

# NORDSTROM

## Reprioritizing Impact: Sharing Our Progress

July 20, 2020

As a company, we believe the impacts we have on our employees, customers and communities extend well beyond the walls of our stores. We have an obligation to think beyond a single sale or interaction with a customer to ensure we're operating as a responsible company our employees can be proud of. The idea that we have a role to play in building and shaping a positive, more inclusive and sustainable future isn't new to us, but it's become more important than ever. Today we are releasing our [2019 Sharing Our Progress report](#), which is primarily a look back on our 2019 progress, but the lens through which we're looking has been significantly altered by the COVID-19 pandemic and recent events surrounding the deeply ingrained racial prejudice and injustice that still exists in the world today.

For 119 years, our focus has been on our customers and how we deliver the best possible service to meet their expectations. When we think about how we can bring value, environmental sustainability, social responsibility and diversity, inclusion and belonging need to be priorities. That's why Nordstrom is continuing to work to reduce our impact on the environment, give back to the communities we serve, cultivate safe workplaces for the people who make our products; and strive to provide our employees with a great place to work.

Last year was a great testament to this. In fact, in 2019, we reached several milestones including meeting or exceeding a number of the goals that we set for 2020. We surpassed our goal of sourcing 90% of our energy from renewables in deregulated markets where we have the flexibility to choose our own energy sources. We achieved [100% pay equity](#) for employees and took additional steps to further [empower women](#) in our global supply chain. By the end of 2020, 20% of all Nordstrom Made products are made in factories where we've implemented [HERProject](#). We increased our investment in environmental sustainability by launching our [Sustainable Style](#) category and signaled our ongoing commitment by signing the [G7 Fashion Pact](#).

Yet we know we have further to go —we can and must do more and we're continually pushing ourselves to be a better company. Last year, we worked with an external partner to help us ensure we prioritize the areas of our business where we can make the most impact. We spent time listening to customers, employees, company leaders, investors, sustainability experts and even brand partners to understand how we could improve our CSR efforts. This process ultimately informed our new 2025 CSR goals. With these commitments, we're taking a more aggressive stance to make meaningful progress not only on environmental sustainability, but also human rights and corporate philanthropy, which includes goals set around:

- Climate change, circularity and environmental impact of product and services
- Ethical working practices and women's empowerment
- Customer engagement & cause marketing, corporate grant making and employee engagement

In addition, we're strengthening our governance practices to ensure even greater accountability and transparent reporting, and continuing to learn from and contribute to progress by collaborating with groups like [Make Fashion Circular](#), the Sustainable Apparel Coalition and CDP Supply Chains.

We have more visibility than ever before into the impact our business has on the environment and how we manufacture our products. This means we have an increasing responsibility to mitigate those impacts whenever possible. It is our hope —that together with our customers, partners and employees —we can work toward a more sustainable future.

Thank you for your support.

Pete and Erik Nordstrom

### 2019 Sharing Our Progress Report Highlights



### 2025 Environmental Sustainability Goals

- Establish a science-based target to reduce direct and indirect emissions (Scope 1, 2 and 3)
- Contribute \$250,000 in corporate grants to help slow and prevent climate change
- Reduce single use plastic in our value chain by 50%
- Ensure 15% of our product assortment qualifies for Sustainable Style
- Use sustainably sourced raw materials for 50% of Nordstrom Made products constructed primarily of cotton, polyester or cellulosic fabrics
- Help customers extend the life of 250 tons of clothing through donation

- Take back 100 tons of beauty packaging to ensure it is recycled
- Establish an internal working group to support the development of circular Nordstrom Made products
- Contribute \$1 million in corporate grants in support of industry innovation for textile recycling

#### **2025 Human Rights Goals**

- Disclose traceability to the factory for 90% of Nordstrom Made products
- Ensure all supplies and business partners adhere to [Nordstrom Partnership Guidelines](#)
- Ensure that 100% of Nordstrom Made strategic suppliers pay a living wage
- Produce 90% of Nordstrom Made products in factories that invest in women's empowerment
- Contribute \$250,000 in corporate grants to organizations that support women's empowerment to create trainings and resources within our global supply chain

#### **2025 Corporate Philanthropy Goals**

- Raise \$5 million from cause-marketing campaigns for core partners that support families
- Raise \$5 million from our give-back brand, [Treasure & Bond](#)
- Increase customer awareness of our charitable partners over time
- Invest more than \$50 million in communities where we operate
- Develop and implement program-wide impact reporting
- Increase grantee perception of program transparency
- Increase employee participation in our charitable match program to 20% annually
- Increase employee volunteer hours to 250,000 hours annually
- Engage our executives to support our philanthropic partners through board participation or service programs