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A Message from Our Chairman and CEO



TONY SPRING

Chairman and Chief Executive Officer

Dear Stakeholders,

In 2024, we made meaningful progress implementing our three-year Bold New Chapter strategy, which is designed to enhance the customer experience; return the company to sustainable, profitable growth; and unlock shareholder value.

We are inspired by *Mission Every One*, our social commitment that defines how we invest in our people, partners, products and programs to create a brighter future for all. Building on our legacy of social responsibility, we recognize our ability to positively impact our employees, our planet and the communities we serve. When we do this well, we unlock our full potential and drive innovation.

Our 2024 Corporate Responsibility Report demonstrates our commitment to this work and our ability to create long-term value for our stakeholders. Our corporate responsibility programs and initiatives are linked to our Bold New Chapter strategy, supporting our ability to elevate the experience for our customers and incorporate positive change for our community and our planet.

This report provides an overview of our progress across three core corporate responsibility pillars: People, Community and Planet. Highlights include:

- One year into our three-year Bold New Chapter strategy, our initiatives are gaining traction across our three pillars: 1) Strengthen and Reimagine the Macy's Nameplate; 2) Accelerate and Differentiate Luxury; and 3) Simplify and Modernize End-to-End Operations.
- In 2024, \$29 million was raised and donated to benefit communities across the country through various social impact programs, including national customer campaigns, corporate grants and colleague contributions.

- Of the \$29 million, our colleagues donated approximately \$3.1 million to more than 4,600 charities and volunteered more than 68,000 hours. The company matched more than \$750,000 of colleague donations.
- As part of our ongoing commitment to our colleagues, we have evolved our Culture Pulse Survey, enhancing our ability to listen to colleagues' feedback, and in February 2025, we introduced our new Macy's culture, focused on embracing genuine hospitality.
- Our team furthered our sustainability initiatives by leveraging third-party and nonprofit partners and driving internal awareness of our programs, including those targeted at enhancing quality of life for employees at all levels.

This progress is driven by our dedicated colleagues, whose efforts power key strategic initiatives to deliver sustainable, profitable growth and to capture consumer mind share across nameplates.

In 2024, roughly 40 million customers across five generations shopped our iconic nameplates. Yet, we are more than a retail store. We help our customers celebrate life's milestones like prom, job interviews, weddings, the arrival of a baby and more. We provide experiences that spark joy, wonder and connection, adding value to our customers' lives. Through our iconic events, we create unforgettable cultural moments viewed by millions worldwide. In 2026, we will celebrate 50 years of our Macy's 4th of July Fireworks and our 100th Macy's Thanksgiving Day Parade, as we continue delivering memorable live holiday entertainment to millions of viewers and underscore the relevance of Macy's, Inc. for our customers and stakeholders.

Sincerely,

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 for all — so we can realize the full potential in every one of us. Headquartered in New York City, our comprehensive digital and nationwide store footprint empowers us to deliver a seamless shopping experience for our customers.

FISCAL 2024 FINANCIAL HIGHLIGHTS

\$22.3 billion net sales

38.4% gross margin as a percent of net sales

\$582 million net income

~94,000 combined full-time & part-time colleagues*

*As of fiscal-year end February 1, 2025.



Our Iconic Nameplates



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

bloomingdale's

Bloomingdale's has been a fixture of New York fashion since 1872, and more than 150 years later, it just keeps getting better. It serves as America's only nationwide, full-line, upscale department store, bringing together premium luxury designers, emerging contemporary brands, beloved private labels and a space to **discover and indulge your own unique style.**

BLUEMERCURY

As a leading destination for luxury beauty and spa services, Bluemercury has been designed as a **haven for beauty aficionados** right in customers' neighborhoods since 1999. The brand has expanded its specialty-store presence nationwide while continuing to celebrate uniqueness and individuality.

A Bold New Chapter

Introduced in February 2024, our three-year Bold New Chapter strategy is designed to enhance the customer experience; return the company to sustainable, profitable growth; and unlock shareholder value.

Strengthen & Reimagine
the Macy's Nameplate



Accelerate & Differentiate
Luxury



Simplify & Modernize
End-to-End Operations



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 (FY) 2024, ended February 1, 2025. Throughout this report, references to "Macy's, Inc.," "we," "our," "us" and "company" refer to the Macy's, Inc. enterprise and references to "2024," "2023," "2022" and "2021" are references to the company's fiscal years ended February 1, 2025; 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).





Empowering More Voice, Choice and Ownership for All

Launched in early 2022, our enterprise-wide social commitment, *Mission Every One*, builds on our heritage of corporate citizenship to achieve positive change. Through this commitment, we aim to create a brighter future for all that empowers 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 brighter future.

OUR PROGRESS

Approximately

\$1.7 billion

of spend was directed to *Mission Every One* commitments in 2024, totaling approximately \$4.9 billion since the program launched.

OUR COMMITMENT PILLARS



People

We recognize and value the 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.

2024 Highlights¹

\$29 million

was raised and donated to benefit communities across the country through various social impact programs, including national customer campaigns, corporate grants and colleague contributions.

\$19 million

of the total \$29 million raised was directed to nonprofit organizations that support our commitment to youth empowerment by funding programs that support the mental health, mentorship and education of young people, as well as environmental stewardship.

68,000+

volunteer hours were contributed by Macy's, Inc. colleagues.



Leveraged partnerships to support our sustainability initiatives, including World Wildlife Fund (WWF), Planet Water Foundation, RISE: Reimagining Industry to Support Equality and Ethical Supply Chain Program: Family-Friendly Spaces.



Identified key colleagues as Sustainability Ambassadors to lead the work in embedding and building awareness for sustainability across the enterprise.



Examined ways to improve our customers' experience, engagement and commitment through our Customer Bill of Rights, L.E.A.R.N. (Listen, Empathize, Apologize, React Now) process and store leaders who encourage a welcoming experience for all customers.

¹ Highlights are enterprise-wide unless otherwise stated.

Our Approach to Corporate Responsibility

At Macy's, Inc., corporate responsibility is embedded in our Bold New Chapter strategy. Our corporate responsibility programs and progress demonstrate our commitment to operating responsibly and ethically, creating a more sustainable future, supporting growth efforts and enhancing the customer experience. Macy's, Inc.'s corporate responsibility programs are aligned to our *Mission Every One* commitment pillars: People, Community and Planet. 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 promote responsible practices across our global value chain.

Corporate Responsibility Governance

We have embedded management of corporate responsibility matters at all levels of our company.

Macy's, Inc.'s Board of Directors (Board) has oversight of corporate responsibility programs throughout the enterprise. Oversight responsibilities of each Board committee are included in the committee charters. Macy's, Inc. leadership is responsible for the development and implementation of our corporate responsibility strategies and programs enterprise-wide.



People



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Overview

At Macy's, Inc., we value our colleagues who drive our mutual growth and innovation because we know the work of each colleague is key to bringing inspiration and joy to our customers — which is integral to the success of a Bold New Chapter.

Our Board of Directors, through the Compensation and Management Development Committee, maintains 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.

Human Capital

At Macy's, Inc., we strive to be the preferred employer across our brands through our passion and commitment to colleagues, customers and communities. Investing in the development, engagement and well-being of colleagues enables us to attract and retain top talent to meet the evolving needs of our customers and positively impact our business.

Our colleagues are at the center of our culture, which is a competitive advantage and sets the tone for 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 opportunities for growth and engagement.



Talent Acquisition

We are focused on attracting the best talent in the industry. We offer opportunities for candidates at every stage of their career journey — from students looking for their first job to seasonal candidates and experienced talent — to drive our growth initiatives.

In 2024...

66,500+

combined colleagues were hired (more than 30,500 regular and 36,000 seasonal).

95%+

of staffing levels were met, supporting the strong stores and supply chain performance.

1.5 million

applications were received across the enterprise, a decrease of 17% from 2023, reflecting fewer open roles due to an improved turnover rate.



Job Descriptions

In 2024, we refreshed all our job descriptions to make them clearer, more inclusive and more aligned with how people explore career opportunities today. We removed degree requirements to open doors for more talent, updated our benefits language to be more transparent and improved how we describe key skills for each role.

Building Our Candidate Pipeline

Macy's, Inc. is focused on developing opportunities to recruit top talent and create an engaged and inclusive workforce.

Two examples of our recruitment and talent strategy include:

- **College Internship and Entry-Level Development Programs at Macy's and Bloomingdale's:**
To develop future leaders, we tailor our internship opportunities to organizational positions and career paths that provide interns in-depth knowledge and hands-on experience, as well as the opportunity to interact with senior leadership.
- **Inclusive Workplace Initiatives:**
As a member of the Second Chance Business Coalition, Macy's, Inc. prides itself on providing opportunities to people of all backgrounds, including those with prior involvement in the justice system.

Total Rewards

Our colleague compensation and benefits programs help us attract, retain and engage talent and be competitive. We offer a comprehensive rewards strategy, designed to recognize performance and develop talent. We prioritize and support the well-being of our colleagues through our benefits programs — because when we take care of our colleagues, they take care of our customers. Our efforts to create a positive work environment and ensure competitive pay contributed to a reduction in store-colleague turnover rates from 60% to 50%.

BENEFIT OPTION	ALL COLLEAGUES ²	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 preventive 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 ³		X	X
Parental Leave ⁴			X
Holiday Pay ³		X	X
401(k) and Company Match ⁵	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
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 ⁶			X

² "All colleagues" includes full-time and part-time, as well as seasonal and contingent colleagues.

³ Paid time off and holiday pay are offered to Macy's, Inc. colleagues averaging 15 hours (not 20).

⁴ Parental leave is offered only to Macy's, Inc. professional colleagues.

⁵ 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.

⁶ Tuition reimbursement is only available for professional colleagues.



Well-Being Initiatives

We provide programs and tools to promote the physical and mental health of our colleagues. As of September 2024, Macy’s Employee Assistance Program (EAP) offers all colleagues and household members free access to self-care tools. For the fourth consecutive year, Macy’s, Inc. sponsored enterprise-wide virtual step challenges twice during the year to promote better physical and mental health. With strong support from senior leadership, we encouraged all colleagues to create and join teams to participate.

Our Approach to Compensation

Our compensation practices are integral to our objective of being an employer of choice in every location in which we do business. 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 and consistent. 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.

Incentives & Recognition

Our short-term incentives include various cash incentives to reward company, team and individual performance.⁷ We also recognize colleagues with cash awards like spot bonuses, service milestone recognition and annual recognition events. Our long-term incentives reward eligible colleagues with equity and cash grants.

⁷ Colleagues are eligible for incentives based on role.

Colleague Development

We are dedicated to fostering the best talent in retail by investing in our colleagues’ knowledge, skills and abilities. Our commitment to our colleagues’ career growth, advancement and leadership is reflected in the opportunities we provide for our colleagues at every stage of their career.

At Macy’s, Inc., we encourage colleagues to pursue career journeys that serve their passion and career goals, broaden their skill sets and drive the business. We provide cross-functional experiences and other resources for colleagues and people leaders, such as career events, our “Career Hub” website and other dedicated tools and resources on our “My Career” website for professional and frontline colleagues.

Onboarding

We view onboarding as a critical moment to build belonging, leverage our inclusive culture and set every colleague up for success from day one. All colleagues experience robust onboarding with an emphasis on role-specific learning, shadowing and strong people leader and colleague connections.

