

macy's inc

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makeup • skincare • spa

2021

Supplier Diversity Economic Impact Report

In 2021, Macy's, Inc. purchased

\$688M

in goods from
underrepresented businesses.

This is particularly true in our vendor relationships and our commitment to Supplier Diversity. Through the Supplier Diversity program, Macy's, Inc. purchases goods and services from diverse enterprises and encourage prospective suppliers to join us as partners. These programs help foster jobs and economic activity with underrepresented segments of the business and customer communities.

Inclusive procurement practices provide opportunities to diverse businesses, that, in turn, provide greater representation, employment and economic advancement for Asian, Black, Hispanic/Latino, Native American, women, veteran and LGBTQ communities.

At Macy's, Inc. we are committed to operating with integrity and creating a more sustainable future. This includes our mission to embed diversity, equity and inclusion into how we think, act and operate both within our organization and in the communities in which we operate.

These partnerships are mutually beneficial – Macy's, Inc. discovers new, diverse suppliers for high quality, competitively priced merchandise and our vendors see their businesses grow. In addition to diversifying our merchandise, by incorporating Ethnically Diverse-, LGBTQ-, veteran- and women-owned businesses into our business strategies, we ensure that we meet the diverse needs of all of our customers.

We are proud of the work we've done so far and know that there's still much more we can accomplish.



In 2021, Macy's, Inc.'s overall spend with underrepresented businesses contributed **\$1.2B** to the US economy and sustained over **7k jobs**.

From Our Chairman & Chief Executive Officer

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Jeff Gennette

Chairman & Chief Executive Officer

At Macy's, Inc., we know that we are stronger when we represent the many communities we serve. Our vendor relationships play an important role in our diversity, equity, and inclusion strategy. By integrating diverse and women-owned businesses into our merchandising and business development strategies, we ensure that our products reflect our customers and communities, while supporting the next generation of vendors to build a better, more inclusive future.

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From Our Chief Diversity, Equity & Inclusion Officer

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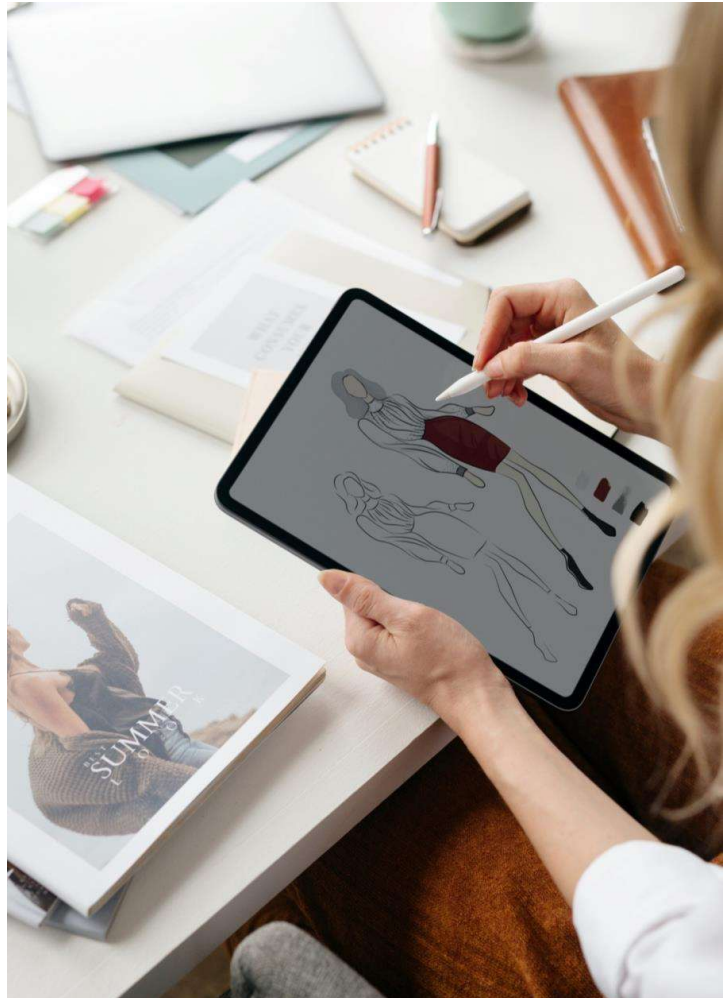


Shawn Outler

Chief Diversity, Equity & Inclusion Officer

It is a foundational belief at Macy's, Inc., that more voices create better choices, more space, more ideas and more opportunities for all. Having a diverse supplier base allows us to expand the breadth and uniqueness of our assortment and provide our customers with a more compelling and personal shopping experience. To increase our investment in underrepresented designers, brands and business partners both with retail and non-retail diverse-owned businesses, we are tackling the barriers to representation at all levels. From industry scholarships and business accelerators to supplier diversity & sponsorship programs, we are working daily to positively impact historically excluded talent in our industry.

