

OUR JOURNEY TO REVOLUTIONIZE IMPACT

2022 ESG REPORT






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ABOUT THIS REPORT

We've developed this report in alignment with the Sustainability Accounting Standards Board (SASB) standards for Multiline and Specialty Retailers & Distributors and with reference to the Global Reporting Initiative (GRI) Standards. The reporting period is FY22—August 1, 2021 to July 30, 2022—unless otherwise stated. NMG's Internal Audit team has reviewed key data in this report. NMG's Scope 1 and 2 greenhouse gas (GHG) emissions data received limited assurance by our independent registered accounting firm, Ernst & Young. The limited assurance statement can be found [here](#).

 For the first time, we've also included an audio experience featuring a few of the associates who contributed to NMG's progress, providing those who may be visually impaired the opportunity to enjoy this report. Also embedded throughout the report are our "Pioneering Progress" highlights, elevating moments throughout our history that inform how we live our values today.

INTRODUCTION

IN THIS SECTION

- Letters From Our CEO & Board
- Our Company
- Materiality & Stakeholder Engagement
- ESG Strategy, Goals, & Highlights

LETTER FROM OUR CEO

At NMG, we strive to Make Life Extraordinary for our customers, associates, brand partners, and our communities. Our culture of leading with love not only defines who we are as a company—it helps our business and associates thrive. Since January 2020, we've seen our employee Net Promoter Score (eNPS) rise by 34%—and we know that when teams are engaged, results follow.

Our second annual ESG report continues our **Journey to Revolutionize Impact**—for our company and for our industry. ESG remains a critical part of our growth and transformation strategies, and our actions reflect this. While last year's report communicated our strategy and goals, this year's provides year-over-year performance and details about the strategic investments and partnerships that are operationalizing ESG throughout our business.

We are building on an ESG strategy firmly tied to our values, achieving much in a short amount of time. We reduced our Scope 1 and 2 emissions by 31%, confirmed pay equity by gender and race through our inaugural pay equity study, and reached our goal to go fur-free in line with our [Animal Welfare Policy](#) by 2023—with NMG's growth in sustainable and ethical product in FY22 alone proving greater than our historical fur business. As one of the few multi-brand luxury retail members of both the Ellen MacArthur Foundation and Global Fashion Agenda, we join like-minded brand partners in

advancing conversations on circularity and sustainable products while encouraging brand partners and vendors newer to the sustainability space to adopt more conscious practices so we can make measurable progress together.

NMG has the potential to impact crucial social and environmental issues by creating connections and experiences between two very influential groups—the world's most desired brands and American luxury customers. We take this position seriously and understand that our actions can and will make a difference at scale.

As our work continues, we know there is more to do. We remain focused on increasing brand partner engagement within our sustainable and ethical product Edits, formalizing our supplier diversity efforts, and verifying our climate targets with the Science Based Targets initiative. We invite our NMG community to join our talented associates in this endeavor. Participate, inspire, and hold us accountable as we advance on our journey. Together, we're Revolutionizing Impact while growing our financial performance as we Make Life Extraordinary for all.



“NMG has the potential to impact crucial social and environmental issues by creating connections and experiences between two very influential groups—the world's most desired brands and American luxury customers. We take this position seriously and understand that our actions can and will make a difference at scale.”

— **GEOFFROY VAN RAEMDONCK**
CHIEF EXECUTIVE OFFICER
NMG

LETTER FROM OUR BOARD

Since the founding of the company, NMG has always charted its own course, driven by the passion of our people and the values we hold dear. NMG's Board of Directors holds the company to the highest standards, including for ESG. We continue to treat ESG data with rigor and oversight, aspiring to hold our private company to public company standards in this space in order to positively impact our company, associates, customers, and the planet.

This year, we ambitiously used our independent registered accounting firm, Ernst & Young, to provide limited assurance for Scope 1 and 2 GHG emissions. We also aligned our ESG disclosures with widely recognized frameworks like Bloomberg's Gender-Equality Index and the Carbon Disclosure Project (CDP), scoring a "B" on our first CDP Climate Questionnaire. New policies like a Supplier Code of Conduct and enhancements to the company's compliance efforts were also priorities.

The goals we set are clear, achievable, and measurable. With sound metrics, data, and governance practices in place, the company's strategic ESG goals have been refined for specificity, including increasing sales from sustainable and ethical products to 10% by 2025.