Ongoing Learning

Continuous Development

We believe continuous growth is essential to creating an environment in which all colleagues can do their best work. Our approach to continuous growth prioritizes on-the-job learning and job rotations, which support our colleagues’ skill-building with a blend of in-person experience and on-demand learning. By fostering a culture where all colleagues can succeed and grow in their roles, we prioritize programming and education and development opportunities while making an impact. In 2024, we launched LinkedIn Learning for professional colleagues, which offers courses on key skills, as another way for colleagues to invest in their growth and development.

Leadership Development

We are committed to building our people leaders’ leadership capabilities as we believe they are the key to driving performance and culture. We invest in both our colleagues’ initial development — when they transition from being an individual contributor to leading others — and continuous learning for more experienced leaders. To help accelerate the development of top talent, we provide targeted, immersive and curated learning experiences, such as formal education, coaching, assessments and mentoring.



We offer a suite of leadership development programs across the enterprise, including:

- **Leading Colleagues** for all first-time people leaders and those hired externally into a people-leader role at Macy’s, Inc., as well as monthly virtual orientation sessions for new leaders.
- **Executive Development Programs** for recent college graduates at Macy’s and Bloomingdale’s to jump-start a career in retail with specialization in technology, digital, stores, merchandising or planning.
- **Leadership Development Programs** for top-performing director- and manager-level colleagues across Macy’s, Inc. that enhance key business and leadership skills, support career progression and create connections with peers across the enterprise.
- **Shooting Stars**, a five-month mentorship program for full-time colleagues at Bluemercury that aims to empower and support career aspirations.

Colleague Performance Check-Ins

To foster career development, all frontline colleagues check in with their people leaders on a regular basis to discuss their performance goals and areas for growth, and all professional colleagues have ongoing check-in conversations and receive formal annual performance reviews. Additionally, we identify meaningful stretch assignments and exposures for top talent across the enterprise as part of our annual talent review process. In 2024, we enhanced our goal-setting strategy by updating our systems, tools and resources to drive a greater connection between colleagues and their work.



To measure colleague engagement and to promote an open feedback culture, we use formal and informal touchpoints throughout the colleague life cycle. Our Ask Me Anything sessions, Town Halls and Colleague Resource Groups encourage our colleagues to share feedback and ask questions.

We regularly solicit feedback from all colleagues through an enterprise-wide Culture Pulse Survey across topics like belonging, overall well-being, colleague experience and growth, people leader support and inclusion. In 2024, we updated the survey to create new, enhanced ways of listening to our colleagues' feedback and to collect insights that increase our responsiveness to feedback. We created more relevant questions for our colleagues, offered additional language options and shifted our focus from scores to actionable insights. We expect people leaders to reflect on their learnings, prioritize areas of opportunity and share action plans to help drive continuous improvement.

Additionally, colleagues are encouraged to report concerns about workplace situations, such as harassment or discrimination, 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.



The health and safety of our colleagues and customers is critical. All Macy's, Inc. stores, distribution centers and corporate offices run a robust safety program based on required government regulations and identified company needs. We take a proactive approach to the health and safety of our colleagues and customers, and we have programs and procedures in place to be reactive, when necessary.

Our stores and supply-chain locations run a safety committee composed primarily of our hourly colleagues with representation from specific location executives. These committees 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 also 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, which is available on our [website](#), outlines our commitment to creating an environment free of hazards for both colleagues and guests.

Diversity, Equity & Inclusion

At Macy's, Inc., our mission is to embed Diversity, Equity & Inclusion (DE&I) into how we think, act and operate. We believe DE&I enhances our company culture and improves our ability to better deliver on our Bold New Chapter strategy. We are focused on cultivating an inclusive and welcoming environment for all our customers, colleagues, suppliers and communities to make meaningful connections and drive long-term growth and value.

Our SVP and Chief Diversity, Equity & Inclusion Officer leads the strategic development of DE&I across the enterprise and ensures we continue to iterate and evolve in alignment with our business strategy and industry best practices. The Macy's, Inc. Diversity, Equity & Inclusion Business Council (DEIBC) drives collaboration among senior leaders from all areas of the business to advance DE&I efforts, with leadership guiding its initiatives.

Our DE&I programs are organized into five interconnected focus areas:



Customers

We are committed to providing a shopping experience where all customers are welcomed, accepted and respected. By cultivating an inclusive environment and treating our customers with dignity, respect and kindness, we believe we help drive our success.

Throughout 2024, we continued to improve our shopping experience for all customers by:

- Strengthening our Customer Bill of Rights, which is available on our [website](#) and in stores and is a consistent and visible declaration of our commitment to our customers that reinforces our beliefs about fair treatment.
- Utilizing our L.E.A.R.N. process, our education model that allows us to respond quickly and consistently when issues, feedback or complaints arise in our stores.
- Educating our store leaders, who model the behaviors that encourage and advance a welcoming experience for all customers.
- Investing in our Go-Forward business⁸, including in staffing, merchandising and visual presentation at our First 50 stores, to improve customer satisfaction, demonstrated by a record Macy's Net Promoter Score in fiscal 2024, up 160 basis points year-over-year.

⁸ Defined as Macy's, Bloomingdale's and Bluemercury Go-Forward locations and digital.



Colleagues

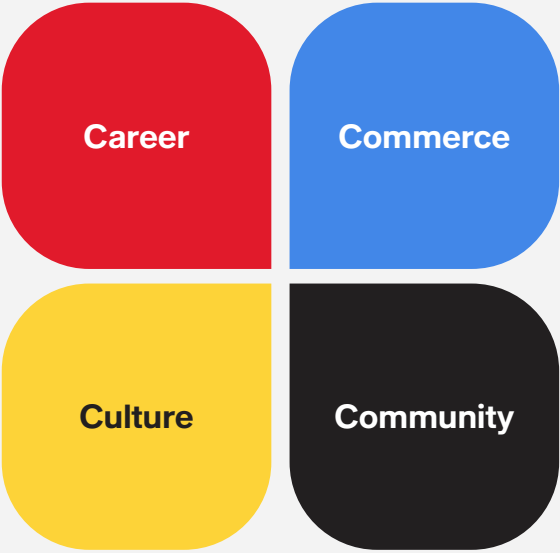
At Macy's, Inc., we believe better business decisions and greater innovation come from respecting and empowering individuals, which strengthens our ability to deliver on our Bold New Chapter strategy, serve our broad customer base and develop untapped customer markets.

Colleague Resource Groups

Our Colleague Resource Groups (CRGs) are a key driver in building a culture that fosters authentic connection and community. Under the leadership of co-leads, CRGs host conversations and events to drive colleague engagement and professional development, and they support our communities. CRGs are available to all Macy's and Bloomingdale's colleagues across business functions.

Since 2023, we have focused on building a wider and more connected CRG ecosystem and, in 2024, we increased cross-CRG event and programming collaborations to create more connections among our colleagues.

FOUR FOCUS AREAS OF OUR COLLEAGUE RESOURCE GROUPS





Macy's, Inc. Chairman and CEO Tony Spring hosts a discussion with journalist Lisa Ling

Week of Understanding

For the fourth year, we held our enterprise-wide Week of Understanding. The goal of the week is to drive open dialogue and inspire action. In 2024, the video sessions received approximately 10,000 voluntary views.

To foster an inclusive culture, we offered live American Sign Language (ASL) interpretation for all DE&I sessions. During one conversation, panelists from across Macy's and Bloomingdale's business functions shared stories of how incorporating inclusion into business strategy and decision-making has helped meet customer needs and drive business outcomes.

Colleague Overview

	RACE/ETHNICITY						GENDER	
	Asian	Black/ African American	Hispanic/ Latino	Two or more races	White	Additional ethnicities with less than 1% representation*	Female	Male
Hourly Colleagues	11.1%	22.6%	31.0%	2.6%	31.4%	1.3%	73.1%	26.9%
Managers	15.0%	12.7%	18.8%	3.1%	49.7%	0.7%	67.1%	32.9%
Directors	10.5%	8.2%	9.5%	2.2%	69.0%	0.5%	67.8%	32.2%
Directors and Above	9.0%	8.7%	9.8%	2.6%	69.4%	0.5%	64.6%	35.4%
Senior Directors and Above	6.8%	9.4%	10.1%	3.2%	69.9%	0.5%	60.3%	39.7%
Total Colleagues	11.5%	21.3%	29.4%	2.6%	34.0%	1.2%	72.4%	27.6%

Note: Data reflects colleague composition across Macy's and Bloomingdale's as of FY 2024 end. Figures may not sum due to rounding.

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

Suppliers

We are focused on increasing supply chain resiliency within our business, offering compelling products and services our customers want, conducting business with and in the communities we serve and engaging in new markets. Curating a broad ecosystem of suppliers — large and small — enables us to offer our customers differentiated products, services and newness, which is key to delivering on A Bold New Chapter.



We also facilitate education and capital access programming as a part of our efforts to identify, grow and scale suppliers for that ecosystem. In 2024, we focused on amplifying communication efforts to engage our community of suppliers to create even more choices for our customers.

Supporting Suppliers with Access to Education

Through access to education, we create and offer programs, tools and resources to foster the growth of our suppliers so that they can deliver differentiated products and services at Macy's, Inc. to scale.

The Workshop at Macy's

As part of *Mission Every One*, The Workshop at Macy's (The Workshop) is the retail industry's longest running and leading vendor accelerator program. It is designed to help suppliers grow at scale by providing retail industry knowledge, resources and mentorship, which contributes to the success of our business.

The Workshop has empowered more than 250 graduate brands and provided more than 500 hours of educational training since its founding in 2011. The 2024 cohort consisted of 26 entrepreneurs across five retail categories. As part of the program, participants:

- Gained access to Macy's holistic supplier ecosystem, critical education and funding resources.
- Received business grants.
- Engaged with new customers via a curated pop-up experience on macys.com.
- Gained practical insights into selling products at broader market levels.
- Earned the opportunity to onboard as a supplier within the broader Macy's retail ecosystem with Macy's Merchandising and Digital Marketplace teams.



Vaila Shoes – Ahriana Edwards, Founder and CEO



Mightly – Tierra Forte, CEO

Supporting Suppliers with Access to Capital

One of the biggest barriers to scaling entrepreneurial brands is accessing capital. Offering access to capital lowers the barriers to entry for brands and increases their ability to scale at all stages of growth.

S.P.U.R. Pathways

Our S.P.U.R. Pathways: Shared Purpose, Unlimited Reach is an innovative funding program to provide the next generation of entrepreneurs a range of support to accelerate growth and create a differentiated product assortment for our customers. This program offers suppliers:

- Access to an ecosystem that includes mentorship and an advisory network of successful entrepreneurs.
- Assistance with credit improvement, business strategy and planning, financial reporting, operating challenges and more.
- Valuable training and resources ranging from templates and technology and software development tools to online and in-person workshops.

Supporting Suppliers with Access to Customers

To support our partners' ability to deliver at scale and grow with the company, we create opportunities to facilitate brand recognition and reach.

Business Advocacy and Trade Organizations

As part of our efforts to increase our access to suppliers who are positioned to grow with Macy's, Inc., we partner with national advocacy groups, trade organizations and associations to advance, connect and source suppliers. With our partners, we create and participate in activations, such as conferences, events, sponsorships, programming and technical-capacity building.

