

# NORDSTROM

## Keeping Supply Chain Moving: Q&A with Alexis DePree, Chief Supply Chain Officer

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While our stores were temporarily closed due to COVID-19, we had to rely on serving customers through our e-commerce business — leaning on our strong supply chain and store fulfill capabilities. Thanks to our incredible people in all our facilities, we have been able to continue serving customers. To shed some light on how this is all possible, we spoke with Alexis DePree, chief supply chain officer, on all things safety, logistics and inspiration.

### **How does our supply chain work?**

Our supply chain is made up of 13 facilities that support all elements of the JWN business. Our distribution centers (DCs) are responsible for receiving the product, making that product ready for our stores, then moving that product into our stores. Our fulfillment centers (FCs) do many of the same steps, but they ship it directly to the customer's doorstep. In these facilities, we also do things like manage returns and process Trunk Club trunks. Our SC facilities in combination with our stores, which are also doing order fulfillment, are all working together to make sure our customers get the "feel good, look your best" part of our brand promise while shopping online from their homes during this pandemic.

### **With all the various stay at home orders, how are we still able to operate?**

Throughout this pandemic, our business response and legal teams have been incredible partners to help us understand all the various declarations and orders that are in place across the country. We've also used the Center for Disease Control (CDC), in addition to our standard Occupational Safety and Health Administration (OSHA) practices, as an expert source for our safety and health protocols, while supplementing with more stringent guidance from state and local orders.

Supply chains have been recognized as critical infrastructure in most of the orders. Specifically, operations that support fulfillment to the customers' doorsteps — which is happening in our FCs, DCs and stores — has been largely accommodated for within each of the orders. Keeping that critical infrastructure running gives customers access to goods from their homes.

### **What have you done to help maintain the health and safety of our teams during this time?**

There's not one single thing that can make our facilities safe. It's a number of different things that we as a company and each individual are responsible for. Early on, we were focused on social/physical distancing, handwashing and telling people to stay home if they didn't feel healthy. Today, those remain top priorities to protect ourselves and others. I tell my teams to remember three numbers: six, 20 and 100. Six feet apart, 20 seconds of hand washing, 100 percent healthy to come to work. We also implemented health checks and temperature screening as well as required face coverings for all supply chain facilities.

Among other things, we have also increased the cleaning at our sites — our cleaning teams and facilities have increased the frequency and level of detail of our daily cleaning protocol. Additionally, we've increased the cleaning supplies available to our teams so they have what they need to clean their own stations and equipment. We've made a lot of physical changes too like separating tables in the break rooms so people sit six feet away from each other. We also changed how they pick products -- we used to have multiple people in an aisle picking products, now our guidance is only one person or having only the minimum amount of people to maintain the six feet of separation. There really is a wide variety of small and large initiatives we've taken to help keep people safe, and together, these changes provide our best defense against the virus spreading in any of our facilities.

### **How is the morale across the facilities?**

It's often said that a crisis shows the true character of an individual and a team — I've been so impressed with the character that's showing through by our team. From the start, we recognized that this pandemic will impact everyone differently, so we really focused on providing accommodations for people to make the decisions that are uniquely right for them. We started by providing flexibility on attendance by eliminating our attendance policies and providing additional PTO. For those who wanted to stay working during this time, they've really embraced our new safety protocols and responded favorably to the fact that they still have the opportunity to keep working when so many others can't.

Morale is as good as can be expected at this time. Individuals feel supported to make the best decisions that are right for them. As a result, the people who are in the building really want to be there. The beginning was tough as we developed new best practices and processes, but now, I've started to see the fun come back. Some sites are now decorating their masks and bringing back team spirit activities where appropriate.

People feel very connected to the Nordstrom brand and embrace the value of "owner at heart," and that's really shining through in these moments.

### **How have you kept employees informed with the latest news, processes and actions?**

Things have been moving and changing so quickly — and Nordstrom has been committed to being transparent — that teams have had to deal with situations where we don't have all the answers. I've been super grateful in those instances that our people are patient and understand our philosophy and intention behind our behavior. Because of that, they give us the time needed to get the specifics worked out. That's really been a part of this critical partnership where we as a company and all of our teams as individuals have come together to get through this.

One of the things we started to keep our people informed is called "Ask Pete and Alexis" where employees can send in their questions that are on their mind and Pete Nordstrom and I respond to all the questions through a video that we send back to facilities. This gave us great insight into what's on their mind and how we can help. One question that stuck out to me is "how can asking me four questions about my health at the start of each shift actually help protect the facility?" It wasn't a complaint or a demand to stop something but a genuine request to understand how they can help protect themselves and their coworkers. I love that they cared enough to take the time and ask the question so we could provide a direct response.

The weekly emails and videos from Pete and Erik Nordstrom that provide a ton of information to the whole company, and we also have some very specific technical videos that we've been playing on our digital signs in facilities related to cleaning and safety protocols or benefits and pay, all of which are aimed at giving our teams every ounce of information that they need to feel safe and supported. We also have been very transparent when we have a diagnosis at a facility — that matters to our teams and they deserve to know. We've worked really hard to be consistent in our communications related to that — we have a defined process related to those incidents that we've relayed to our teams.

**What keeps you positive and optimistic for the future?**

The resiliency of our teams has been super inspiring to me. The commitment and ownership that everyone has shown through this crisis is incredible. Nobody would choose to go through this, but it's how we get through this together that is so important to how we will succeed in the future. Our approach as a team to be solution-oriented and with a commitment to the health and safety of our people are all things that make us better for the future.

I've been super proud of the innovation I've seen and the progress we've made with the level of volume we've been shipping and how we've facilitated work opportunities for our furloughed employees and so much more. I get super jazzed thinking about how to keep that same momentum as we move out of this crisis — just imagine what we can accomplish and unlock for our employees and customers.