Ensuring we have the right talent in place is critical to our ongoing success. In 2022, NMG established new roles that are embedded within various business units and carry direct responsibility for ESG. Our culture of Belonging—including our workforce diversity and workplace equity efforts—plays an important role in ensuring we attract and retain this expert talent.

As we move forward, we're working to ensure the whole board is actively involved in ESG's integration within our overall business strategy. We will also continue exploring governance best practices, such as incorporating ESG into budgeting decisions around capital allocation and expanding the scope of metrics subject to limited assurance to other key ESG KPIs, over time.

It is our hope these efforts will help investors share the Board's confidence in the strength of this company and its future as we continue our Journey to Revolutionize Impact.





“We continue to treat ESG data with rigor and oversight, aspiring to hold our private company to public company standards in this space in order to positively impact our company, associates, customers, and the planet.”

— **PAMELA EDWARDS**
CHAIR, AUDIT COMMITTEE
BOARD OF DIRECTORS

OUR COMPANY

NMG is a relationship business that leads with love in everything we do—for our customers, our associates, our brand partners, and our communities. Our legacy of innovation and 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 are delivering exceptional products and intelligent services enabled by our investments in data and technology. Through the expertise of our 10,000+ associates, we deliver and scale a personalized luxury experience across our facets of integrated retail, including in-store, online, and remote selling. Our NMG|Way culture, powered by our people, combines individual talents into a collective strength to make life extraordinary. Our flagship brands include Neiman Marcus and Bergdorf Goodman, which are complemented by Neiman Marcus Last Call stores and Horchow home furnishings.



Neiman Marcus is a Dallas-based luxury retailer, providing customers access to exclusive and emerging brands,

anticipatory service, and unique experiences since 1907. Every day, Neiman Marcus digitally connects with customers worldwide and delights them in person across a 36-store presence in the U.S. The Neiman Marcus brand is one the country's largest eCommerce luxury platforms, incorporating industry-leading remote selling and personalization technology.



Bergdorf Goodman, a New York institution since 1901, represents the global pinnacle of style, service, and modern luxury.

With its rich history of showcasing leading and emerging designers, the iconic store at 5th Avenue and 58th Street is a singular destination for discerning customers around the world. BG.com expands on Bergdorf Goodman's heritage, offering an unparalleled online shopping experience that combines expert curation with an editorial point of view.

FY22 IN NUMBERS

115+ YEARS

OF SERVICE

\$5 BILLION

GROSS MERCHANDISE VALUE

~ 70%

OF STORES REACHED THEIR HIGHEST SALES IN OVER A DECADE

300 MILLION

VISITS TO DIGITAL PROPERTIES

3,000+

OF THE WORLD'S MOST DESIRABLE BRAND PARTNERS

10

EXCLUSIVE DIGITALLY AMPLIFIED RETAIL-TAINMENT EXPERIENCES

3,000+

SELLING ASSOCIATES WITH AVERAGE TENURE OVER A DECADE

\$25,000+

ANNUAL SPEND BY TOP CUSTOMERS

90%

TOP CUSTOMER RETENTION

600

NEW POINTS OF DISTRIBUTION

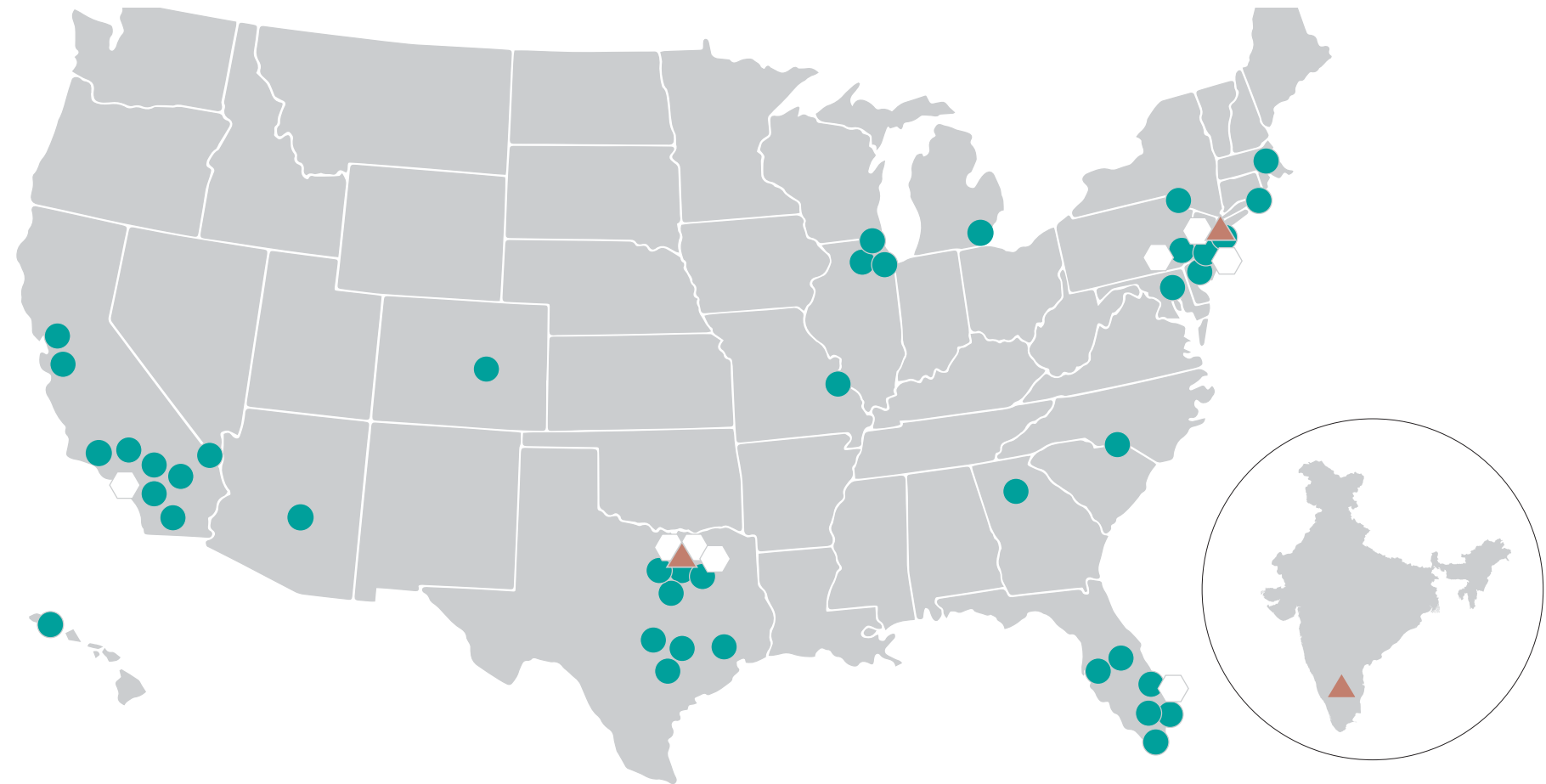
OUR OPERATIONS AND WORKFORCE

Throughout fiscal year 2022, NMG remained committed to integrated luxury retail and meeting customers where they are, no matter how they shop. By providing superior levels of service and a curated experience at 36 Neiman Marcus, Bergdorf Goodman, and five Last Call by Neiman Marcus stores—as well as online and through remote selling—NMG extended the reach of luxury brands in the U.S. market with American luxury customers.

Our stores remain strategically positioned near top customers, with 70% of U.S. very high-net-worth households living within 30 miles of NMG stores. In 2022, affluent customers returned to stores while continuing to shop online. Our multi-channel consumers spent five times more on average than those who shopped through one channel only.

We support an integrated luxury retail model through distribution and service facilities across the U.S. that help to increase our speed to the customer. Through investments in new NMG corporate hubs across Dallas, New York City, and Bangalore, we also ensure connection and proximity to top talent and provide support for both individual and collaborative work outside the boundaries of a traditional office.

At the end of FY22, our business was powered by more than 10,000 associates—81.5% full-time, 17.7% part-time, 0.72% temporary, and 0.77% union. Our majority female workforce continues to outpace the U.S. population in racial and ethnic diversity.



● U.S. Store Locations

⚡ = Facility powered by renewable energy

- | | | | | | | | |
|---------------------|---------------------|------------------|----------------|-------------------|-----------------------------|---------------------|-----------------|
| Scottsdale, AZ | Palo Alto, CA | Coral Gables, FL | Honolulu, HI | Troy, MI | ⚡ Las Vegas, NV | King of Prussia, PA | Houston, TX |
| ