> <th>FY 2019</th> <th>FY 2020</th> <th>FY 2021</th> <th>FY 2022</th> <th>FY 2023</th> </tr> </thead> <tbody> <tr> <td>26.8%</td> <td>14.3%</td> <td>23.8%</td> <td>28.3%</td> <td>24.1%</td> </tr> </tbody> </table>	Voluntary Turnover					FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	47.1%	33.0%	50.4%	49.8%	41.3%	Involuntary Turnover					FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	26.8%	14.3%	23.8%	28.3%
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26.8%	14.3%	23.8%	28.3%	24.1%																												



TOPIC	CODE	ACCOUNTING METRIC	RESPONSE																						
<b>Employee Recruitment, Inclusion &amp; Performance</b>	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	<table border="1"> <thead> <tr> <th>Employee Type</th> <th>Female</th> <th>Male</th> <th>Not Available or Not Disclosed</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>68%</td> <td>32%</td> <td>0%</td> </tr> <tr> <td>Technical staff</td> <td>31%</td> <td>69%</td> <td>0%</td> </tr> <tr> <td>All other employees</td> <td>75%</td> <td>25%</td> <td>0%</td> </tr> </tbody> </table>	Employee Type	Female	Male	Not Available or Not Disclosed	Management	68%	32%	0%	Technical staff	31%	69%	0%	All other employees	75%	25%	0%						
	Employee Type		Female	Male	Not Available or Not Disclosed																				
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CG-EC-330a.3	<table border="1"> <thead> <tr> <th>Employee Type</th> <th>Asian</th> <th>Black or African American</th> <th>Hispanic or Latino</th> <th>White</th> <th>Other*</th> </tr> </thead> <tbody> <tr> <td>Management</td> <td>10%</td> <td>13%</td> <td>18%</td> <td>56%</td> <td>3%</td> </tr> <tr> <td>Technical staff</td> <td>54%</td> <td>8%</td> <td>4%</td> <td>31%</td> <td>1%</td> </tr> <tr> <td>All other employees</td> <td>11%</td> <td>21%</td> <td>29%</td> <td>35%</td> <td>4%</td> </tr> </tbody> </table>	Employee Type	Asian	Black or African American	Hispanic or Latino	White	Other*	Management	10%	13%	18%	56%	3%	Technical staff	54%	8%	4%	31%	1%	All other employees	11%	21%	29%	35%	4%
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All other employees	11%	21%	29%	35%	4%																				
			<p>*Other includes the following classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, as well as “two or more races.”</p> <p>Note: Data reflects colleague diversity across Macy’s and Bloomingdale’s only.</p> <p>For more insight into Macy’s, Inc. colleague representation, our EEO-1 disclosures are available on <a href="https://www.macysinc.com">macysinc.com</a>.</p>																						
	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 that require a work visa	23.5%																						
<b>Labor Conditions in the Supply Chain</b>	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) 86% 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 <a href="#">Factory Audits</a> 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 <a href="#">Factory Audits</a> 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 <a href="#">Responsible Products and Sourcing</a> 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 will 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>11,026</td> <td>73%</td> </tr> <tr> <td>Synthetic</td> <td>1,022</td> <td>7%</td> </tr> <tr> <td>MMC</td> <td>45</td> <td>1%</td> </tr> </tbody> </table>		Metric Tons	% Certified	Cotton	11,026	73%	Synthetic	1,022	7%	MMC	45
	Metric Tons	% Certified												
Cotton	11,026	73%												
Synthetic	1,022	7%												
MMC	45	1%												
Product Sourcing, Packaging, Distribution & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/ or social sustainability standards	See the <a href="#">Responsible Products and Sourcing</a> section of this report.											
	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	See our <a href="#">Chemical Management Policy</a> .											
	CG-MR-410a.2 CG-AA-250a.2	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	See the <a href="#">Environmental Responsibility in our Supply Chain</a> section of this report.											
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	See the <a href="#">Environmental Management</a> section of this report.											