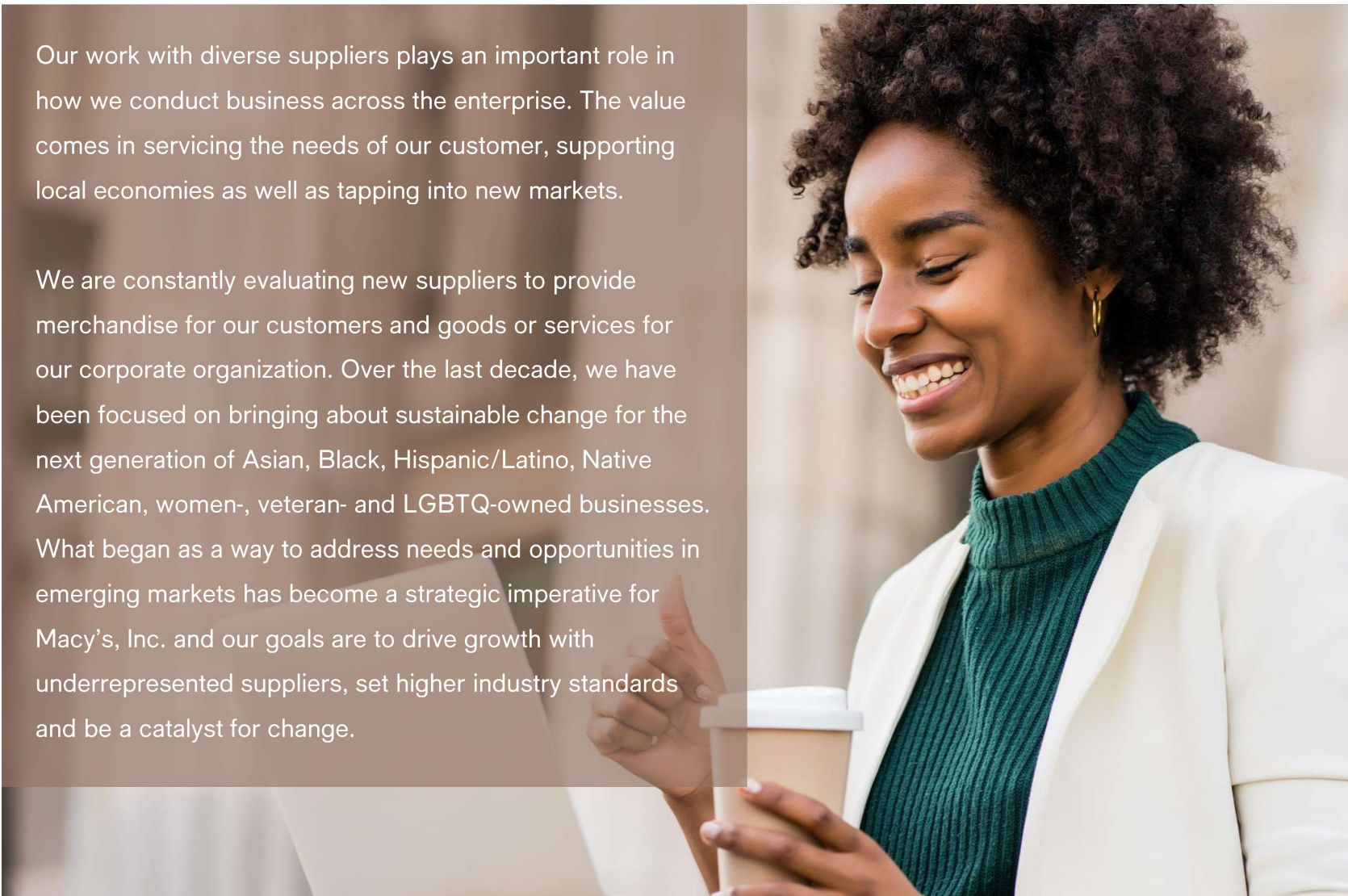
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Drive Growth with Underrepresented Suppliers

Our work with diverse suppliers plays an important role in how we conduct business across the enterprise. The value comes in servicing the needs of our customer, supporting local economies as well as tapping into new markets.

We are constantly evaluating new suppliers to provide merchandise for our customers and goods or services for our corporate organization. Over the last decade, we have been focused on bringing about sustainable change for the next generation of Asian, Black, Hispanic/Latino, Native American, women-, veteran- and LGBTQ-owned businesses. What began as a way to address needs and opportunities in emerging markets has become a strategic imperative for Macy's, Inc. and our goals are to drive growth with underrepresented suppliers, set higher industry standards and be a catalyst for change.



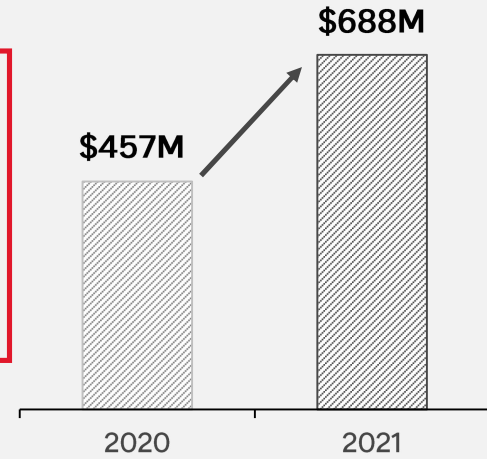
Increase Our Economic Impact



Macy's total diverse spend*
from 2020 to 2021 increased
by

51%

3.6% of total Macy's, Inc.
spend.



By purchasing goods and services from underrepresented suppliers and encouraging others to do the same, we help to create jobs and fuel economic activity in key segments of the business and customer communities.

Inclusive procurement practices provide opportunities to businesses which, in turn, provide greater representation, employment and economic advancement.

*Total diverse spend in 2020 & 2021 includes retail and non-retail spend.

Products Expansion

We expanded opportunities for suppliers to partner with us through owned and vendor direct fulfillment options.

In addition, strategically targeted merchandise categories as a way to increase representation in our assortments.

