

# NORDSTROM

## Update on Our Supply Chain Employees

March 17, 2020

Yesterday (Tuesday, March 16), we shared our decision to temporarily close all Nordstrom stores in the U.S. and Canada to help do our part to slow the spread of COVID-19. We did not make this decision lightly and want to continue to take care of our employees as best we can by providing them with pay and benefits during this two-week period as well as providing additional resources to help them through this challenging time.

Since this announcement, we've received questions on how this impacts our distribution and fulfillment center employees, as well as the small number of employees working in our stores to fulfill customer online orders and support curbside pickup services. In the spirit of transparency, we want to take the time to answer these questions.

### How We Make Decisions

It's important to reiterate the health and safety of our employees, customers and communities is our top priority. Every decision we make is through that lens. The COVID-19 situation is complex and continually evolving. The decisions we make today will have an impact on our employees, our customers, our businesses and the national economy for months to come. We have a responsibility to protect the health of our employees, while also preserving our long-term ability to offer steady, competitive-paying jobs and benefits for more than 70,000 people. We take these responsibilities seriously and are being thorough and thoughtful in our decision-making process.

We are in regular communication with our retail peers to share best practices, learnings and updates. This benchmarking is helpful to support consistency with how other retailers are addressing these evolving and complex issues.

### Our Distribution and Fulfillment Centers

At this time, the majority of our distribution and fulfillment centers remain open because these and other supply chain functions are considered essential business operations. A select few have temporarily closed as a result of direction from local authorities. We're continuing to pay close attention to all local regulations and will take steps to remain in alignment with those, including closing facilities where needed.

Our distribution and fulfillment centers are very different environments than our stores. The key difference is that we have a greater ability to control the space, taking steps to promote a healthy environment for anyone entering the building. We've put additional precautions in place, such as additional cleaning, adjustments to allow for social distancing between employees and resources to help them stay healthy. If employees feel unwell, we are directing them to stay home and have implemented quarantining where appropriate. Given these steps, and guidance provided by local and national health experts, we feel confident our facilities continue to be safe workplaces for our people.

If any of our employees have questions or concerns about working in one of our distribution or fulfillment centers, we encourage them to let their manager or HR know so we can work to support them and make adjustments as needed.

### Our Stores

All of our U.S. and Canada stores are closed, which means the vast majority of our employees are not working but continue to receive pay and benefits. A small number of employees are continuing to work in our stores to perform minimum basic operations needed to support essential business functions, fulfill online customer orders and support customer services such as curbside pickup. These services are only being offered in stores where allowed by local authorities.

These services are essential to our ability to continue supporting our business and employees and serving customers. Given the very limited number of employees in our stores during this time and based on guidance provided by local and national health experts, we feel confident we have ample space in our stores to allow for social distancing to keep employees healthy.

We know many of our employees are looking for opportunities to stay active, engaged in the business and prolong their pay stream for as long as possible. We are relying primarily on those employees to support these core and essential business functions. If and when these employees are unable to continue working in our store, they will then begin to receive two weeks of COVID-19 pay and benefits.

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These times are unprecedented and there is no blueprint for how businesses should manage this situation. We are committed to doing everything we can to support our people and this is an evolving situation. Our promise to our employees is that we will continue to keep them updated as we have news to share, and we remain open to hearing their feedback, questions or concerns.