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
<b>Data Privacy &amp; Advertising Standards</b>	CG-EC-220a.2	Description of policies and practices relating to behavioral advertising and user privacy	See published Privacy Notice on all our e-commerce sites and mobile applications.
	CG-MR-230a.1 CG-EC-230a.1	Description of approach to identifying and addressing data security risks	See the <a href="#">Data Protection &amp; Privacy</a> section of this report.
<b>Data Security</b>	CG-MR-230a.2 CG-EC-230a.2	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Not reported

CODE	ACCOUNTING METRIC	RESPONSE
<b>CG-MR-000.A</b>	Retail locations	718 stores
	Distribution centers	24
<b>CG-MR-000.B</b>	Retail space	110,266,000 sq. ft.
	Distribution centers	15,619,000 sq. ft.
<b>CG-AA-000.A</b>	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	(1) 246 Tier 1 suppliers managed by the Macy's Sourcing team
		(2) Not reported

# Task Force on Climate-related Financial Disclosures (TCFD) Index

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	b) Management’s role in assessing and managing climate-related risks and opportunities	Pg. 99 – 100

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	b) Processes for managing climate-related risks	Pg. 111 – 112
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# Governance

## a. Board's oversight of climate-related risks and opportunities

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

The Board of Directors is responsible for oversight of corporate strategy. The Board receives reports from the Nominating and Corporate Governance (NCG) Committee. Other Board-level committees include the Compensation and Management Development Committee and the Audit Committee. ESG oversight responsibilities are included in the charters of each Board committee.

The Board, through the Nominating and Corporate Governance Committee, provides ultimate oversight and guidance related to governance matters, as well as the company's programs, policies and practices relating to environmental and human rights issues, impacts and strategies.

The Audit Committee oversees the Enterprise Risk Management (ERM) framework and mitigation actions for a variety of risks, including environmental (climate-related risks & opportunities), operational, IT and cybersecurity, compliance and reputational risks. The committee also reviews our quarterly and annual public filings, which include ESG disclosures.

To learn more, see our [governance structure chart](#) in the Our Approach to Corporate Responsibility section of this report.

## b. Management's role in assessing and managing climate-related risks and opportunities

At the leadership level, 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.

The Chief Executive Officer (CEO) and Chairman holds the ultimate responsibility for climate-related issues. The CEO sets the ESG vision and drives accountability across the organization.

The Chief Operating Officer and Chief Financial Officer (COO and CFO) reports to the CEO and is responsible for the teams that manage sustainability Initiatives. 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 VP of Sustainability & Responsible Sourcing 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, Risk Management, Investor Relations and others. The Sustainability team closely collaborates with the Sustainability Executive Steering Committee to engage stakeholders on ESG issues and ultimately provide feedback and recommendations to management and the Board of Directors. The COO and CFO work with the Disclosure Committee, which is made up of leaders from Financial, Legal, Investor Relations and Communications, to engage with stakeholders on ESG issues and provide feedback and recommendations to management and the Board of Directors.

The CEO leads the Corporate Strategy Group (CSG), which comprises the top executives of Macy's, Inc. In collaboration with the company's Sustainability Executive Steering Committee, the CSG determines how, within the boundaries of good business decision-making, Macy's, Inc. can adopt business practices that help preserve and protect the environment. The Sustainability Executive Steering Committee, Disclosure Committee and CSG approve the ESG strategy and priorities, guide risk management and link to growth opportunities.

The Sustainability Executive Steering Committee includes leaders from Private Brand Product Development and Operations, Legal, Communications and the Corporate Controller, as well as the Sustainability team. These members provide direct insight into all areas of the company's business and are responsible for setting sustainability ambitions and driving progress towards achieving them.

In 2023, to further raise awareness of our programs throughout the company, each Corporate Strategy Group (CSG) leader identified key colleagues as Sustainability Ambassadors to help lead the work to embed sustainability throughout the enterprise. In 2024, the Sustainability Ambassadors will connect functional priorities to our sustainable stewardship ambitions within each area of the company and communicate to colleagues through town halls. The Ambassadors meet at least once per quarter with the Sustainability Team to discuss progress on sustainability ambitions.

To learn more, see our [governance structure chart](#) in the Our Approach to Corporate Responsibility section of this report.