200+

NEWLY ADDED

women, ethnically diverse, LGBTQ, and veteran-owned business enterprises to our products portfolio.

- Launched our inclusive beauty pilot program to expand our categories within skincare, haircare and cosmetics with award-winning beauty products. We expanded categories such as beard care, textured haircare tools and skincare for hyperpigmentation.



- Launched a series of collaborations with **5 Black fashion visionaries** called Icons of Styles. The visionaries are: Zerina Akers, Misa Hylton, Aminah Abdul Jillil, Allen Onyia and Ouigi Theodore.

- Became the first major retailer to sign The Fifteen Percent Pledge (Oct. 2020), which inspired the expansion and development of Black-owned brands across Macy's, Inc. Since signing The Fifteen Percent Pledge, increased the number of **Black-owned products** in our retail portfolio by 5x, thus increasing overall spend with Black-owned businesses.



Colleague Empowerment, Education and Reporting

To advance knowledge and enhance accountability, we developed a variety of resources to drive engagement and educate merchants on the cultural importance and business value of supplier diversity and helped them build more diverse assortments.

Colleagues are more informed and empowered to lead the work and help Macy's, Inc. achieve these goals through the following initiatives:

- Merchant attendance at tradeshow matchmaker sessions and open calls.
- An optimized supplier registration portal, connecting merchants with tools such as consumer insights and Employee Resource Groups (ERGs) to help them identify merchandise/brand opportunities.
- New automated reporting and dashboards to identify opportunities for supplier diversity.

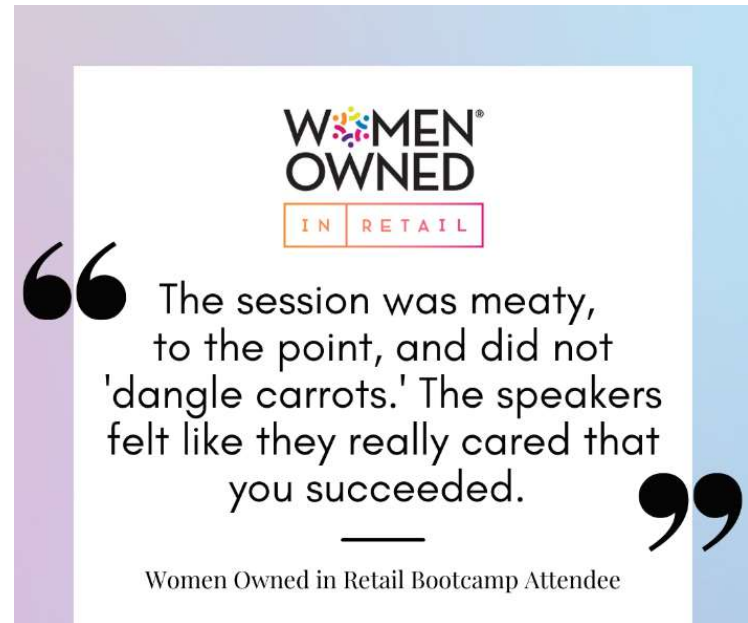


Partnerships with National Advocacy Groups and Programming

We partnered with the Women’s Business Enterprise National Council (WBENC) to host the first Macy’s, Inc. Fashion Bootcamp, a program designed to help women-owned businesses scale and thrive in the retail space. This event was held in August 2021.

More than 1,000 women registered for the event. Through interactive sessions, participants gained insights and best practices from Macy’s executives and buyers that deepened their understanding of what it takes to be carried by a large retailer and allowed entrepreneurs to discover ways to become a supplier for a larger retailer.

We also sponsored a student entrepreneur to participate in the WBENC Collegiate Accelerator Program. At Macy’s, we held monthly training sessions for 80+ underrepresented suppliers where executive experts shared best practices to ensure successful onboarding with large retailers.



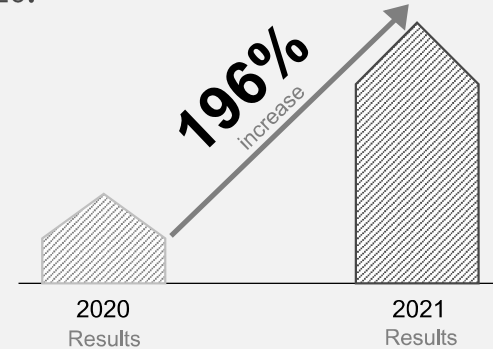
Tier 2 Program Impact

Tier 2 Supplier: Provides goods and services to the Tier 1 supplier.
Tier 2 Spend: When a company's Tier 1 suppliers (Primes) make purchases from other diverse suppliers.

As part of our mission to inspire change across our industry, our Tier 2 program tracks spend with underrepresented suppliers from non-diverse vendor partners. This allows us to share the impact of indirect and direct spend with Asian, Black, Hispanic/Latino, Native American, women-, veteran- and LGBTQ-owned businesses.

We are proud to see that this program has been a catalyst for other Macy's, Inc. partners to join the effort by starting or expanding their own programs.

We achieved **\$133M**, which exceeded our Year 1 goal of **\$100M** and was an increase of **196%** versus 2020.



We will continue to expand the program's reach by adding new retail partners and non-retail suppliers from best-in-class corporate partners.



Economic Impact through Supplier Diversity

Supplier diversity programs help foster jobs and economic activity with underrepresented segments of the business and customer community. These suppliers provide great representation, employment opportunities and economic advancement for diverse communities.

What is Economic Impact?

