

Neiman Marcus Group Shares First-Ever Environmental Social Governance Report, Results from New Investments and 2025 Strategy

DALLAS, March 16, 2022 /PRNewswire/ -- Today, luxury retailer [Neiman Marcus Group](#) ("NMG" or the "Company") announced its first-ever Environmental Social Governance Report, '[Our Journey to Revolutionize Impact](#),' sharing its progress to date, celebrating recent and upcoming investments, and outlining its 2025 ESG strategy.

"As a leader in luxury retail, ESG is an essential part of our growth roadmap, and we're excited to share our inaugural progress report," said Geoffroy van Raemdonck, Chief Executive Officer, Neiman Marcus Group. "'[Our Journey to Revolutionize Impact](#)' for our communities is one of our top priorities, and we believe our strategy of advancing sustainable products and services, cultivating a culture of Belonging, and leading with love in our communities will help pave this journey."

NMG analyzed data from multiple sources, including ESG ratings and rankings, research reports from industry media outlets and trade associations, disclosures from NMG's best-in-class peers, ESG reporting frameworks like Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), etc. to inform its strategy.

"We are proud that our first report aligns with external frameworks from SASB, GRI, and TCFD and provides investors with comparable and decision-useful information about the company's ESG performance," said Pamela Edwards, Board of Directors Member and Audit Committee Chair, Neiman Marcus Group. "It is our hope this will help investors and other key stakeholders share the Board's confidence in the strength of this company and its future as we seek to hold ourselves to public company standards while moving with the speed and agility of a private company."

In its commitment to making ESG a cornerstone of its growth and transformation, the company intentionally chose to set 2025 goals in order to continue moving fast and maintain accountability on this journey. Key areas like Climate Change and Workforce Diversity boast additional 2030 goals, as well. The full report, [which can be found here](#), details a strategy that is comprised of three components:

Advancing Sustainable Products & Services

Using a three-pronged approach of targeting climate change, increasing sustainable and ethical products, and implementing circular services, NMG aims to make an impact on environmental issues across the entire value chain:

- Reduce Scope 1 and Scope 2 emissions 50% from a 2019 baseline by 2025, and perform a Scope 3 assessment in 2022 to understand the company's position and chart a path toward a Net Zero goal
- Procure 100% renewable energy by 2030 across the business and join RE100
- Eliminate all products containing fur listed in NMG's Animal Welfare Policy by 2023
- Increase revenue from the sale of sustainable and ethical products by 2025 by launching two new Sustainability Edits across Neiman Marcus and Bergdorf Goodman that identify multiple categories within sustainable and ethical fashion to help shoppers make informed purchasing decisions and shop in line with their values
- Extend the useful life of over 1,000,000 luxury items through circular services such as mending and alterations, restoration, resale, and donation by 2025, building on the 350,000 products addressed in FY21 and committing to creating a FASHIONPHILE Selling Studio that authenticates and intakes luxury product from customers inside every Neiman Marcus store

Cultivating a Culture of Belonging

NMG is a woman-co-founded, women-majority organization that outpaces the U.S. population in racial and ethnic diversity and boasts one of corporate America's few openly gay CEOs. The Company is overseen by the Board of Directors, which is a diverse, women-majority group, compared to the 26.7% industry standard, according to the [50/50 Women on Boards Gender Diversity Index](#). The Board's Audit Committee members completed training on ESG oversight with Ceres and UC Berkeley School of Law. They reviewed the company's ESG impacts, risks, and opportunities, as well as the work of the newly developed ESG Steering Committee. NMG aims to cultivate a culture of Belonging for its workforce, customers, and community by setting goals to:

- Increase racial diversity in leadership roles to the Vice President level and above to 21% by 2025 and 28% by 2030. NMG is partnering with groups like McKinsey's Connected Leaders Academy, Prospanica, and Fashion Scholarship Fund to develop and attract top BIPOC talent.
- Advance workplace equity in line with prominent external standards. In 2021, NMG completed the Human Rights Campaign Foundation's Corporate Equality Index for the first time, receiving a top score of 100/100 and securing a spot on HRC Foundation's list of Best Places to Work for LGBTQ Equality. Using Bloomberg's Gender Equality Index as a guide to implement new benefits and practices for women, NMG is also introducing 16 weeks of paid parental leave to cover associates' child bonding, adoption, and surrogacy needs and is investing in a new pay equity study during 2022.
- Uplift and support women-founded fashion technology companies like FASHIONPHILE and machine learning SaaS platform, Stylyze.
- Champion inclusive marketplaces by increasing spending with diverse retail and non-retail suppliers.