# Strategy

## Macy's, Inc. climate strategy and transition plan

Macy's, Inc. worked with an external partner in 2023 and 2024 to conduct a company-wide comprehensive climate-related risk and opportunity assessment. This assessment enabled Macy's, Inc. to identify and assess current and emerging climate-related issues within the company's operations and its upstream and downstream business activities. Macy's, Inc. also identified functional owners and existing plans to mitigate its top risks or realize its top opportunities. Macy's, Inc. engaged the Sustainability, Government and Public Affairs, Investor Relations, Corporate Communications, Energy, Private Brands Operations, Supply Chain and several other teams to assess the company's current exposure to climate-related risk and opportunities. Additionally, the company worked closely with the Enterprise Risk Management team to ensure consistency in modeling approach and the ability to integrate the results within Macy's, Inc.'s ongoing business activities.

Overall, the company's efforts to annually disclose to CDP Climate Change, commitment to set near-term, company-wide emissions reductions in line with the Science Based Targets initiative (SBTi) and the completion of the company's first climate-related risk assessment is helping Macy's, Inc. to develop the foundational elements for a climate transition plan, while the company is creating an actionable plan to both mitigate and realize our climate-related risks and opportunities respectively.

### a. Climate-related risks and opportunities Macy's, Inc. has identified over the short-, medium- and long-term

Macy's, Inc. has identified climate-related risks and opportunities with the potential to have a strategic and financial impact to the business in the short-, medium- and long-term time horizon. The definitions of these time horizons are as follows:

LONG-TERM	MEDIUM-TERM	SHORT-TERM
3–5 years	1–3 years	<1 year

As part of the risk identification process, Macy's, Inc. evaluated several risk types and their significance to be included in the risk assessment. The following is a brief description of key short-, medium- and long-term risks and opportunities faced by Macy's, Inc. along with their management and realization methods:

Climate-Related Risks and Potential Financial Impacts				
TYPE	CLIMATE-RELATED RISKS DRIVER		VALUE CHAIN IMPACTS	RISK DESCRIPTION
Transition Risks	Current and emerging regulations	Enhanced emissions-reporting obligations	Operations, Upstream and Downstream	Macy's, Inc. may be subject to additional, more robust and nuanced compliance measures in any of the markets in which it operates that may require Macy's, Inc. to externally publish environmental information, creating an additional cost burden.
	Market	Increased cost of raw materials	Upstream and Operations	Macy's, Inc. may be subject to risk of increased cost of raw materials (specifically cotton and polyester) associated with climate-related factors (e.g., physical risk factors, energy trends, regulatory/policy framework and consumer preferences, among others). This includes the possibility of disruption in supply or increased costs of raw materials which would either be absorbed by Macy's, Inc. or passed on to the consumer.
	Reputation	Increased stakeholder concern or negative stakeholder feedback	Operations and Downstream	The risk of Macy's, Inc. internal (colleagues, Board) or external (investors, customers, advocacy groups) stakeholders expressing concern through public platforms that increase colleague turnover, stall strategic direction and/or limit funding avenues, thereby reducing revenue, having negative impacts on workforce management and planning (e.g., colleague attraction and retention) or slowing/stopping investments.



<b>Physical Risks</b>	<b>Acute</b>	Increased severity of extreme weather events	Operations, Upstream and Downstream	The risk to Macy's, Inc. physical infrastructure and operations, which may be affected, damaged or interrupted by more frequent and severe weather events, such as pluvial/fluvial/coastal flooding, tropical cyclone, drought and wildfire. Impact on workforce and shopping accessibility are considered, beyond damage to physical infrastructure. This includes the possibility of extreme weather events disrupting Macy's, Inc., resulting in increased insurance costs and capital expenditures. The 2021 Texas Ice storms and 2023 Hurricane Hilary are both acute physical risk events that have affected Macy's, Inc. in the past and serve as proxies for other potential acute risks.
	<b>Chronic</b>	Chronic changes in the natural environment	Operations, Upstream and Downstream	The risk to Macy's, Inc. physical infrastructure and operations, which may be affected, damaged or interrupted by intensifying temperatures and water scarcity. Increasing cooling costs, HVAC degradation and colleague productivity decreases are examples of potentially material long-term impacts associated with such chronic risks.

## Climate-Related Opportunities and Potential Financial Impacts<sup>1</sup>

TYPE	CLIMATE-RELATED OPPORTUNITY DRIVERS	VALUE CHAIN IMPACTS	OPPORTUNITY DESCRIPTION
<b>Resilience</b>	Participation in renewable energy programs and adoption of energy-efficiency measures	Upstream and Operations	Opportunity related to a company’s participation in renewable energy and energy efficiency projects, which will lead to enhanced business resilience in the long term. This translates into the possibility of Macy’s, Inc. becoming more resilient to respond to climate change as a result of implementing renewable energy and energy-efficiency action plans.
<b>Resource Efficiency</b>	Use of recycling	Upstream, Operations and Downstream	Opportunity related to recycling waste and, generally, implementing circular economy practices regarding any type of product or resources the company uses. This translates into the possibility of Macy’s, Inc. gaining revenues, achieving cost savings and/or reputational benefits through enhancing product design, lifecycle management strategies, packaging solutions and generally implementing circular economy practices.
	Use of more efficient production and distribution processes	Upstream, Operations and Downstream	Opportunity connected to using more efficient processes to produce and distribute products, excluding the use of efficient modes of transport. This opportunity could apply to both the production and distribution of Macy’s private brands products, and the distribution of purchased products that Macy’s, Inc. sells in stores and online. This translates into the possibility of Macy’s, Inc. achieving revenue gains and cost savings through increasing investments in supply chain resilience, waste minimization, production and distribution processes optimization.

**Product and Services**

Development and/or expansion of low emission goods and services

Upstream and Operations

Opportunity connected to developing or expanding low emission products and services. This translates into the possibility of Macy's, Inc. to increase its revenues resulting from the increased demand for low-emission products and services and/or reduce emissions through the design, purchase, adoption and/or implementation of more climate-resilient products and services.

Shift in consumer preferences

Operations and Downstream

Opportunity associated with capitalizing on shifting consumer preferences (what, when and how they purchase and use products and services), as a result of leveraging innovative and new low-emission and climate-adaptation products and services. This translates into the possibility for Macy's, Inc. to earn and enhance its reputation and increase revenues as a result of higher demand for lower-emission and climate-adaptation products and services.

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1. Low emission is defined as those that minimize greenhouse gas emissions throughout the life cycle.  
Climate-resilient is defined as those that prepare ecosystems to bounce back from certain climate hazard events.  
Climate-adaptation is defined as a change in processes and practices to moderate potential damages or to benefit from opportunities associated with climate change.

## Top Management and Realization Methods and Description of Current Activities

MITIGATION AND REALIZATION METHODS	DESCRIPTION OF CURRENT ACTIVITIES
<p><b>Low carbon energy sourcing and renewable procurement</b></p>	<p>Macy’s, Inc. is 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.</p> <p>Macy’s, Inc. owned 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). In 2023, more than 95 active solar sites produced approximately 54 million kWh of power from a combination of community solar and onsite solar installations. Macy’s, Inc. does not retain the renewable energy credits (RECs) for most of these sites.</p> <p>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.</p> <p>Macy’s, Inc. will continue to evaluate opportunities for alternate renewable energy initiatives across our portfolio in addition to targeted deployment of solar photovoltaic systems implemented in prior years.</p>
<p><b>Supplier and/or customer engagement</b></p>	<p>The Macy’s, Inc. Sustainability team is engaging resources and leveraging its talent and scale to create an essential framework for sustainable business operations across the enterprise, focusing on caring for people in our value chain and managing our environmental impact. The Sustainability team works with suppliers, vendors, market brands, nonprofits and third-party certifiers to accomplish our sustainability ambitions. As part of this work, the Sustainability team hosted two Market Brand Sustainability Summits with nine of our top market brand partners in March and October 2023 to collaborate on shared sustainability opportunities.</p> <p>We have implemented a rigorous, phased approach to provide customer confidence that claims of sustainability in both production operations and private brand products have been thoroughly vetted.</p> <p>We ensure that our suppliers that produce private brand products managed by the Macy’s Sourcing Team 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 <a href="#">Macy’s Vendor &amp; Supplier Code of Conduct</a> (“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 Vendor Code of Conduct. It also defines the course of action if we identify noncompliance.</p>

**Circularity strategy**

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 have an internal program to reuse, refurbish or recycle store fixtures and downstream or recycle electronics. We prioritize efforts to achieve an ambition to divert 80% of waste from direct operations, including packaging, hangers, advertising assets, etc., from landfills by 2030.