Community

The communities and customers we serve are essential to the success of the company. Guided by *Mission Every One*, we work with more than 30 community partners to identify and activate opportunities for positive impact in the communities in which we operate.

We leverage our unique position as a trusted national retailer to develop programs that support our customers and our colleagues. Below is one example of how our partnerships create a positive impact in our communities and provide access to differentiated products.

The Divine Nine® Collection at Macy's

Macy's, Inc. continues to build meaningful relationships with several organizations of The Divine Nine® to support their missions and memberships in meaningful ways. In 2024, we deepened our partnership through the expansion of the Divine Nine Collection to include an exclusive menswear assortment from Tayion Collection, Club Room and Stacy Adams. Both the new menswear lines and the women's Divine Nine Sorority Collection by Kasper offer customers a product assortment for events and conferences inspired by the signature colors of historically Black sororities and fraternities. 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 2025, we will continue to build and expand the meaningful relationships between our organizations for even greater impact.



Marketing

At Macy's, Inc., we aim to be a culturally fluent organization that consistently and genuinely reflects our customers through our marketing. We embrace and express cultural fluency and champion brands within imagery, messages and experiences.

We continue to feature our colleagues in marketing collateral, provide product navigation information on our website and offer multicultural holiday gift cards.

We also work to identify ways to utilize our platform for meaningful storytelling that celebrates the breadth of our assortment across each brand. Whether through iconic events or our product assortment, we aim to reflect our customer base and the communities we serve by showcasing a broad array of talent, creators and designers.

Community



Big Brothers Big Sisters of America performs at the 2024 Macy's Thanksgiving Day Parade

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Overview

At Macy’s, Inc., giving back to our communities is a core tenet that comes to life each year through our social impact programs. Our work is underpinned by our *Mission Every One* principles, focused on empowering the next generation of leaders and creating a brighter future for all. By driving positive social impact across the communities in which we live and work, we empower our communities, strengthen Macy’s, Inc.’s relationships with local communities and support colleague engagement.

Social Impact

The communities and customers we serve are essential to the success of the company, which is why we take pride in being a source of positive social impact in the communities in which we operate. We leverage our unique position as a trusted national retailer to develop programs that support the next generation of talent and build meaningful programs and activations between nonprofit partners and colleagues.

Our social impact programs are driven by a nationwide network of more than 1,000 community-minded colleague volunteers who we call Social Impact Captains and Division Grant Captains. These Captains are responsible for leading volunteer projects, developing and managing relationships with local nonprofit partners and educating customers and colleagues about our nationwide cause campaigns, all of which further aligns our social impact programs with our business.

Our social impact efforts are aligned with three focus areas:



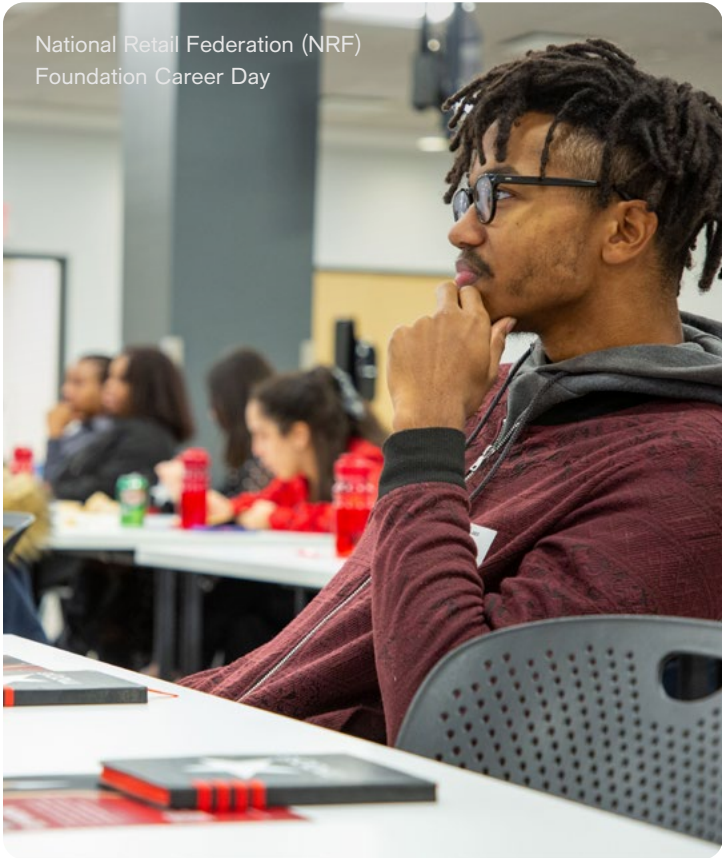
Education & Mentorship



Mental Health & Well-Being



Environmental Stewardship



National Retail Federation (NRF)
Foundation Career Day

Social Impact Collaborative

Macy's Social Impact Collaborative brings together more than 10 nonprofit partners with a shared goal to identify and innovate opportunities to empower youth. By amplifying our collective impact, we aim to drive greater positive social impact across two main areas: career development and mental health, and we have a dedicated sub-committee for both:

- **Career Development:** We help bridge the career-development gap for future generations and support our talent pipeline by providing students with opportunities to explore careers, connect with industry experts and colleagues and engage in mentorship programs and events. In 2024, Macy's sponsored students to attend the 2024 National Retail Federation (NRF) Foundation Student Conference, which provided a unique opportunity to network with retail professionals.
- **Mental Health:** Together with our partners, we are working to identify initiatives and programs to benefit young people's mental health and better understand how to drive meaningful change. In 2024, we worked with the YouthScan Project to develop and conduct focus groups with young people and to create a youth council to help develop recommended initiatives over a six-month period.

National Customer Campaigns

We invite our customers to join us in giving back at Macy's and Bloomingdale's throughout the year to support our communities and drive meaningful positive impact. With our customers' help, we raised \$16.4 million in 2024 through 16 national campaigns that support the critical work of nonprofits across the country, including those that support our mission to empower young people. In 2024, Macy's and Bloomingdale's partnered with more than 15 organizations to create national customer campaigns throughout the year.

As of 2024, we have raised \$67 million to nonprofit organizations that support the mental health and education of youth, as well as environmental stewardship.

Jordin Sparks attends a Big Brothers Big Sisters event at Macy's



Below are three examples of our partnerships to support our communities:

Big Brothers Big Sisters (BBBS)

Macy's partners with BBBS, a nonprofit organization that supports one-to-one mentoring relationships that ignite the power and promise of youth. To help young people realize their full potential, Macy's supported programming and mentorship opportunities throughout the year, such as inviting BBBS Littles (mentees) to create custom doodles featured on a plush bear and a mug that were sold in more than 50 stores nationwide and on digital platforms. Macy's donated 50% of the purchase price of each item to BBBS. In 2024, we raised \$3.75 million, taking our three-year total to \$13 million in support of BBBS's mission.

Child Mind Institute

Since 2009, Bloomingdale's has supported the Child Mind Institute as its founding corporate sponsor. The organization is dedicated to transforming the lives of children and families struggling with mental health and learning disorders. Each year, Bloomingdale's raises funds and awareness through the May Mental Health Awareness Month and December Holiday campaigns, inviting customers to donate at checkout or purchase a limited-edition Little Brown Bear. Contributions have supported more than 60,000 children by helping provide financial aid for mental health services, free diagnostic evaluations and in-school programs for students in high-need communities.

No Kid Hungry

Macy's and Bloomingdale's support Share Our Strength's national campaign No Kid Hungry to end childhood hunger. Through Bloomingdale's customer register roundups, online donations and participation in a brunch event series and fundraiser events, customers provide support and help fight childhood hunger. The organization comes together to support No Kid Hungry during our Bag Hunger colleague fundraising campaign, and in 2024, the campaign raised \$500,000, bringing the three-year total to \$1.6 million. (See the [Colleague Giving & Volunteering](#) section for more information.)

Philanthropic Investments & Community Outreach



Fashion Institute of Technology's (FIT) Future of Fashion 2024

We support the communities in which we live and work and empower the next generation through corporate grants and outreach initiatives. Our programs are organized in alignment with *Mission Every One* — reaching 78% mission alignment in 2024. In 2024, we awarded \$9.9 million to more than 300 communities across the U.S.

We prioritize our investment in initiatives that are aligned with our business priorities, such as fashion and retail mentorship programs for the next generation of designers and creators, which strengthen our talent pipeline, as well as environmental innovation projects, which aim to help imagine new possibilities for sustainable operations and communities.

Below are two examples of philanthropic investments to empower our colleagues and communities:

- **Future of Style Fund:**
As part of our Future of Style Fund, Macy's supports the next generation of designers and creators. Through 2024, Macy's directed \$2.3 million to support partnership programs with schools and universities across the country, surpassing our goal of \$2 million. Macy's partners with the Fashion Scholarship Fund, which provides scholarships to nine students under the Macy's, Inc. Jeff Gennette Scholarship program. Additionally, Macy's was a title sponsor of the Fashion Institute of Technology's (FIT) Future of Fashion Runway Show for the third year, for which the Macy's Design team mentored five finalists of the competition, with the winning student's design to be sold in spring of 2025 at select Macy's stores. In addition, Macy's hosted the Sustainability Research Project in partnership with New York University and the University of Delaware, leveraging grant funding to support sustainability initiatives. (See the [Advancing Sustainability Research with University Students](#) section for more information.)
- **FIT Sustainable Innovation Fund:**
Bloomingdale's supports this initiative that empowers the next generation of creative industry leaders while furthering progress in sustainability and fashion. In 2024, Bloomingdale's supported the Genspace Scholars Program, providing students the opportunity to design and conduct experiments related to design and innovation.

Colleague Giving & Volunteering

We encourage colleagues across every Macy's, Bloomingdale's and Bluemercury location, store and facility to connect with and give back to their local community. We aim to drive positive impact in the communities in which we live and work, and we support colleague engagement through annual fundraising campaigns, volunteer opportunities and a one-to-one matching gift program.



Annual Fundraising Campaigns

Macy's, Inc. colleagues participate in two annual month-long giving and volunteering campaigns. In 2024, we raised and donated more than \$3 million through colleague donations, matching gifts, grants and fundraisers, and we volunteered approximately 22,000 hours.

- **Bag Hunger Campaign:**
Every March, Macy's, Inc. colleagues raise funds and volunteer to fight hunger by supporting local organizations collect, sort, pack and deliver food to families in our communities. Our national Bag Hunger partner is No Kid Hungry, and colleagues raised a total of \$500,000 during our 2024 campaign to help end childhood hunger.
- **The Big Give Back:**
Every August, Macy's, Inc.'s colleagues raise money for local charities across the country, benefiting more than 10,000 unique charity recipients since 2018. The 2024 campaign raised more than \$1.7 million to support a variety of impactful causes, including for our North Star Relief Fund — Macy's, Inc.'s colleague relief fund — and select partners that support our commitment to *Mission Every One*.

68,000+

volunteer hours were contributed by Macy's, Inc. colleagues.

~\$3.1M

was donated by colleagues to more than 4,600 charities across the country.

71

nonprofits were awarded volunteer grants through our Dollars for Doers program.⁹

~\$750,000

was donated in matching gifts for eligible colleagues.