Macy’s, Inc. purchases from diverse suppliers have a ripple effect on the supply chain. This total economic impact is comprised of three components:

<div>DIRECT</div> <div></div> <div>This impact is through Macy’s, Inc. direct purchases with diverse suppliers.</div>	<div>INDIRECT</div> <div></div> <div>Macy’s, Inc. diverse suppliers purchase goods and services from other suppliers, which creates a ripple effect through the economy.</div>	<div>INDUCED</div> <div></div> <div>Employees in the jobs created in the supply chain to satisfy purchases by Macy’s, Inc. purchases support additional jobs in their communities.</div>
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The combined effects of these activities are analyzed using a standardized and widely accepted methodology known as Economic Impact Analysis.

Economic Impact Metrics

<div>Total Production Contribution</div> <div>Economic activity, employee wages and taxes generated due to the purchases made by Macy’s Inc. from diverse businesses.</div>	<div>Supported Jobs</div> <div>Jobs supported at diverse owned companies, their suppliers and within their communities.</div>	<div>Employee Wages</div> <div>Wages measure the cumulative earnings of the colleagues in the supported jobs.</div>	<div>Taxes Generated</div> <div>Taxes measure the federal, state and local tax revenues that are generated through the economic activity.</div>
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Economic Impact of 2021 Supplier Diversity Program



\$1.2B

Total Production Contribution of Macy's,
Inc. Spend with Diverse Suppliers

7,009

Jobs

Total jobs supported through Macy's, Inc.
supplier diversity spending



\$388M

Earnings

Employee earnings through the jobs in Macy's, Inc.
supply chain



\$353M

Taxes

Federal, state and local taxes generated due to the
economic activity



\$688M

Direct Diverse Spend

Macy's, Inc. purchases from underrepresented
businesses



Note: Total diverse spend in 2020 & 2021 includes retail and non-retail spend.

Direct Impact – Diverse Suppliers

3,744

TOTAL JOBS SUPPORTED AT DIVERSE SUPPLIERS

ETHNICALLY –
DIVERSE* OWNED
BUSINESSES

\$455M

Direct Spend

2,577

Jobs

\$145M

Wages



WOMEN – OWNED
BUSINESSES

\$265M

Direct Spend

1,478

Jobs

\$84M

Wages



LGBTQ – OWNED
BUSINESSES

\$25M

Direct Spend

372

Jobs

\$14M

Wages



VETERAN – OWNED
BUSINESSES

\$6M

Direct Spend

37

Jobs

\$3M

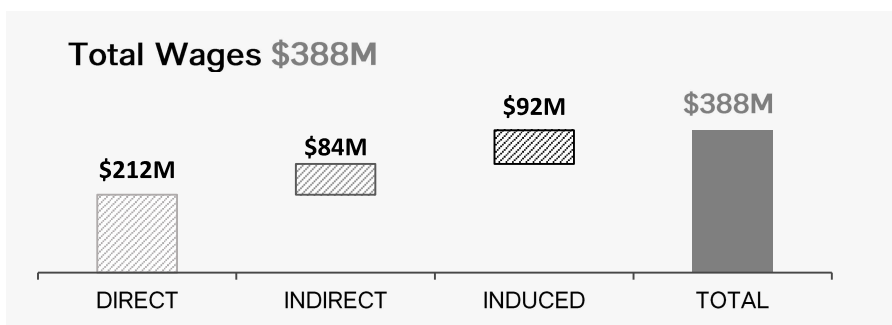
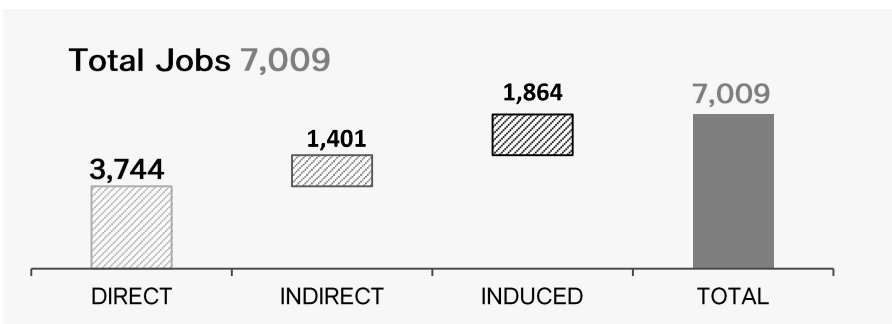
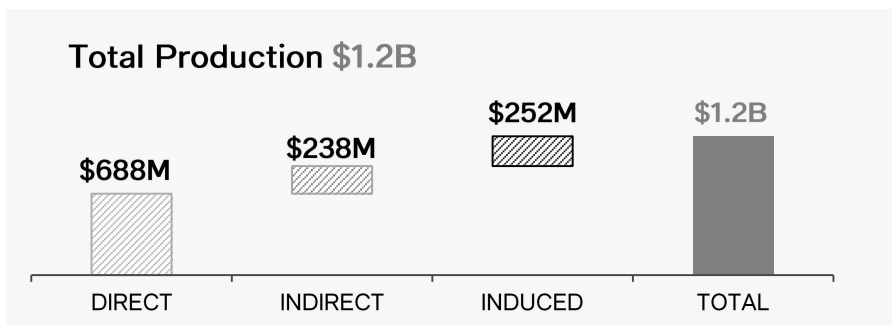
Wages



*Black, Asian, Hispanic/Latino, Native American

Note: Suppliers spend is included in every category for which they qualify. Therefore, spend dollars and jobs by category will add up to greater than the total.