We have focused on increasing recycling at our stores. Initiatives, such as baling and tracking corrugated cardboard waste from stores and backhauling it to our distribution centers where we then recycle it, have been instrumental in achieving our 65% waste-diversion rate in 2023.

**Raw materials risk management**

We have implemented policies and programs that help define our ambitions aimed at reducing the environmental impact of our merchandise across our global value chain — from production transport to final disposal. Macy's private brand sourcing policies, including our Preferred Materials Policy, Chemical Policy and Water Policy, are available on our [website](#). In 2023, we also published an Animal Welfare Policy, an updated Fur Policy and an Exotic Skins Policy.

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 or preferred practices. Our ambition is to achieve 100% preferred materials in Macy's private brands managed by our sourcing teams by 2030.

We continually 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. In 2023, we expanded risk profiling to enhance traceability beyond Tier 1 private brand suppliers.

Using third parties and industry indicators, Macy's, Inc. scans for potential high-risk entities and institutes action plans where appropriate.

We ask our Tier 1 suppliers to request that their factories complete the Higg Facility and Environmental Model (FEM), a self-assessment survey through Cascale to assess the environmental impact of product manufacturing at the facilities. 219 Tier 1 and 2 suppliers completed the Higg FEM Index. Of those that completed, 98 were Tier 1 factories, 119 were Tier 2 mills and two were Tier 2 trim suppliers.

**Climate-related target setting**

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).

**b. Impact of climate-related risks and opportunities on Macy's, Inc. businesses, strategy and financial planning**

**RISK TYPE:  
TRANSITION  
RISKS—CURRENT  
AND EMERGING  
REGULATIONS**

Upon assessing all relevant climate-related issues, Macy's, Inc. prioritized the top five most substantive risks and opportunities for mitigation and realization respectively according to Macy's, Inc. Enterprise Risk Management (ERM) guidelines, which are informed by the Committee of Sponsoring Organizations (COSO) ERM Framework. Below are the details supporting the quantification and strategic actions pertaining to the prioritized physical and transition risks and opportunities:

**Risk Driver:** Enhanced emissions-reporting obligations

**Risk Description:** The risk of Macy's, Inc. being subject to additional, more robust and nuanced compliance measures in any of the markets in which it operates that may require Macy's, Inc. to externally publish environmental information creating an additional cost burden. Specifically, this cost burden includes potential penalties for noncompliance with the SEC finalized climate ruling and the new California climate laws, SB-253 and SB-261. If Macy's, Inc. complies with this legislation, the cost burden would include environmental advisory/consulting services for emissions management and reporting. The scope of this analysis is U.S. regulations, proposed and passed.

**Likelihood:** Major

**Time Horizon:** Short- and Medium-term

**Magnitude of Impact:** Moderate

**Potential Financial Impact:** \$500,000 to \$550,000

The above range is calculated based off the financial fines and penalties outlined in CA bills SB-253 and SB-261 in case the compliance requirements are not met. Note that SB-253 will be enforced on an annual basis while SB-261 will be enforced biennially, meaning costs of non-compliance will fluctuate every other year within the range.

**Management Methods:** Macy's, Inc. currently monitors environmental and climate-related regulation at the state and federal level as part of its Enterprise Risk Management process. The company is focusing on transparent reporting to demonstrate climate progress, build trust and strengthen accountability. Measures include annual disclosure to CDP Climate Change survey, publishing SASB-aligned report and a commitment to set near-term company-wide emissions reductions in line with the Science Based Targets initiative (SBTi). Macy's, Inc. also updates its [macysinc.com/purpose](https://www.macysinc.com/purpose) website to reflect changes in initiatives, such as publishing its Corporate Responsibility Report and new and updated policies.

**RISK TYPE:  
ACUTE PHYSICAL RISK**

**Risk Driver:** Increased severity of extreme weather events: pluvial/fluvial/coastal flooding, tropical cyclone, drought and wildfire.