⁹ Through our Dollars for Doers program, we celebrate 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.

Planet



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Overview

At Macy's, Inc., we believe people and the planet can thrive together. Aligned with *Mission Every One*, we are embedding sustainability across our global value chain and operations, caring for the people who make our products and managing our environmental impact. This enables us to curate and create more sustainable products for our customers, while minimizing the impacts of our products and supporting responsible sourcing across our supply chain.

Board of Directors

Through the Nominating and Corporate Governance Committee

Provides ultimate oversight and guidance related to governance matters and the company's programs, policies and practices relating to environmental and human rights issues, impacts and strategies.

Chairman and Chief Executive Officer (CEO)

Sets the ESG vision and drives accountability across the organization.

Chief Operating Officer and Chief Financial Officer (COO/CFO)

Reports to the CEO and is responsible for the teams that manage supply chain, private brands sourcing and production, and sustainability*; works with the Disclosure Committee to engage with stakeholders on ESG issues and provide feedback to management and the Board.

* As of June 22, 2025, private brands sourcing and production and sustainability will report to the Chief Merchandising Officer.

Disclosure Committee

Is composed of leaders from Finance, Legal, Investor Relations and Communications.

SVP, Supply Chain Sourcing, Product Development & Production, Sustainability

Reports to the COO/CFO* and is responsible for the team that manages sustainability initiatives; sits on the Sustainability Steering Committee.

* As of June 22, 2025, this role will report to the Chief Merchandising Officer.

Sustainable Stewardship Accomplishments

In 2025, Macy's, Inc. will reach a major milestone — the cumulative impact of the Sustainable Stewardship Ambitions. First established in 2018, our ambitions have driven shared value for our company and stakeholders, including:

- Increased preferred¹⁰ sustainable fibers in private brand products managed by the Macy's Sourcing team.
- Drove responsible chemical management through new Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL).
- Evaluated value chain areas of water-related risk and released a Water Policy.
- Achieved greater Tier 1 and 2 private brands supplier matrix transparency.
- Engaged large market brands and private brand suppliers on impact initiatives.
- Increased visibility of verified sustainable products for customers.
- Extended the reach and impact of social compliance programming.
- Expanded supply chain worker well-being programs, driving health, safety and empowerment.
- Captured and published GHG emissions data and set near-term reduction ambition.
- Retrofitted additional retail spaces with LED lighting to drive increased energy efficiency.
- Diverted waste from direct operations.
- Engaged, trained and embedded sustainability across private brand teams.

We have made considerable progress and have continuously evolved our ambitions to ensure we support profitable sales growth strategies, improve sustainability performance and reflect evolving stakeholder expectations.

Since 2018, we have gathered significant learnings and identified challenges as we have assessed our progress. The complex challenges we face are often industry-wide and are impacted by evolving regulations; technological innovation and investments; and further collaboration with partners, industry peers and local communities.

Additionally, based on the evolving regulatory landscape and broader industry practices, some of our initial ambitions have become standardized and will continue to be carried forward in our normal course of operations. We have identified the opportunity to streamline our ambitions to create stronger alignment with our business strategy, A Bold New Chapter. We will continually evaluate and evolve our ambitions aligned to our business and stakeholder needs.

2024 Ambitions Progress Reporting

41%

of private brand products managed by Macy's Sourcing team made with preferred sustainable fibers, focusing on cotton, polyester and man-made cellulosic fibers, as defined by preferred materials policy.

Surpassing 40% by 2025 ambition

21

of Macy's larger market brands and private brand suppliers engaged to collaborate toward shared sustainability objectives.

Surpassing 20 brands by 2030 ambition

10,400+

product pages on our sustainability sitelets on [macys.com](https://www.macys.com) and [bloomingdales.com](https://www.bloomingdales.com).

Surpassing 5,000 pages by 2025 ambition for the second consecutive year

Note: Select ambitions are featured above. More information about our progress can be found in this section of this report.

¹⁰ 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."

ENVIRONMENT	HUMAN RIGHTS	PRODUCTS
<ul style="list-style-type: none">• Aim to reduce Macy’s, Inc. emissions across Scopes 1 & 2 in line with the IPCC 1.5°C trajectory¹² and Scope 3 Purchased Goods & Services in line with the IPCC well-below 2°C trajectory¹² by 2030 vs. 2021 baseline• Achieve 50% renewable energy in direct operations (including distribution centers, fulfillment centers and stores) by 2030• Divert 80% waste from direct operations (packaging, hangers, advertising assets, etc.) from landfills by 2030• Actively support our partners to scale collective action in communities facing high water stress that is locally relevant and drives positive outcomes through 2030	<ul style="list-style-type: none">• 100% of Core and Strategic private brand supplier facilities of products managed by the Macy’s Sourcing team will have participated in a worker well-being program aimed to strengthen knowledge and skills in order to improve the lives of supply chain workers by 2030	<ul style="list-style-type: none">• Maintain 40% of private brand products managed by Macy’s Sourcing team made with preferred sustainable fibers, focusing on cotton, polyester and man-made cellulosic fibers as defined by preferred materials policy by 2030• Develop and implement a restricted ingredient list for conscious beauty by the end of 2025

11 Progress toward each ambition as of FY 2024 can be found in this section of this report.

12 The IPCC (Intergovernmental Panel on Climate Change) provides scientific assessments on climate change to guide global action. Climate scenarios, such as the 1.5°C and well-below 2°C pathways, outline emissions reductions required to limit global warming in line with Paris Agreement goals.

Embedding Sustainability Across Macy's, Inc.

We work to build awareness of our sustainability strategy across the enterprise, and we aim to embed sustainability in our day-to-day operations. Our Sustainability Ambassadors — Macy's, Inc. colleagues identified by each Corporate Strategy Group leader — drive awareness of our sustainability strategy with colleagues and meet on a quarterly basis, at a minimum, to discuss progress on sustainability ambitions.

We are discontinuing our ambition to embed functional goals across the enterprise, shifting instead to focus on driving accountability of sustainable practices throughout the enterprise through other mechanisms, such as our Sustainability Ambassadors. For example, in an aim to further drive internal awareness, Sustainability Ambassadors identified how sustainability links to Macy's, Inc.'s business strategy and highlighted the connections during functional town halls. Topics included how distribution centers support cardboard and plastic recycling to reduce waste and how technology colleagues can get involved through recycling and down-streaming e-waste.



Planet Water Foundation – Aqua Tower water filtration program in India

Responsible Products & Sourcing

We are committed to providing sustainable and ethically produced brands, products and services for our customers and to prioritizing human rights across our global value chain. We are intentional about our decisions, and we consider our responsibility and impact carefully.

Sustainable Products

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

The Sustainability team regularly engages the Macy's Private Brand Product Development, Sourcing, Design and Buying teams that are accountable for designing, developing and sourcing Macy's products. The focus of these engagements includes sustainable product guidelines and processes and the prioritization of preferred materials for cotton and polyester. On a quarterly basis, the Sustainability team also conducts onboarding training with the members of the Digital and Site Merchandising teams on the attribution process and sustainable product guidelines. Ongoing trainings on sustainable materials and design, along with other trainings, will be embedded in our normal course of operations. Therefore, our prior ambition for 100% of Design, Product Development, Sourcing and Buying teams involved in private brand products managed by the Macy's Private Brand Sourcing, Product Development and Production team to complete training on sustainable materials and design is no longer needed.

Promoting Sustainability and Circularity



In 2024, Bloomingdale's partnered with Rebag, a luxury resale platform, to launch a program that promotes sustainability by integrating circularity into the luxury ecosystem. Customers can refresh their wardrobes by trading in once-loved items for a Rebag Credit. Customers can also exchange their purchases within 12 months with the option to earn Rebag Credit. The program is available both online and in-store in five Bloomingdale's locations.¹³ In 2025, the program with Rebag has been expanded to Macy's, and it is available online.

¹³ For the in-store concession, customers can buy merchandise at the shop, sell their own items to Rebag and trade in. For online, customers can buy merchandise.



The customer is at the center of our work, and we prioritize efforts that support their ability to find and shop more sustainable products. We use recognized third-party standards to identify more sustainable products assessed under Macy's four main pillars — preferred materials, preferred practices, people first or designed for less waste.¹⁴ In 2024, we reached more than 10,400 product pages on 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, surpassing our 2025 ambition to offer 5,000 sustainable products for the second consecutive year.

While we will continue to expand our assortment of sustainable products, we are discontinuing our ambition, as we are evolving our focus to product curation that meets our customers' dynamic, category-driven expectations and demands as part of our market-based operations. As an example of listening to our customers to better curate products, we remain steadfast in our ambition to develop and implement a restricted ingredient list for conscious beauty by the end of 2025, and we look forward to providing an update in our next report.

Of the sustainable products offered in 2024, the top three drivers of our sustainable product spend were:

- 1** More than 1,200 product pages tagged for their brands' investment in preferred cotton.
- 2** More than 1,000 products made in factories with a worker well-being program with organizations like RISE: Reimagining Industry to Support Equality.
- 3** More than 300 beauty products considered to be refillable.

¹⁴ Macy's defines "sustainable products" as generally having at least one third-party certification or other traceable means classified under one of our four pillars: preferred materials, preferred practices, people first or designed for less waste. For more information on our third-party sustainability certifications, see our website.

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

Human Rights & Social Compliance

We are committed to respecting international human rights throughout our operations. We have implemented comprehensive programs to confirm our private brand suppliers adhere to our standards and to help identify issues and drive comprehensive remediation, in the event a violation occurs. Through rigorous screening of our new suppliers, ongoing training and regular audits, as well as collaborating with suppliers to identify areas of improvement, we help our suppliers operate at high ethical and performance standards.

The Board of Directors, through the Nominating and Corporate Governance Committee, has ultimate oversight of the company's programs, policies and practices, including matters related to the company's supply chain management, such as human rights issues, impacts and strategies.

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

Standards & Compliance

We aim for our private brand suppliers to understand and meet our standards, both when they join our supply chain and on an ongoing basis. Our contract terms and conditions require suppliers across the entire supply chain to annually sign the Macy's, Inc. Supplier Acknowledgement, which includes compliance with the Vendor Code of Conduct and all relevant policies, which are available on our [website](#). The company has a Zero Tolerance Policy that identifies key violations to the Vendor Code of Conduct, and it also defines the course of action if noncompliance is identified.

Training & Education

Our Compliance and Sustainability team prepares and trains prospective private brand suppliers on our Vendor Code of Conduct, audit protocols and terms of engagement. In 2024, 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. Training topics included 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).



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.

Current suppliers receive ongoing education from our Compliance and Sustainability team, which communicates our requirements and expectations, encourages robust internal compliance policies and collaborates on continuous improvement at manufacturing facilities. We also conduct vendor training with our current direct-import suppliers to review new product regulatory requirements and Macy's, Inc. chemical standards and to reinforce our quality expectations. We reinforce these topics throughout the year by sending letters to our suppliers.

To drive continuous improvement and share best practices, we conduct one-on-one discussions with suppliers. As a testament to the impacts of these discussions, in 2024, we piloted a third-party grievance mechanism through the Ungal Kural Helpline at a supplier in India.

Macy's private brand product development colleagues also receive training on topics relevant to their roles, including our Vendor Code of Conduct and high-risk violations, such as child and forced labor, bribery and fraudulent record-keeping.

Factory Audits

New private brand factories undergo a social compliance audit and must meet or exceed Macy’s standards before they are approved for production and are added to our merchandise ordering system.

We require factories supplying our private brands across our enterprise to be audited by a third party at least once every 18 months to verify compliance with areas as defined in our Vendor Code of Conduct, including child labor, forced labor, freedom of association and wages and benefits. Audits are conducted more frequently when issues are identified. 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 2024, Macy’s, Inc. completed 269 audits covering 349 private brand factories managed by the Macy’s Sourcing team.

Altogether, this number accounted for 77% 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 96% 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 three to six months of the initial audit date. Factories whose initial audit results were red or orange also had a verification audit to ensure compliance to the corrective action plan. There were 28 verification audits performed in 2024. One factory was dropped due to failure to implement corrective actions.

RISK	LEVERAGE				TOTAL
	LOW	MEDIUM	HIGH	EXTREME	
Extreme	0	0	0	0	0
High	2	6	1	2	11
Medium	90	60	36	34	220
Low	22	6	5	5	38
Total Factories Audited	114	72	42	41	269

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](#). In Fall 2024, we expanded our transparency by listing our Strategic Tier 2 partners for private brand raw materials managed by the Macy’s Raw Materials team on Open Supply Hub. As of 2024, 100% of Core and Strategic Tier 1 factories were disclosed, reaching our 2025 ambition to publicly disclose 95% of Core and Strategic private brand Tier 1 suppliers managed by the Macy’s Sourcing team. Additionally, 100% of Strategic Tier 2 were disclosed, surpassing our 2030 ambition to publicly disclose 95% of Strategic Tier 2 partners managed by the Macy’s Raw Materials team.

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 2024, we expanded risk profiling to enhance traceability beyond Tier 1 private brand suppliers.

Additionally, as part of our efforts to minimize the environmental impact of our products across our supply chain, 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.

Moving forward, as these programs have evolved to align with our normal course of operations, we are retiring our ambitions related to supplier compliance and transparency. We remain committed to monitoring and reporting on our progress. We are focusing on creating routine assessments and investing in other mechanisms to increase supplier transparency and compliance. For example, to increase visibility of our supply chain and identify potential risks that may need to be mitigated, we onboarded two new supply chain compliance and due diligence partners in 2024. These partners aid in supply chain mapping for Macy’s private brands, help identify high-risk entities and provide training and capacity-building for our suppliers.



Worker Well-Being

We work to protect human rights and promote the safe and ethical treatment of workers throughout our supply chain. We promote programs to help improve factories to positively impact the well-being of workers and their communities, and as well as support women and families.

We work to strengthen the knowledge and skills and to improve the lives of supply chain workers. As part of our efforts, we continue to aim for 100% of our Core and Strategic private brand supplier facilities of products managed by the Macy's Sourcing team to have participated in a worker well-being program by 2030. Since we first set the ambition in 2022, 28% of facilities, including those sponsored by Macy's, as well as other brands, retailers and suppliers, have participated in a worker well-being program.

Below are three examples of our partnerships to promote worker well-being across our supply chain:

RISE: Reimagining Industry to Support Equality (RISE):

Macy's, Inc. partners with RISE, an initiative to support collaborative industry action at scale to advance gender equality in global garment, footwear and home-textiles supply chains. RISE provides various training programs on topics such as health and finance to promote worker empowerment and gender equality. In 2024, Macy's private brand suppliers supported the implementation of RISE programs in 17 factories, reaching more than 12,700 workers.

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

Macy's participates in the Family Friendly Spaces program to support "left-behind children" in China whose parents migrated for work and were unable to live together. Since the program's launch in 2016, more parents have been able to bring their children to live with them full time through ESCP's secure and well-equipped spaces for childcare at factories where the parent works. The program focuses on transforming parent-child relationships and supporting the developmental needs of children through providing educational and stimulating activities. In 2024, Macy's donation supported 78 Family-Friendly Spaces in China, including at 73 factories and impacting more than 8,000 workers. In total, more than 20,000 children were impacted by the Family-Friendly Spaces program in 2024.

Nirapon and Ethical Supply Chain Program:

As part of our efforts to support workers' voices in high-risk countries, we partner with Nirapon and Ethical Supply Chain Program to promote a culture of safety by providing grievance mechanisms for workers in China, Vietnam, Bangladesh and India without fear of retaliation. The independent programs are available to all factory workers and provide an outlet where they can anonymously report and resolve safety issues and other concerns.

We are committed to minimizing the environmental impact of our business operations. Our policies and programs help define our ambitions aimed at reducing the environmental impact of our merchandise across our global value chain — from production and transport to final disposal.

Macy's private brand sourcing policies are available on our [website](#) and include:

- Animal Derived Materials Policy*
- Chemical Management Policy*
- Conflict Minerals Policy*
- Exotic Skins Policy
- Fur Policy
- Macy's Private Brand Water Policy*
- Preferred Materials Policy*
- Product Integrity and Quality Assurance Policy*
- Product Safety and Recall Management Policy*

*Updated in FY 2024

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

In 2024, 41% of materials used in our private brands was "preferred,"¹⁵ surpassing our ambition to reach 40% by 2025. Of this total percentage, 65% of cotton was preferred cotton,¹⁶ 18% of synthetics was preferred synthetics and 10% of man-made cellulosic was preferred man-made cellulosic. We also prioritize durability and quality standard opportunities that extend the life of a product and create sustainable products for our customers. As we achieved our goal and are continuing to curate products informed by our customers' evolving expectations and demands, we are retiring our 2025 ambition and are updating our 2030 ambition to focus on maintaining the progress we have made so far. We aim to maintain 40% of private brand products managed by Macy's Sourcing team made with preferred sustainability fibers on preferred materials, continuing to focus on cotton, polyester and man-made cellulosic, as defined by our Preferred Materials Policy.

Preferred Cotton

By the end of 2024, 65% of cotton products within Macy's private brands, managed by the Macy's Sourcing team, were sustainably sourced. To strengthen efforts in sourcing cotton sustainably, Macy's partners with the U.S. Cotton Trust Protocol (USCTP), driving positive social and environmental change within the cotton industry and enhancing transparency throughout the supply chain. We introduced U.S. cotton through USCTP in 2024, converting and tracing 13,600,000 units of U.S. cotton throughout the year.

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. We work 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 also be made with recycled content.

Macy's, Inc. monitors state and local legislation relating to packaging, such as Extended Producer Responsibility (EPR). To prepare for incoming EPR legislation, in 2024, we established a working group with cross-functional internal partners to establish oversight, compliance and data collection processes; activate learnings; and more. We have joined industry association working groups to engage in policy discussions on EPR. Given the focus on state-level packaging EPR, we are discontinuing our self-defined sustainable packaging ambitions for both private brands and fulfillment to instead align with and respond to state-level laws and the direction of the state Producer Responsibility Organizations.

¹⁵ 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.

¹⁶ Based on the weight of the garment.



Water Stewardship

Macy's is dedicated to supporting our partners and taking meaningful steps to tackle challenges in areas experiencing high water stress. Macy's Private Brand Water Policy was updated in 2024 and is available on our [website](#). It defines our ambition to work collaboratively with Macy's private brand suppliers managed by the Macy's Sourcing team, community organizations and industry experts to scale actionable approaches within our supply chain and in the communities in which we operate.

We are focused on improving water stewardship throughout our private brand supply chain for the communities that support our global operations and for the environment. We are pivoting our water-use ambition to focus on actively supporting our partners to scale collective action in communities facing high water stress that is locally relevant and drives positive outcomes through 2030. Through collective action with our partners and industry experts, we aim to take locally informed actions that deliver the most effective and positive results while continuing to regularly assess our progress and work with third parties to analyze our efforts and outcomes.

Below are two examples of our partnerships to address water challenges:

WORLD WILDLIFE FUND

To build a comprehensive global water stewardship strategy, we have partnered with World Wildlife Fund (WWF), an international conservation organization. Actions we have taken in partnership with WWF since 2023 include mapping a path for advancing water efforts and developing a program to assess the water stewardship capabilities of our private brand suppliers managed by the Macy's Sourcing team. As part of WWF's Water Stewardship Program, we are promoting resilience in our supply chain and supporting community water security by inviting suppliers and partners in the region to adopt sustainability practices. Selected facilities are offered a complimentary water and energy audit and technical support for efficient water management.

PLANET WATER FOUNDATION

In partnership with Planet Water Foundation, a nonprofit organization focused on alleviating the global water crisis, we launched an Aqua Tower water filtration program in India. The Aqua Tower water filtration solution brings safe drinking water and handwashing stations to schools and communities in need. Addressing challenges in these communities and areas may lead to a range of benefits, including improved health and livelihoods for community members and access to water, sanitation and hygiene (WASH) services in homes and schools. In 2024, we installed five Aqua Towers at government schools near our factory sites in India and held educational sessions to build awareness and reinforce best practices. Our local colleagues were joined by colleagues from Macy's private brand suppliers in volunteering to help with building the towers and to engage with students on WASH.



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

Our Product Integrity and Quality Assurance (PIQA) Policy defines Macy's commitment to providing 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 comprising industry-leading product quality, safety and compliance professionals. The PIQA Policy was updated in January 2025 and is available on our [website](#). Macy's PIQA 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 tested by third-party independent lab partners for compliance.

Although Macy's has processes in place to ensure the quality, safety and performance of its products, occasional issues may arise. To address these product issues, Macy's has a Product Safety Committee, composed of members of the Macy's PIQA team and the Legal Department, who have reporting responsibility into the Senior Vice President Supply Chain Sourcing, Product Development & Production, Sustainability and the Chief Legal Officer, respectively. The Product Safety Committee monitors customer comments related to product function, use and performance identified through customer reviews, direct messages or store feedback.

The Product Safety Committee meets regularly to review potential product issues. If a concern arises with a private brand product, the Product Safety Committee will investigate and, when necessary, follow regulatory requirements for reporting, recall implementation and remove the product from Macy's stores and online sales channels. If a private label or national brand product is subject to product recall, Macy's takes prompt action in compliance with applicable laws. These actions include informing customers of the recall, removing the product from stores and online sales channels and taking steps to prevent the sale of the recalled products. Recall notices are posted in store and online. To ensure colleagues are educated on product safety and product recall procedures, Macy's conducts annual training, as well as training for all new hires.

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 Macy's PIQA team 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 Private Brand Chemical Management Policy, which was updated in January 2025 and is available on our [website](#), 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, including in apparel, home textiles and footwear. 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. As of the end of 2024, 92% of private brand apparel and soft textiles managed by the Macy's Sourcing team are compliant with the hazard profile established in the Macy's RSL, maintaining our ambition for 75%, which we originally completed in 2023. In 2024, we updated the Macy's Private Brand Chemical Management Policy to include our Manufacturing Restricted Substance List (MRSL), completing our 2025 ambition. Moving forward, we are discontinuing our chemical ambitions, and we will preserve our work and accomplishments to date while ensuring compliance with regulatory requirements.

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 poly-fluoroalkyl 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, which was updated in 2024 and is available on our [website](#), 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 in 2024, reporting on 2023 orders, we used 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.