Multiplier Effect of Diverse Spend



Note: Direct, Indirect and Induced numbers may not add up to the total due to rounding.

Direct Impact at Macy's, Inc. Diverse Suppliers

Macy's, Inc. purchased **\$688M** from diverse businesses in 2021. These purchases supported **3,744** jobs and **\$212M** in employee benefits and wages at these businesses.

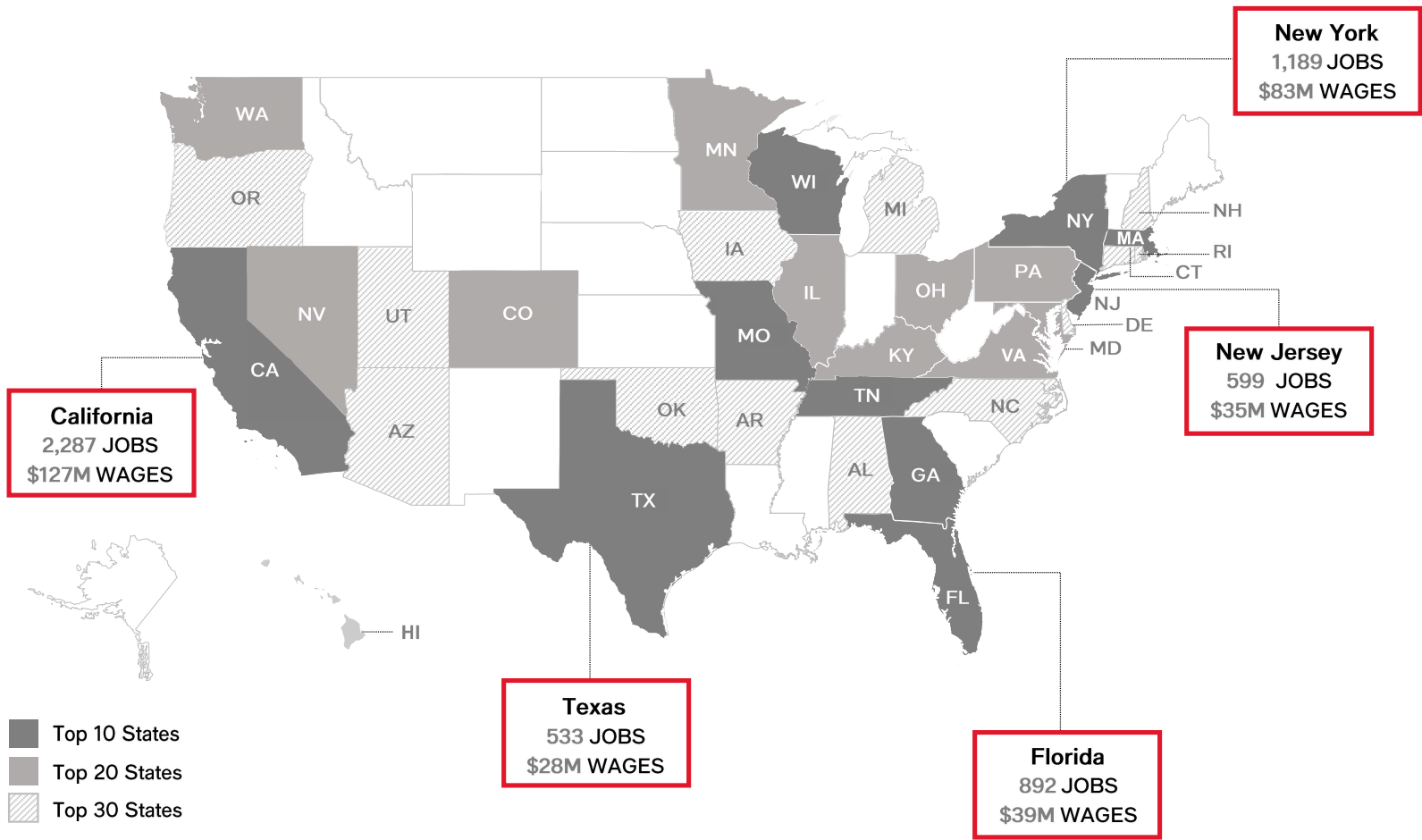
Indirect Impact

These diverse businesses purchased **\$238M**, in goods and services from their suppliers and supported an additional **1,401** jobs and **\$84M** in employee benefits and wages at these businesses.

Induced Impact

The employees in supported jobs generated **\$252M** in economic activity and supported **1,864** jobs and **\$92M** in employee benefits and wages at these businesses.

Top State Jobs Supported By Macy's, Inc. Diverse Spend



Note: Only the top 5 states are reflected on the map.

Macy's, Inc. Impact With Retail Suppliers



Macy's, Inc. Impact With Non - Retail Suppliers

2,785

Jobs Supported

Total jobs supported through Macy's, Inc. supplier diversity spending



\$163M

Earnings

Employee earnings through the jobs in Macy's, Inc. supply chain



\$128M

Taxes

Federal, state and local taxes generated due to the economic activity



\$393M

Total Production Contribution of Macy's, Inc.
Spend with Diverse Suppliers

2021 Awards & Recognition

Here are some of the awards that we have been recognized for :



Macy's, Inc. was recognized by the National Business Inclusion Consortium (NBIC) as one of the Best-of-the-Best Top 50 Corporations for Inclusion, which recognizes outstanding corporate achievement in promoting cross-segment diversity, equity and inclusion. Only companies achieving industry-leading results across all diverse segments are eligible to receive the prestigious Best-of-the-Best designation from the NBIC.