Leading with Love in Our Communities

A critical part of 'Our Journey to Revolutionize Impact' is aligning its corporate giving strategy with its ESG strategy, ensuring that the organization's values and purpose guide the decision-making process of funding. Reframing the Company's philanthropic efforts allows NMG to support the causes closest to their associates' and customers' hearts while making a more significant impact in communities around the world. These efforts include corporate grantmaking through The Heart of Neiman Marcus Foundation, associate giving and volunteerism through our internal All Heart program, and customer engagement through point-of-sale fundraising and other marketing efforts. These goals include:

- Partner with customers to raise \$3,000,000 for charity through The Heart of Neiman Marcus Foundation
- Increase associate giving and volunteerism in NMG's All Heart Program to support causes close to associates' hearts
- Support disaster preparedness and relief to keep our store communities thriving.

"NMG's first-ever ESG Report is an opportunity for us to demonstrate the true impact Neiman's has had on the lives of our customers, associates, brand partners, and the communities in which we do business," said Eric Severson, Chief People & Belonging Officer, Neiman Marcus Group. "Our culture, the NMG|Way, aims to make life extraordinary for everyone in our ecosystem, and we believe this can be achieved by our holistic approach to creating a positive impact."

NMG's release of its 'Our Journey to Revolutionize Impact' ESG Report comes on the heels of the Company's fiscal second-quarter (November 2021 – January 2022) success. Strong full-price selling and an inventory strategy that ensured that the Company could deliver the products customers wanted drove significant gross margin expansion. As a result, the Company saw high single-digit comparable sales growth and Adjusted EBITDA growth of 15% for the quarter compared to the same holiday period pre-COVID. Additionally, Adjusted EBITDA for the last 12 months ending January 2022 increased 26% compared to the pre-COVID 12-month period ended January 2020.

Geoffroy van Raemdonck, Chief Executive Officer, Neiman Marcus Group, stated, "We are very pleased with our strong holiday performance and second-quarter results. We delivered healthy topline growth and significant margin expansion relative to the comparable pre-pandemic period. The strong growth we have continued to experience is a testament to our differentiated luxury business model, focus on a full-price strategy, and the ability and agility of our teams to continue to execute well while navigating a dynamic macro environment. NMG is a relationship business. Our brand partners continue to trust NMG because of our relationships with luxury customers, and customers know that we've curated an extraordinary assortment of the most desirable brands."

NMG currently has available liquidity of \$1.2 billion vs. \$458 million a year ago and has no borrowings outstanding on a \$900 million revolver.

Mr. van Raemdonck continued, "We enter the third quarter pleased with the continued momentum we see in our business and with ample liquidity to invest in our growth. As we look ahead, we strive to create extraordinary experiences for our customers through our integrated luxury retail approach, assortment curation, and a sales-assisted model driven by relationships, which allows us to offer the best luxury brands and Revolutionizing Luxury Experiences."

To read more about NMG's 2021 ESG report, you can visit www.neimanmarcusgroup.com/ESG.

About The Neiman Marcus Group, LLC

Neiman Marcus Group is a relationship business that leads with love in everything we do for our customers, associates, brand partners, and communities. Our legacy of innovating and our culture of Belonging guide our roadmap for Revolutionizing Luxury Experiences. As one of the largest multi-brand luxury retailers in the U.S., with the world's most desirable brand partners, we're delivering exceptional products and intelligent services, enabled by our investments in data and technology. Through the expertise of our 9,000+ associates, we deliver and scale a personalized luxury experience across our three channels of in-store, eCommerce, and remote selling. Our NMG|Way culture, powered by our people, combines individual talents into a collective strength to make life extraordinary. Our brands include Neiman Marcus, Bergdorf Goodman, Neiman Marcus Last Call, and Horchow. For more information, visit www.neimanmarcusgroup.com.

SOURCE Neiman Marcus Holding Company, Inc.

For further information: John Walls, Senior Director, Corporate Communications & Content Strategy, Neiman Marcus Group, +1-512-221-8434, john_walls@neimanmarcus.com

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<https://www.neimanmarcusgroup.com/2022-03-16-Neiman-Marcus-Group-Shares-First-Ever-Environmental-Social-Governance-Report-Results-from-New-Investments-and-2025-Strategy>