Advancing Sustainability Research with University Students



We partner with academic institutions to help us conduct sustainability-related research in the retail industry, underscoring our commitment to empowering future leaders and integrating sustainability into the company's business. In 2024, Macy's, Inc. expanded the Sustainability University Research Project, first launched in 2023, in partnership with New York University and the University of Delaware, leveraging grant funding to support sustainability initiatives. This program provided students with the opportunity to work on real business case studies focused on sustainable packaging and environmental stewardship. Participating students met with key stakeholders during the Spring semester and were invited to present their findings and recommendations at our headquarters. Three students were offered summer internship positions to continue their work.

We are committed to advocating for sustainable practices with our brand partners and across the retail and fashion industry. We are active members in leading organizations and collaborate with associations and networks that directly engage with policymakers on international trade, human rights and sustainability issues. When 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 perspectives.

Collaborating with Brands to Accomplish Our Sustainability Ambitions

Our Sustainability team brainstorms solutions with market brands and private brand suppliers to help address the company's sustainability ambitions. As of 2024, Macy's has engaged with a total of 21 market and private brand suppliers to collaborate toward shared sustainability objectives, surpassing our 2030 ambition of 20 brands. Having accomplished this goal, our focus will no longer be on the number of brands engaged, but we will continue to prioritize efforts to engage our market brands and private brand suppliers. In 2024, the Sustainability team hosted two Market Brand Sustainability Summits with 12 of our top market brand partners to discuss collective sustainability opportunities and leading sustainability topics relevant across the industry. Brand partners included AGOLDE-Citizens of Humanity, Capri Holdings Limited, CHANEL, Eileen Fisher, G-III Apparel Group, Levi Strauss & Co., L'Oréal Groupe, PVH Corp., Ralph Lauren, Tapestry, The Estée Lauder Companies and Theory. At the Market Brand Sustainability Summit in October 2024, representatives from the WWF moderated a discussion with participating brands about collective action for water in high-risk basins.

Additionally, Macy's held the multi-day Private Brand Supplier Summit in June 2024, during which one day was devoted to sustainability. Suppliers were provided an overview of Macy's private brands sustainability priorities and requirements, and we also held a panel with two private brand suppliers about worker well-being and water stewardship, focused on collective action. Following the panel, many suppliers expressed interest in getting more involved in Macy's sustainability ambitions.

Environment



Environmental Management

We are committed to minimizing the environmental impacts across our operations and global value chain. Defined and robust ambitions, including greenhouse gas (GHG) emissions reduction, renewable energy procurement and waste diversion, 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 internal audits of our locations to monitor compliance and opportunities for improvement. If any issues are raised through our corrective action program, we seek to identify the root cause and disseminate lessons learned across the facility and our organization to drive continuous improvement.

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

Climate

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, to reducing our GHG emissions and to 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.

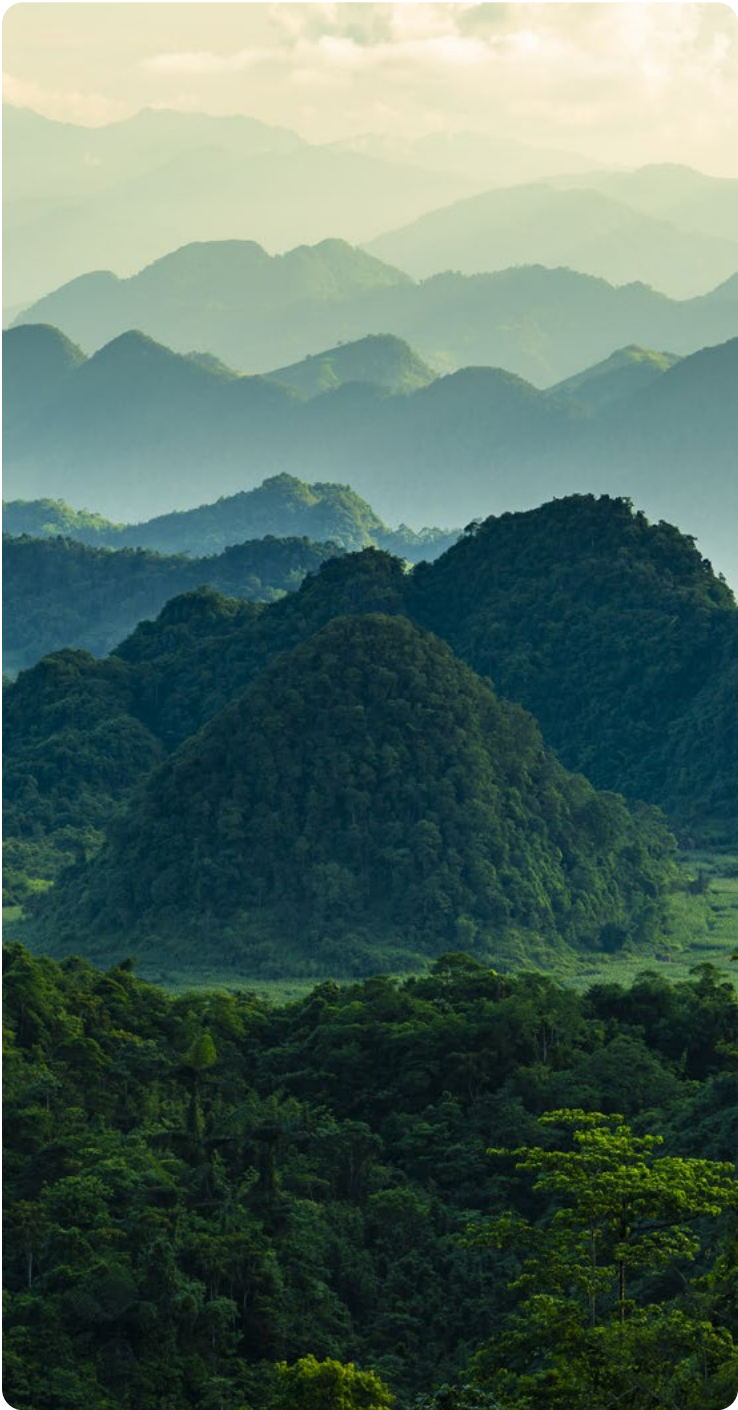
As part of Macy’s, Inc.’s commitment to addressing climate change, in January 2025, Macy’s, Inc. set a company-wide emissions reduction ambition. We aim to reduce Macy’s, Inc. emissions across Scopes 1 & 2 in line with the IPCC 1.5°C trajectory¹⁷ and Scope 3 Purchased Goods & Services in line with the IPCC well-below 2°C trajectory¹⁷ by 2030 vs. 2021 baseline.

We recognize the need for collective action to reduce our GHG emissions. We engage suppliers to discuss emissions-reduction work, such as through Macy’s Private Brand and Market Brand Sustainability Summits. For more information about the Summits, see the [Collaborating with Our Brands to Accomplish Our Sustainability Ambitions](#) section of this report.

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 Sustainability, Financial Reporting 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.

GHG Emissions

To understand and reduce our climate impact, we track our operational energy use and related Scope 1, 2 and 3 emissions. Due to the extensive calculations and validation necessary to disclose 2024 GHG emissions for Scope 1, 2 and 3, the data set will be published in Fall 2025 along with our 2025 CDP Climate Change Report. Our 2023 Scope 1 and 2 and expanded Scope 3 GHG emissions can be found on our [website](#).



17 The IPCC (Intergovernmental Panel on Climate Change) provides scientific assessments on climate change to guide global action. Climate scenarios, such as the 1.5°C and well-below 2°C pathways, outline emissions reductions required to limit global warming in line with Paris Agreement goals.



Energy Management

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. We remain focused on achieving 50% renewable energy in direct operations (including distribution centers, fulfillment centers and stores) by 2030.

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 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.

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.



Renewable Energy

More than 95 active solar sites produced approximately 46.5 million kWh of power in 2024 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 offer free electric vehicle (EV) charging across 131 charging stations. In 2024, we provided approximately 5.2 million electric miles to our customers and colleagues.



LED Retrofits

Since 2010, Macy's Inc. reduced energy consumption by 19.7% through LED retrofits in retail spaces.

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 are continuing to prioritize efforts to achieve our ongoing ambition to divert 80% of waste from landfills by 2030. We diverted 66.8% of operational waste from landfills in 2024, a 1.8% increase from 2023. We are focusing on our waste diversion rate, which encompasses our ambition to avoid 1,000 tons of products and packaging from landfill.

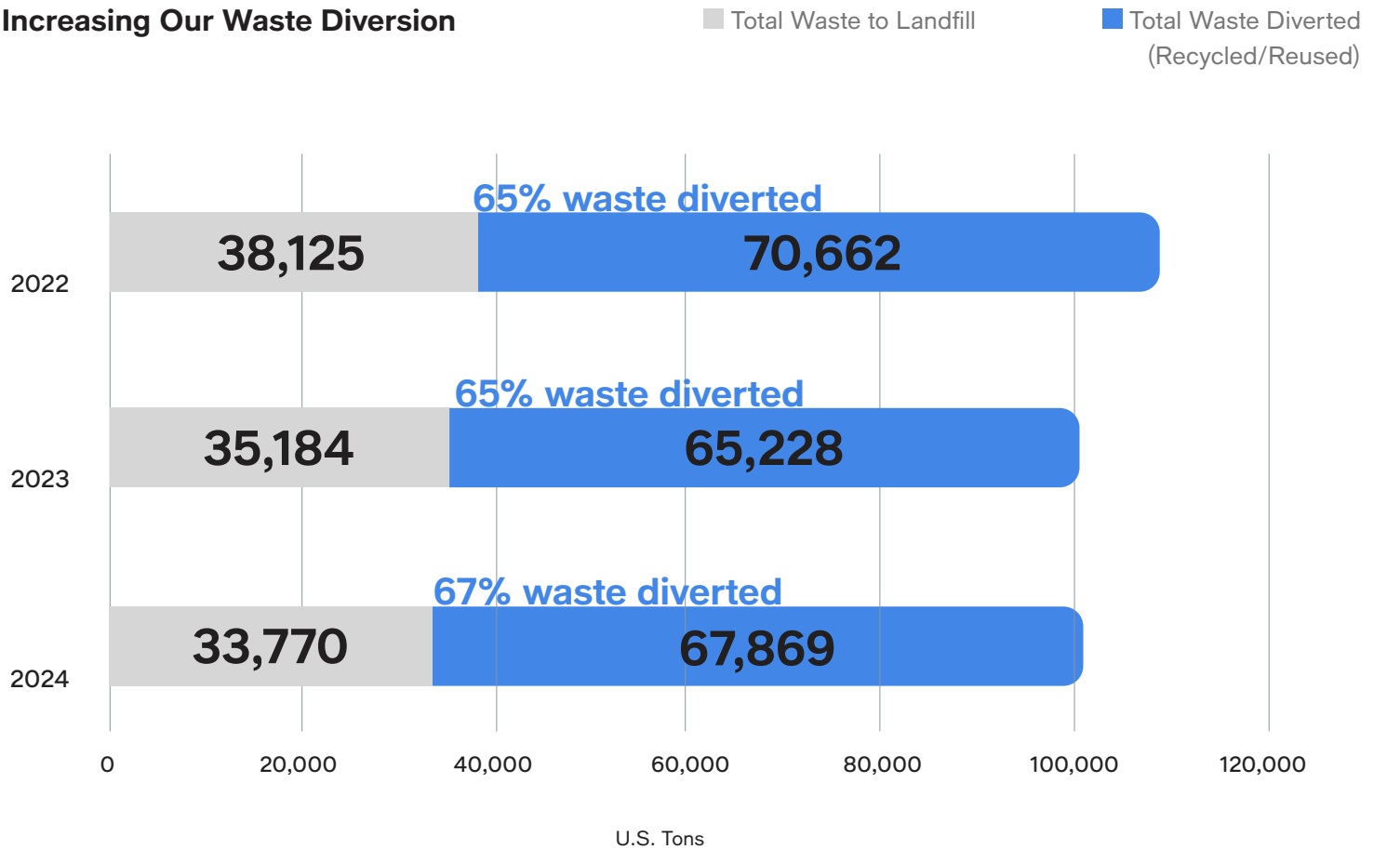
In-Store Recycling

We are focused on increasing recycling at our stores. Initiatives such as baling and tracking corrugated cardboard waste from stores and backhauling to our distribution centers where we then recycle the waste have been instrumental in achieving our 67% waste-diversion rate in 2024.

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 to 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 an average of 35% recycled content.

Increasing Our Waste Diversion



Governance



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Overview

At Macy’s, Inc., 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 our suppliers.

Integrity & Accountability

Ethics & Oversight

Our Compliance and Ethics program is 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 Corporate Information Security Officer (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, which are set out for our colleagues in our Code of Conduct, for our Board in our Code of Business Conduct and Ethics for Non-Employee Directors and for all our suppliers in our Vendor Code of Conduct. All policies are available on our [website](#).



Annual Ethics Training

To help ensure that our entire organization conducts business 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. 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 use their voice to speak up and raise concerns. Colleagues may 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, available in our Vendor Code of Conduct, for suppliers to report their concerns. 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 an online "Tell Us What You Think" response form. We also encourage stakeholder and shareholder dialogue.

Political Contributions

We are active in the communities in which 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. Overseen by the Nominating and Corporate Governance Committee, our [Government and Public 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 we identify trade organizations to which we paid \$25,000 or more in dues and the portion of that payment that the organization allocated for lobbying.

Data Protection & Privacy

We recognize the importance of protecting consumer and colleague data, and we have robust systems, processes and practices in place to protect sensitive data. Our CISO leads our data protection programs and reports to our Chief Legal Officer.

Our Board of Directors, through the Audit Committee, maintains oversight of our cybersecurity and data privacy programs. The Board and its committees consider evolving risks, including those related to artificial intelligence (AI). 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, as well as for considering any recommendations for improvement of these controls. The Audit Committee — and the full Board, when appropriate — receives 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 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 National Institute of Standards and Technology (NIST), International Organization for Standardization ISO 27001 and Control Objectives for Information and Related Technologies (COBIT) frameworks.

We conduct ongoing risk assessments and internal security audits, vulnerability assessments and penetration testing of the company's systems and practices affecting data on a quarterly basis. We conduct 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, as well as third-party independent audits for privacy and cybersecurity.

We have established a data security breach preparedness and response plan. We have established 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 end-point detection, network visibility software and administrative controls in 2024. Additionally, we have ransomware detection and protection software and a system to tokenize third-party credit card numbers.

We promote cybersecurity awareness with our colleagues by requiring all colleagues to review and sign our information security policy. 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.

To prepare for recent legislation, including the SEC breach requirements on reporting and cyber reporting, we have discussed expectations related to processes and procedures with the Board and the Audit Committee. We also initiated a new process to determine what constitutes a breach with material impact. Additionally, we conducted an annual breach response tabletop exercise, which included an evaluation of response protocols with our executive committee.

Our AI Policy defines the use and implementation of AI across Macy's, Inc. Our cross-functional AI committee evaluates our policy to assess regulatory requirements, AI tools and the potential impact of both on the company on an ongoing basis.

Through our sales, marketing activities and use of third-party information, Macy's, Inc. collects and may retain certain public and non-public personal information that customers provide to us. That data is maintained in accordance with our privacy notices, our Data Handling and Protection Policy and our Data Handling and Protection Standards and Guidance, which outlines the protection of protected, sensitive and highly sensitive data. Our Notice of Privacy Practices (Notice) is regularly updated to include terms involving the collection, use, sharing and retention of user data, including data that is transferred to third parties. The Notice also defines our commitments to process personal information that is limited to the stated purposes in the Notice; to implement leading data protection standards; to notify individuals in a timely manner in case of changes to our privacy notice or data breach; to obtain personal information through lawful and transparent means, with consent where required by law; and to require third parties with whom the personal information is shared to comply with the company's instructions.

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. Additionally, in response to state regulators' focus on online data — such as pixels, tags and tracking technologies — and targeted advertising, we have reviewed and evaluated whether pixels on e-commerce sites are necessary for the performance of the website, if the written

agreement included appropriate data protection obligations or if the pixel or tag constituted a sale or retargeting.

We work with our key third-party vendor partners to ensure they use secure and compliant systems. We include data-security language in our written contracts and appropriately restrict where vendors have access to personal 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.

Additionally, in 2024, a third party conducted three independent assessments, one each for cybersecurity, privacy and enterprise risk management (ERM). We received assessment scores indicating that all programs were mature and comparable to peers.

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 may share personal information internally, on our platforms, with our service providers, business partners, third parties for marketing purposes, 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 customer posts such as ratings and reviews and Internet or other network activity information.



Human Rights

We believe in building a better future in which human rights are universally respected and held in the highest regard. Macy's, Inc.'s Human Rights Policy Statement, which is available on our [website](#) and was updated in January 2025, details our commitment to respecting international human rights throughout our operations.

Macy's, Inc. 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 who 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 United Nations (UN) Guiding Principles on Business and Human Rights; the International Bill of Human Rights, including the Universal Declaration of Human Rights; the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work; The United Nations Global Compact; and the Organisation for Economic Co-operation and Development (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 and Production and Design teams are trained on social compliance annually, which includes zero tolerance offense training. New private brand suppliers are provided training on Macy's, Inc. social compliance requirements. Annually, all private brands suppliers are required to review and acknowledge Macy's, Inc.'s Human Rights Policy Statement.

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 rights 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, including 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.

We recognize that certain groups may be at heightened risk given their vulnerable status. For that reason, Macy's, Inc. 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 address 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 to ensure that thousands of working women have access to services to improve their health and finances.



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, available on our [website](#).

Appendix



Sustainability Accounting Standards Board (SASB) Index

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

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Energy Management	CG-MR-130a.1	Total energy consumed	FY 2024 data will be published in Fall 2025. For more information, see the GHG Emissions section of this report.
	CG-EC-130a.1	Percentage grid electricity	FY 2024 data will be published in Fall 2025. For more information, see the GHG Emissions section of this report.
		Percentage renewable	FY 2024 data will be published in Fall 2025. For more information, see the GHG Emissions 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) 96.3% 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 83.7% of Tier 1 factories shared their Higg FEM results with us. (2) 67% For more information, see the Factory Audits section of this report.

TABLE CONTINUES TO NEXT PAGE



TOPIC	CODE	ACCOUNTING METRIC	RESPONSE					
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	Not reported.					
	CG-MR-310a.2	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Voluntary Turnover					
	CG-EC-330a.2		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
			47.1%	33.0%	50.4%	49.8%	41.3%	34.7%
			Involuntary Turnover					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
			26.8%	14.3%	23.8%	28.3%	24.1%	21.1%
	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 Form 10-K and quarterly Form 10-Qs.					

TABLE CONTINUES TO NEXT PAGE

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE					
Employee Recruitment, Inclusion & Performance	CG-MR-330a.1	Percentage of (1) gender and (2) diversity group representation for						
	CG-EC-330a.3	(a) executive management (b) non-executive management and (c) all other employees						
			Employee Type	Female	Male	Not Available or Not Disclosed		
			Executive Management	54.2%	45.8%	0.0%		
			Non-Executive Management	69.0%	31.0%	0.0%		
			All Other Employees	72.7%	27.3%	0.0%		
			Employee Type	Asian	Black or African American	Hispanic or Latino	White	Other*
			Executive Management	9.5%	6.1%	4.5%	76.5%	3.4%
			Non-Executive Management	9.9%	12.7%	18.6%	55.0%	3.8%
			All Other Employees	11.6%	22.1%	30.4%	32.1%	3.8%
			<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.</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 Form 10-K and quarterly Form 10-Qs.					
	CG-EC-330a.4	Percentage of technical employees that require a work visa	24.1%					

TABLE CONTINUES TO NEXT PAGE

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE											
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited due to a labor code of conduct claim, (3) percentage of total audits conducted by a third-party auditor	(1) 77% of Macy’s private brand Tier 1 factories of products managed by the Macy’s Sourcing team. (2) Not reported. (3) 100% of audits conducted by a third party. For more information, see the Factory Audits section of this report.											
	CG-AA-430b.2	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers’ labor code of conduct audits	1.40% For more information, see the Factory Audits section of this report.											
	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health and safety risks in the supply chain	See the Responsible Products & Sourcing section of this report.											
Raw Materials Sourcing	CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	Note: 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><tr><th></th><th>Metric Tons</th><th>% Certified</th></tr><tr><td>Cotton</td><td>18,451</td><td>65%</td></tr><tr><td>Synthetic</td><td>10,140</td><td>18%</td></tr><tr><td>MMC</td><td>4,821</td><td>10%</td></tr></table>		Metric Tons	% Certified	Cotton	18,451	65%	Synthetic	10,140	18%	MMC	4,821
	Metric Tons	% Certified												
Cotton	18,451	65%												
Synthetic	10,140	18%												
MMC	4,821	10%												

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TOPIC	CODE	ACCOUNTING METRIC	RESPONSE
Product Sourcing, Packaging, Distribution & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental or social sustainability standards	See the Responsible Products & Sourcing section of this report.
	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	See our Chemical Policy, available on our website .
	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 Environmental Responsibility in Our Supply Chain section of this report.
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	See the Environmental Management section of this report.
Data Privacy & Advertising Standards	CG-EC-220a.2	Description of policies and practices relating to targeted advertising and user privacy	See published Privacy Notice on all our e-commerce sites and mobile applications.
Data Security	CG-MR-230a.1 CG-EC-230a.1	Description of approach to identifying and addressing data security risks	See the Data Protection & Privacy section of this report.
	CG-MR-230a.2 CG-EC-230a.2	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	Not reported

CODE	ACTIVITY METRIC	RESPONSE
CG-MR-000.A	Retail locations	680 stores
	Distribution centers	24
CG-MR-000.B	Retail space	~100 million sq. ft.
	Distribution centers	19,158,000 sq. ft.
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	(1) 163 Tier 1 suppliers managed by the Macy's Sourcing team. (2) Not reported.