Macy's, Inc. received the Top Corporation Resiliency Award for our commitment to Women Owned business throughout 2020 and 2021.



Macy's, Inc. was recognized by WBENC with the Gold Distinction Top Corporation Award for Supplier Diversity.



Macy's was a recipient of the 2021 LGBTQ Business Equality Excellence Award from Business Equality Network (BEQ). This award recognizes organizations that are fostering economic stability in the LGBTQ community through the fair treatment and inclusion of LGBTQ employees, suppliers, consumers and partners.



For the 7th consecutive year, Macy's, Inc. achieved a score of 100 on the Human Rights Campaign Foundation's Corporate Equality Index (CEI), earning the designation as "Best Place to Work for LGBTQ+ Equality".

THE WORKSHOP

AT  macy's

The Workshop at Macy's is an exclusive retail vendor accelerator program designed to give high-potential diverse businesses the tools to better succeed and sustain growth in the retail industry. This business development program was launched in 2011 to foster growth in the next generation of diverse merchandise suppliers. Conducted annually, the program is a foundational element of our commitment to vendor diversity.

To learn more visit <http://www.theworkshopatmacys.com>

Goals

- Drive promising enterprises to the next level by providing the knowledge, resources and tools to achieve business objectives and sustain growth.
- Provide diverse and women small business owners with real-world practice and perspective on how to create effective large-scale vendor relationships.
- Develop and maintain a pipeline of viable retail suppliers that reflect Macy's diverse customers.

Qualifications

- Be a woman, or a veteran, or LGBTQ, or of Black, Hispanic, Native American, Asian-Indian, or Asian-Pacific descent.
- Operate an established U.S.-based business that produces goods for resale in a department store environment.
- Own a business for more than 2 years that has growth potential and has already maximized their online and specialty store opportunity.

THE WORKSHOP AT ★macy's

The Workshop at Macy's spearheads the development and expansion of women and diverse-owned brands

- In 2021, 50 emerging designers and founders engaged in a The Workshop at Macy's vendor development program focused on education, mentorship and networking.
- Courses were facilitated by Macy's internal experts and our partners at Babson College, Meta and Google.
- The program pivoted to a virtual program in response to the pandemic allowing access and training time to more businesses.
- The Workshop at Macy's Digital pop-up shop launched and featured the 2021 cohort in an online selling experience on Macys.com.