**Risk Description:** The risk to Macy's, Inc. physical infrastructure and operations, which may be affected, damaged or interrupted by more frequent and severe weather events,

such as pluvial/fluvial/coastal flooding, tropical cyclone, drought and wildfire. Impact on workforce and shopping accessibility are considered, beyond damage to physical infrastructure. This includes the possibility of extreme weather events disrupting Macy's infrastructures, resulting in increased insurance costs and capital expenditures. The Texas Ice storms and coastal hurricanes are both acute physical risk events that have affected Macy's, Inc. in the past and serve as proxies for other potential acute risks.

**Likelihood:** Moderate

**Time Horizon:** Short-, Medium-, and Long-term

**Magnitude of Impact:** Moderate

**Potential Financial Impact:** \$18,600,000

As a historical point of reference, Macy's, Inc. experienced approximately 390 weather-related disruptions in FY 2020 (tropical storms, winter storms, hurricanes, etc.). Of the events that occurred in 2020, the Company analyzed a sample of five hurricanes and winter storms which were determined to have a cumulative substantive financial impact in that year, resulting in a loss of sales of \$18,600,000. The Finance team evaluated the financial performance of stores impacted by the events compared to last year's performance plan during the week leading up to and following the event. An average percentage decline was created, and the application of this average informs our calculated impact of the potential loss in sales which is disclosed above.

**Management Methods:** Macy's, Inc. currently monitors weather and situational events 24 hours a day and year around for emerging trends that pose a potential threat to the normal operations and the well-being of customers and associates. The Company has a climate-related Enterprise Risk Management assessment that includes evaluation of these types of physical risks. Macy's, Inc. takes proactive measures to mitigate potential physical risk in advance such as monitoring weather, assembling preparedness and relief kits and installing generators at store locations. To expand and enhance these proactive measures, Macy's, Inc. has been engaging with third party vendors and consulting firms to explore additional mitigation activities for physical climate-related risks. Thus far, Macy's has assessed over 800 properties using a physical risk modeling software to identify key states, sites and hazards. This data will help inform Macy's, Inc. Risk Management team's strategic and directed responses. Daily, the group is witnessing how changing climate trends are currently impacting the company, allowing them to tailor, as needed, the guidance and support they provide to the company including,

- Implementing projects such as the Emergency Management Software Systems to be aware and prepared for climate-related risks. Macy's, Inc. continues to deploy this at existing and new sites.
- Continue developing company-wide disaster response training to prepare employees and physical spaces for possible disasters most relevant to those locations.

**OPPORTUNITY TYPE:  
RESILIENCE**

**Opportunity Driver:** Participation in renewable energy programs and adoption of energy-efficiency measures

**Opportunity Description:** Macy's, Inc. could enhance long-term business resilience through investment in clean electrification and energy efficiency projects, which will lead to enhanced long-term business resiliency.

**Time Horizon:** Short-, Medium- and Long-term

LED retrofits are the largest energy efficiency investment made by Macy's, Inc. From 2010 to 2022, the company reduced its energy consumption from lighting by 19.7%. In fiscal year 2023, 12 retail spaces were retrofitted leading to an overall reduction of about 724,000 kWh or 267 metric tons of CO<sub>2</sub>e.

**Realization Strategies:** Macy's, Inc. continues to realize opportunities through investment in energy-efficient and lower carbon technologies, such as:

- Continuing to invest in LED retrofits.
- Diversifying energy efficiency investments beyond LED lighting to include measures/ technologies that may be necessary to address the hazards outlined in the physical risk assessment related to temperature increase. Investments can relate to any of the following:

HVAC upgrades, highly emissive roof coatings, building management systems, dual paned windows, industrial battery storage on sites with photovoltaic panels, energy star rated water heaters, etc.



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# Risk Management

## a. Processes for identifying and assessing climate-related risks

## b. Processes for managing climate-related risks

## c. How processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management

Macy's, Inc. has an Enterprise Risk Management program that identifies and prioritizes enterprise risks. Enterprise risks are categorized and evaluated using risk rating based on magnitude of impact, likelihood and velocity (speed of onset), both before and after application of control measures, to indicate the company's risk profile. An annual risk review is prepared to update the Audit Committee of the Board and the Corporate Strategy Group. At Board and/or Audit Committee meetings throughout the year, management discusses the risk exposures identified as being most significant to the company. Overall risk outlook is evaluated at least biannually. The program utilizes a network of functional experts with managerial responsibility for various enterprise risks.

The Audit Committee discusses with management the risk assessment results and risk management policies relating to a variety of risks, including certain environmental, operational, IT and cybersecurity, privacy, compliance and reputational risks. The appropriate action plans, such as business continuity plans, are implemented by the affected departments.

Macy's, Inc. released a new sustainability strategy in 2019 to guide risk and opportunity management. This new sustainability strategy followed the completion of an updated materiality matrix and set new measurable 2025 ambitions. We engaged a wide-ranging group of stakeholders — internal leaders, employees, customers, suppliers and industry experts — to ensure our strategy was informed by internal and external priorities. A specific outcome of the sustainability strategy involved the creation of a Vice President of Sustainability & Responsible Sourcing position and a supporting Sustainability team in 2020. In 2021, Macy's, Inc. enhanced its 2025 ambitions, and in 2023, it published updates to 2025 and 2030 ambitions in its 2022 Sustainability Report.

In 2023, Macy's, Inc. expanded the risk management process by conducting a comprehensive climate-related risk and opportunity identification and assessment exercise using TCFD criteria. As part of the identification process, we first screened our operations and value chain for all climate-related risks and opportunities that are outlined in the TCFD recommendations. For each risk and opportunity, we conducted a series of internal stakeholder interviews and conversations with functional owners and subject matter experts and assessed the risks based on magnitude of impact and likelihood of occurrence in which the identified risks or opportunities may occur over the short-

medium- and long-term time horizon. More than 15 stakeholders across the company participated in this risk identification and assessment exercise, which was coordinated by a core working team with key representatives from Sustainability, Finance, Risk, Energy, Business Resiliency and Treasure and Insurance. As part of this exercise, the time horizons for each issue were validated, mitigation methods and realization strategies already underway as part of Macy's, Inc.'s management response were captured and their effectiveness was assessed.

To further effectiveness, risk identification criteria and management processes for Macy's, Inc. climate-related risks and opportunities were aligned to its Enterprise Risk Management practice as closely as possible. Top risks are mapped to existing enterprise risks for ongoing monitoring, and functional risk owners are assigned to each risk and opportunity in the register. These owners are responsible for the ongoing management of risks and opportunities, ensuring that mitigation and/or realization strategies are effective, and reporting performance against relevant KPIs. The Vice President of Sustainability & Responsible Sourcing, as the owner of the overarching ESG and Sustainability risk category, is responsible for ongoing monitoring and reporting progress to the ERM committee. Substantive climate-related risks and oversight activities are reported to the Audit Committee for awareness as part of overall risk profile.

Macy's, Inc.'s approach to climate-related risk management is continually evolving as we improve the tools and expand the resources available to enhance our understanding of the linkages between climate, our business and operations and our customers. The TCFD approach has provided a useful framework to help us build out a comprehensive risk register for sustainability that incorporates climate-related risks. Macy's, Inc. plans to leverage ERM process and tools for ongoing management of risks and/or opportunities and update any changes to the risk descriptions, impacts, time horizons and likelihoods in alignment with the ERM cycle using feedback from the functional risk owners.

# Metrics & Targets

## a. Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions

Due to the extensive calculations and validation necessary to disclose FY 2023 GHG emissions for Scopes 1, 2 and expanded Scope 3, the data set will be published by October 2024 along with our 2024 CDP Climate Change Report. Our FY 2022 Scope 1, 2 and 3 GHG emissions can be found [here](#), and our 2023 CDP Climate Change Report, which we submitted in July 2023 and covers FY 2022, can be found [here](#).

### SCOPE 1 & 2

Scope 1 & 2 GHG Emissions (metric tons CO <sub>2</sub> e)				
	FY 2022		FY 2021	
SCOPE	MARKET-BASED EMISSIONS	LOCATION-BASED EMISSIONS	MARKET-BASED EMISSIONS	LOCATION-BASED EMISSIONS
Scope 1	N/A	40,901	N/A	42,421
Scope 2	425,645	439,168	442,470	426,362
<b>Total</b>	<b>425,645</b>	<b>480,069</b>	<b>442,470</b>	<b>468,783</b>

### SCOPE 3

Scope 3 GHG Emissions (metric tons CO <sub>2</sub> e)	
CATEGORY	FY 2022
C1 – Purchased Goods and Services	11,616,562
C2 – Capital Goods	191,703
C3 – Fuel- and Energy-Related Activities	19,951
C4 – Upstream Transportation and Distribution	203,717
C5 – Waste Generated in Operations	28,047
C6 – Business Travel	7,037
C7 – Employee Commuting	126,473
C9 – Downstream Transportation and Distribution	365,768
<b>Total</b>	<b>12,559,258</b>

## b. Ambitions used by Macy's, Inc. to manage climate-related risks and opportunities

Macy's, Inc. has set the following ambitions to manage climate-related risks and opportunities:

- Achieve **near-term emissions reductions** versus our 2021 baseline year by 2030.
- **Achieve 50% renewable energy** in direct operations (including distribution centers, fulfillment centers and stores) by 2030.
- Submit Emissions Reduction Target and Pathways to **Science Based Targets initiative** (SBTi) organization by 2024.
- **Divert 80% waste** from direct operations (packaging, hangers, advertising assets, etc.) from landfills by 2030.
- 100% of **private brand product packaging** managed by the Macy's Private Brand Sourcing, Product Development & Production will either be redesigned to reduce total material use or contain **recyclable, reusable or preferred materials** by 2030. (Note: Packaging includes polybags, primary outer packaging, hangers, hangtags.)
- 100% of **fulfilment 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** by 2025.
- **100% of Strategic & Core Tier 1 private brand supplier facilities** of products managed by the Macy's Sourcing team **will meet environmental compliance** requirements through routine assessments or will implement remediation plans by 2025.
- **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 by 2030.
- **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 by 2025.
- 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 brands products** managed by the Macy's Sourcing team by 2030.
- Implement **policy** to guide claims that products **reduce water consumption** by 2025.
- **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 by 2025.
- **Publicly disclose** 95% of Core & Strategic private brand Tier 1 suppliers managed by the Macy's Sourcing team by 2025.
- **Publicly disclose** 95% of Core & Strategic private brand Tier 1 and Strategic Tier 2 suppliers managed by the Macy's Sourcing and Raw Materials teams by 2030.
- 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 by 2030.
- Scale **circular innovations** to extend the useful life of materials, avoiding **1,000 tons** of products and packaging from landfill by 2030.

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# Forward-Looking Statements

All statements in this corporate responsibility report that are not statements of historical fact are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of Macy's, Inc.'s management and are subject to significant risks and uncertainties. Actual results could differ materially from those expressed in or implied by the forward-looking statements contained in this corporate responsibility report because of a variety of factors, including Macy's, Inc.'s ability to successfully implement A Bold New Chapter strategy, including the ability to realize the anticipated benefits within the expected time frame or at all, conditions to, or changes in the timing of proposed real estate and other transactions, prevailing interest rates and non-recurring charges, the effect of potential changes to trade policies, store closings, competitive pressures from specialty stores, general merchandise stores, offprice and discount stores, manufacturers' outlets, the Internet and catalogs and general consumer spending levels, including the impact of the availability and level of consumer debt, possible systems failures and/or security breaches, the potential for the incurrence of charges in connection with the impairment of tangible and intangible assets, including goodwill, declines in credit card revenues, Macy's, Inc.'s reliance on foreign sources of production, including risks related to the disruption of imports by labor disputes, regional or global health pandemics, and regional political and economic conditions, the effect of weather, inflation, inventory shortage, labor shortages, the amount and timing of future dividends and share repurchases, our ability to execute on our strategies or achieve expectations related to environmental, social and governance matters, and other factors identified in documents filed by the Company with the U.S. Securities and Exchange Commission, including under the captions "Forward-Looking Statements" and "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2024. Macy's, Inc. disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.



**macys inc**

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**MISSION  
EVERY  
ONE**