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	b) Ambitions used by Macy's, Inc. to manage climate-related risks and opportunities and performance against targets	73

Governance

a. Board’s oversight of climate-related risks and opportunities	<p>We have embedded management of corporate responsibility matters, including environmental (climate-related risks and opportunities) at all levels of our company. Macy’s, Inc.’s Board of Directors (Board) has oversight of corporate responsibility programs throughout the enterprise. Oversight responsibilities of each Board committee are included in the committee charters.</p> <p>The Audit Committee oversees the Enterprise Risk Management (ERM) framework and mitigation actions for a variety of risks, including environmental risks, such as climate-related risks and opportunities. The committee also reviews our quarterly and annual public filings, which include ESG disclosures.</p> <p>To learn more, see our 2025 Proxy Statement.</p>
b. Management’s role in assessing and managing climate-related risks and opportunities	<p>Macy’s, Inc. leadership is responsible for the development and implementation of our corporate responsibility strategies and programs enterprise wide. 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.</p> <p>The Chairman of the Board and Chief Executive Officer (CEO) holds the ultimate responsibility for climate-related risk oversight.</p> <p>To learn more, see our governance structure chart in the Planet section of this report and our 2025 Proxy Statement.</p>

Strategy

Macy’s, Inc. Climate Strategy

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.

As part of Macy’s, Inc.’s commitment to addressing climate change, in January 2025, Macy’s, Inc. set a company-wide emissions reduction ambition. We aim to reduce Macy’s, Inc. emissions across Scopes 1 & 2 in line with the IPCC 1.5°C trajectory¹⁸ and Scope 3 Purchased Goods & Services in line with the IPCC well-below 2°C trajectory¹⁸ by 2030 vs. 2021 baseline. This ambition, along with the company’s efforts to annually disclose to CDP Climate Change and the completion of the company’s first climate-related risk assessment is helping Macy’s, Inc. to implement an actionable plan to both mitigate and realize our climate-related risks and opportunities, respectively.

18 The IPCC (Intergovernmental Panel on Climate Change) provides scientific assessments on climate change to guide global action. Climate scenarios, such as the 1.5°C and well-below 2°C pathways, outline emissions reductions required to limit global warming in line with Paris Agreement goals.

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 for strategic and financial impacts to the business in the short-, medium- and long-term time horizons. 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 DRIVERS		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.
Transition Risks	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.
Transition Risks	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.

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CLIMATE-RELATED RISKS AND POTENTIAL FINANCIAL IMPACTS (CONTINUED)

TYPE	CLIMATE-RELATED RISKS DRIVERS		VALUE CHAIN IMPACTS	RISK DESCRIPTION
Physical Risks	Acute	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.
Physical Risks	Chronic	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

TYPE	CLIMATE-RELATED RISKS DRIVERS		VALUE CHAIN IMPACTS	OPPORTUNITY DESCRIPTION
Resilience	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 against climate change as a result of implementing renewable energy and energy-efficiency action plans.
Resource Efficiency	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.

TABLE CONTINUES TO NEXT PAGE

CLIMATE-RELATED OPPORTUNITIES AND POTENTIAL FINANCIAL IMPACTS (CONTINUED)

TYPE	CLIMATE-RELATED RISKS DRIVERS	VALUE CHAIN IMPACTS	OPPORTUNITY DESCRIPTION
Resource Efficiency	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.
Product 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.

Note: "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

Low carbon energy sourcing and renewable procurement

Macy's, Inc. is committed to monitoring and mitigating the risks to our operations and facilities, to reducing our greenhouse gas emissions and to increasing our use of renewable energy.

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. In 2024, more than 95 active solar sites produced approximately 46.5 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.

Additionally, through our EV charging stations, we support the low-carbon electric vehicle network. This lessens our exposure to the risk of fluctuating fossil fuel prices and prepares the business for a low-carbon economy.

Macy's, Inc. will continue to evaluate opportunities for alternate renewable energy initiatives across our portfolio in addition to targeted deployment of solar photovoltaic systems implemented in prior years.

Supplier and/or customer engagement

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 12 of our top market brand partners in March and October 2024 and also held the Private Brand Supplier Summit in June 2024. See the [Collaborating with Brands to Accomplish Our Sustainability Ambitions](#) of this report for more information.

We have implemented a rigorous, phased approach to provide customers confidence that claims of sustainability in both production operations and private brand products have been thoroughly vetted. See the [Sustainable Products](#) section of this report for more information.

We aim for our suppliers to understand and meet our standards, both when they join our supply chain and on an ongoing basis. Our contract terms and conditions require suppliers across the entire supply chain to annually sign the Macy's, Inc. Supplier Acknowledgement, which includes compliance with the [Macy's, Inc. Vendor Code of Conduct](#) ("Vendor Code of Conduct") and all relevant policies, which are available on our [website](#). The company has a Zero Tolerance Policy that identifies key violations to the Vendor Code of Conduct, and it also defines the course of action if we identify noncompliance.

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 are continuing to prioritize efforts to achieve an ambition to divert 80% of waste from landfills by 2030.

We focus on increasing recycling at our stores. Initiatives such as baling and tracking corrugated cardboard waste from stores and backhauling to our distribution centers where we then recycle it have been instrumental in achieving our 67% waste-diversion rate in 2024.

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TOP MANAGEMENT AND REALIZATION METHODS AND DESCRIPTION OF CURRENT ACTIVITIES (CONTINUED)

MITIGATION AND REALIZATION METHODS

DESCRIPTION OF CURRENT ACTIVITIES

Raw materials risk management

We are committed to minimizing the environmental impact of our business operations. Our policies and programs help define our ambitions aimed at reducing the environmental impact of our merchandise across our global value chain — from production and transport to final disposal. Macy's private brand sourcing policies, including our Animal Derived Materials Policy, Chemical Management Policy, Conflict Minerals Policy, Exotic Skins Policy, Fur Policy, Preferred Materials Policy, Product Integrity and Quality Assurance Policy, Product Safety and Recall Management Policy and Macy's Private Brand Water Policy, are available on our [website](#).

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

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.

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.

Climate-related target setting

In January 2025, we set GHG emissions reductions ambitions. We aim to reduce Macy's, Inc. emissions across Scopes 1 & 2 in line with the IPCC 1.5°C trajectory¹⁹ and Scope 3 Purchased Goods & Services in line with the IPCC well-below 2°C trajectory¹⁹ by 2030 vs. 2021 baseline.

¹⁹ The IPCC (Intergovernmental Panel on Climate Change) provides scientific assessments on climate change to guide global action. Climate scenarios, such as the 1.5°C and well-below 2°C pathways, outline emissions reductions required to limit global warming in line with Paris Agreement goals.

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

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 TYPE: TRANSITION RISKS – CURRENT AND EMERGING REGULATIONS

- **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 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 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 on the financial fines and penalties outlined in CA bills SB-253 and SB-261 in the case that the compliance requirements are not met. Note that SB253 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 focused 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 aim to reduce Macy's, Inc. emissions across Scopes 1 & 2 in line with the IPCC 1.5°C trajectory²⁰ and Scope 3 Purchased Goods & Services in line with the IPCC well-below 2°C trajectory²⁰ by 2030 vs. 2021 baseline. Macy's, Inc. also regularly 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

²⁰ The IPCC (Intergovernmental Panel on Climate Change) provides scientific assessments on climate change to guide global action. Climate scenarios, such as the 1.5°C and well-below 2°C pathways, outline emissions reductions required to limit global warming in line with Paris Agreement goals.

- **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 the prior 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 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 third-party vendors and consulting firms to explore additional mitigation activities for physical climate-related risks. Thus far, Macy's has assessed more than 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 like the Emergency Management Software Systems to be aware of and prepared for climate-related risks. Macy's, Inc. continues to deploy this at existing and new sites.
 - Continuing to develop 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. Since 2010, Macy's Inc. reduced energy consumption by 19.7% through LED retrofits in retail spaces.

- **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.

Risk Management

a. Processes for identifying and assessing climate-related risks	<p>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.</p>
b. Processes for managing climate-related risks	<p>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.</p>
c. How processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management	<p>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 Treasury 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.</p> <p>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.</p> <p>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. leverages the 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.</p>

Metrics & Targets

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

To understand and reduce our climate impact, we track our operational energy use and related Scope 1, 2 and 3 emissions. Due to the extensive calculations and validation necessary to disclose FY 2024 GHG emissions for Scope 1, 2 and 3, the data set will be published in Fall 2025 along with our 2025 CDP Climate Change Report. Our FY 2023 Scope 1 and 2 and expanded Scope 3 GHG emissions can be found on our [website](#).

SCOPE 1 & 2 GHG EMISSIONS (METRIC TONS CO₂e)

SCOPE	FY 2023		FY 2021	
	MARKET-BASED EMISSIONS	LOCATION-BASED EMISSIONS	MARKET-BASED EMISSIONS	LOCATION-BASED EMISSIONS
Scope 1	N/A	67,002	N/A	42,421
Scope 2	417,784	445,571	442,470	426,362
Total	417,784	512,573	442,470	468,783

A new methodology was used to better quantify Scope 1 fugitive emissions.

SCOPE 3 GHG EMISSIONS (METRIC TON CO₂e)

CATEGORY	FY 2023	FY 2022
C1 – Purchased Goods and Services	8,583,261	11,616,562
C2 – Capital Goods	234,918	191,703
C3 – Fuel- and Energy-Related Activities	158,409	19,951
C4 – Upstream Transportation and Distribution	486,097	203,717
C5 – Waste Generated in Operations	7,424	28,047
C6 – Business Travel	19,251	7,037
C7 – Employee Commuting	195,373	126,473
C9 – Downstream Transportation and Distribution	58,443	365,768
C11 – Use of Sold Products	474,866	N/A
C12 – End-of-Life Treatment of Sold Products	143,390	N/A
C14 – Franchises	3,215	N/A
C15 – Investments	273	N/A
Total	10,364,919	12,559,258

Note: Scope 3 Categories of Upstream leased assets, Processing of sold products and Downstream leased assets are not material to Macy's, Inc. Use of sold products, End of life treatment of sold products, Franchises and Investments were newly reported for 2023. Refinements to FY 2023 methodology and calculations shifted spend inputs between upstream logistics and downstream logistics.

**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:

- Aim to reduce Macy’s, Inc. emissions across Scopes 1 & 2 in line with the IPCC 1.5°C trajectory²¹ and Scope 3 Purchased Goods & Services in line with the IPCC well-below 2°C trajectory²¹ by 2030 vs. 2021 baseline.
- Achieve 50% renewable energy in direct operations (including distribution centers, fulfillment centers and stores) by 2030.

²¹ The IPCC (Intergovernmental Panel on Climate Change) provides scientific assessments on climate change to guide global action. Climate scenarios, such as the 1.5°C and well-below 2°C pathways, outline emissions reductions required to limit global warming in line with Paris Agreement goals.



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. 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. ability to successfully implement its Bold New Chapter strategy, including the ability to realize the anticipated benefits associated with the strategy, competitive pressures from specialty stores, general merchandise stores, off-price 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, conditions to, or changes in the timing of proposed real estate and other transactions, declines in credit card revenues, possible systems failures and/or security breaches, Macy's, Inc. reliance on foreign sources of production, including risks related to the disruption of imports by labor disputes, regional or global health pandemics, regional political and economic conditions, the effect of trade policies and tariffs, including changes thereto, the effect of weather, inflation, inventory shortage, and labor shortages, the potential for the incurrence of charges in connection with the impairment of tangible and intangible assets, including goodwill, the amount and timing of future dividends and share repurchases, our ability to execute on our strategies and achieve expectations related to environmental, social, and governance matters, and other factors identified in documents filed by the company with the 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 year ended February 1, 2025. 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.



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