11

YEARS OF THE
WORKSHOP AT MACY'S

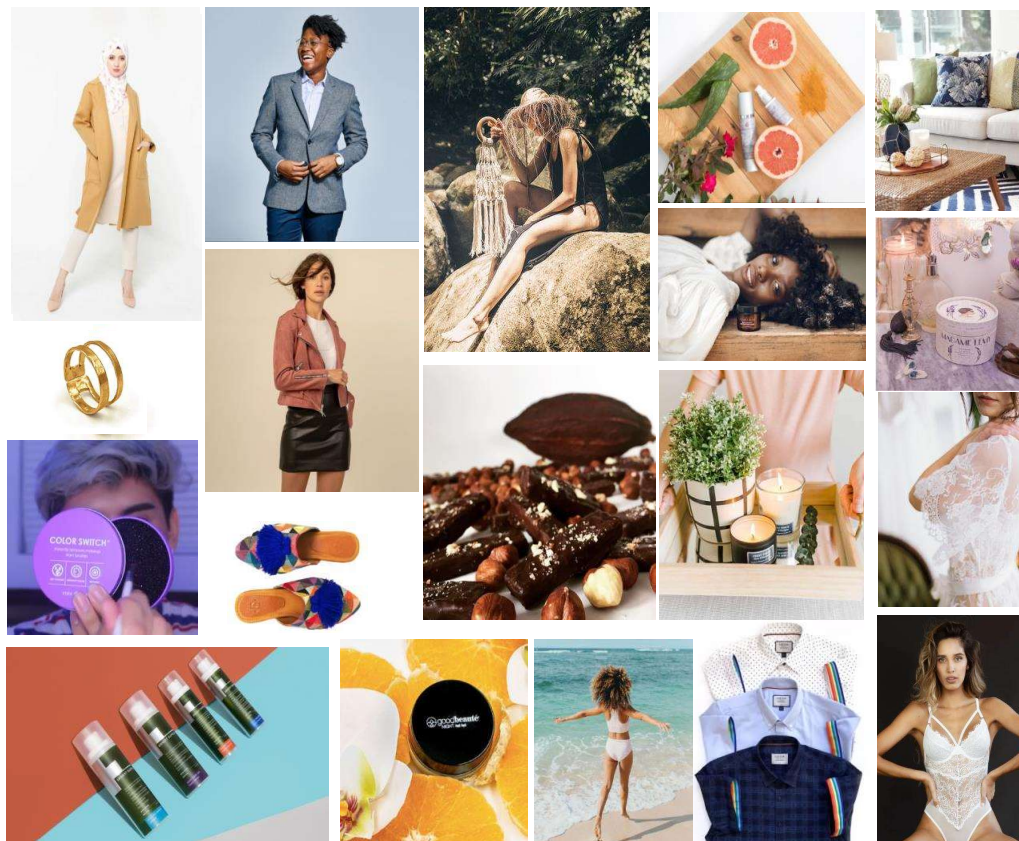
175

BRANDS
GRADUATED

Breakout talent

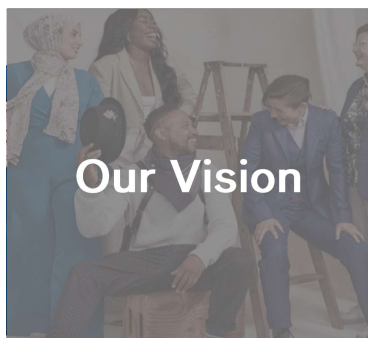
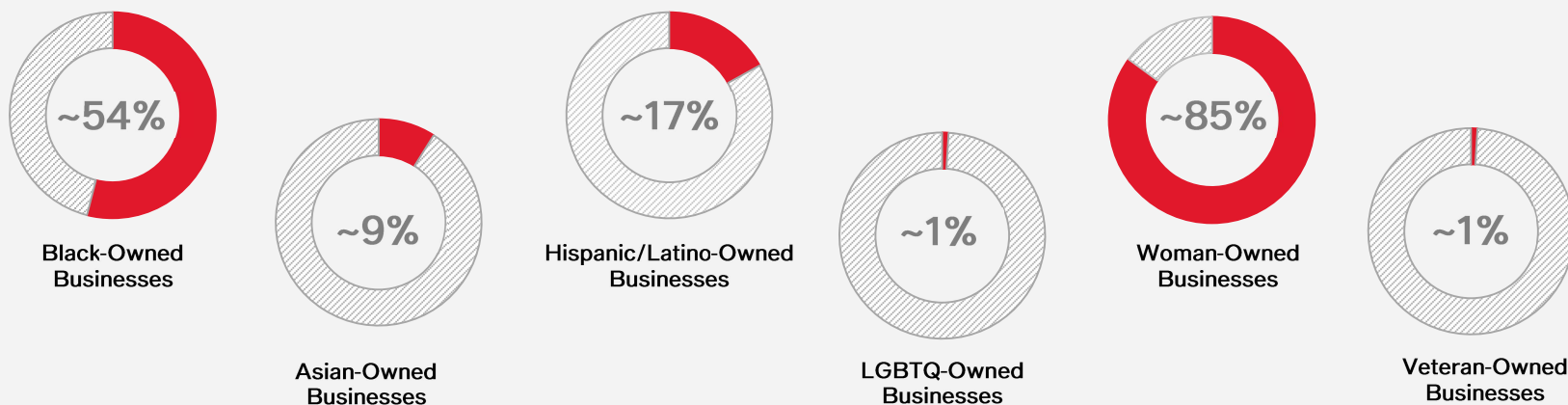
Congrats to The Workshop at Macy's class of 2021!

Check out these diverse & women-owned brands that all bring a fresh point of view to your closet, home & beyond.



To learn more visit <http://www.theworkshopatmacys.com>

Participants by Diversity Ownership (Program to Date – 2021)



Our Vision

Our exclusive retail vendor accelerator program is designed to give high-potential businesses the tools to better succeed and sustain growth in the retail industry

- Drive promising enterprises to the next level by providing the knowledge, resources and tools to achieve business objectives and sustain growth.
- Provide Asian, Black, Hispanic/Latino, Native American or women, LGBTQ and veteran business owners with real-world practice and perspective on how to create effective large-scale vendor relationships.
- Maintain a pipeline of viable retail suppliers that reflect the diverse multicultural marketplace that Macy's serves.

To learn more visit <http://www.theworkshopatmacys.com>

Note: Some affinity /ethnicity designations account for more than one group.



Dorion Renaud
Founder & CEO

Macy's was the first major retailer that supported me through the pandemic and they have continued to support and display my brand beautifully throughout our incredible partnership. I'm honored that Macy's continues to be inclusive and in support of my black owned brand.

I have shopped at Macy's for my self care needs, clothing needs and lifestyle needs for years. It was my dream to have my brand in my favorite retailer. This partnership with Macy's has been amazing and I'm so honored to take this journey with my Macy's team.

buttah.
BY DORION RENAUD



Texas native, Dorion Renaud, began his career in the entertainment industry as a model, actor and recording artist. From hosting duties on NBC's EXTRA! to his lead role on Bounce TV sitcom, In The Cut and guest appearances on other shows, Dorion spent most of his time in front of the camera.

Dorion found himself on an endless quest for skincare products that addressed the specific needs of his skin and often came up empty. When he discovered raw, organic, natural Shea, his journey into the skincare industry began. It was the transformational properties of this single ingredient that inspired him to create Buttah Skin. His mission is to give melanin enriched skin the attention it deserves. Helping others to prioritize self-care, feel good and in return, look good.



Robin Wilson
Founder & CEO

Macy’s selected me in 2012 as a Workshop participant. Now, a decade later, we are making history together – as the first Black American to have a global textile brand. We partnered with Martex and focus on the allergen-aware consumer. With 50 stores announced a few weeks ago, we learned that we are the first diverse brand with a long-term space on the textile floor after 46 years – and Macy’s management is making sure we enter multiple categories and we build a true partnership.

Macy’s, Inc. has made a commitment to diverse brands and my experience proves the Workshop program works! Making strong sales to a ‘new’ customer at Macy’s will always open doors...



CLEAN DESIGN HOME



Robin Wilson began her origin story with humble beginnings in Austin, TX with devoted parents, as a pan-allergic child. Now she is on *Inc.*'s “Top 100 Female Founders” list and has launched the **CLEAN DESIGN HOME x Martex** collection at Macy’s. She is recognized as the first Black-American female founder of a global, licensed textile brand for the allergen-aware consumer, which is expected at retail in the UK and Japan by year-end.

“Think about the irony! My grandfather was a sharecropper who picked cotton in Texas. Now, my luxury 100 percent cotton [and] hypoallergenic collection is sold nationwide at Macy’s. It is a legacy story in three generations”.

“



Sherrill Mosee
Founder & Inventor

“Participating in The Workshop at Macy’s was a dream come true. I often walked through the handbag department at Macy’s envisioning my bag would be there one day. The intensive program provided an inside look at the ins-and-outs of working with a big retailer.

Understanding the retail buys, filling white space and most importantly a deep dive into my finances with access to forecasting and financial planning tools helped me to evaluate how I could be successful at Macy’s. I’m Blessed to have had this opportunity.”

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minkeeb[®]blue
your day is in the bag



Sherrill Mosee is founder and inventor of MinkeeBlue organizational travel and work bags. MinkeeBlue are stylish, functional and practical bags that solves a problem many women experience while commuting to work. Sherrill wanted to eliminate the need to carry multiple bags while commuting to work. MinkeeBlue allows you to organize and separate everything you need for the day in one bag.



Danielle Martin
Founder & CEO

As we are a brand that cherishes and values diversity as much as our customers do, it is important to partner with companies who share these same values. Partnering with Macy's within their Story program not only showed me that this was possible, however, they also validated the idea that an under resourced business isn't automatically a bad one. This program gives opportunities to those who may otherwise get overlooked by businesses of their size and it also shows the value of investing in diverse businesses through the success of sales. They have provided a myriad of resources through everyday interactions that has been unparalleled and will continue to add value to our business for years to come.

SOAP DISTILLERY®

SMALL BATCHES. NO HANGOVERS



Soap Distillery is a Black Women-owned and founded company that responsibly manufactures beverage themed bath and body care products. We create beverage themed bath and body care with a sustainable edge!

Born from a need to see product and owner diversity within the natural body care world. Our founder, Danielle Martin, had a vision to create the fun and sustainable products that we have been known for since 2012. Since then, we have been steadily driven to mindfully manufacture everything we create and to continuously improve upon our message of sustainability as it relates both to our products and our facility.

Soap Distillery strives to create a bridge between the gap of 'fun' and 'earth friendly' by redefining what an "everyday product" is. Our main priority is to offer creative and unique products that use sustainable and compostable packaging as much as possible. We want to be a one stop shop for your everyday body care needs. We also want our customers to love our everyday products so much that they desire to share them with those that they care about the most. We are a brand that cherishes diversity and opportunity as our customers cherish these same values. Our voice is merely an extension of that of our customers.

Supplier Spotlight



Pramod Vaswani
Founder & CEO

Macy’s has consistently supported our organization over the years through mentorship, growth opportunities and even access to capital. As our business is not only minority-owned but also composed of 80% minority employees at all levels, the economic impact of our partnership is significant and effective.

Macy’s mission to increase diversity amongst its suppliers continues to be inspirational and productive.



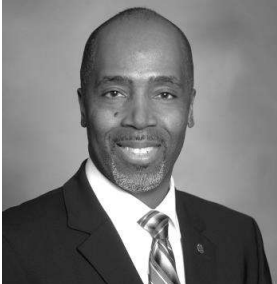
Vaswani is a leader in the design, fabrication and installation of retail environments. They have been a proud partner with Macy’s for over 10 years supplying fixtures, furniture and rugs.

First introduced at a diversity summit, followed by a small project of metal racks, the relationship continued to grow over the years. Through communication and trust, Vaswani is currently one of Macy’s largest FF&E suppliers and involved in some of the highest profile projects including Market by Macy’s stores and Toys“R”Us shops.

“



Brenda H. Oneal
Chief Executive Officer



Carlton L. Oneal
President

Light Speed is an award-winning eLearning and multimedia communications firm with a comprehensive suite of educational offerings that deliver accelerated interactive development in problem solving, collaborative inclusion and diverse thinking.

Light Speed’s multi-media solutions connect brands and messaging, internally and externally, for today’s fiercely competitive marketplace. Light Speed is more than our name. We propel clients to think bigger, execute faster and capitalize on competitive edge differences.

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Light Speed is proud to have obtained Macy’s as a client at a time when many diverse businesses were facing pandemic related challenges. Thanks to the creative thinking of the Retail Diversity team, Light Speed was provided with an opportunity to leverage all aspect of our capabilities to design, develop and produce a virtual version of The Workshop at Macy’s; a comprehensive on-line virtual event experience.

The success of the initial event led to a multi-year engagement that continues to include eLearning course development, video editing, animations and hosting of on-line content and hybrid learning events.



Appendix: Economic Impact Modeling

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced output,” or additional spend, personal income and employment.

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some wages and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by **supplier.io**

Assumptions

This analysis relies on the following assumptions:
For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.
For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier's primary NAICS code.
A supplier impact is assumed to be localized within a state.
The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and incomes at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:
US Government
Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n
IMPLAN (<https://implan.com>)
United States GDP: <http://www.tradingeconomics.com/united-states/gdp>
RIM II User Guide - A essential tool for regional developers and planners: https://www.bea.gov/sites/default/files/methodologies/RIMSII_User_Guide.pdf
Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers <https://www.bea.gov/system/files/papers/WP2012-3.pdf>



2021 SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT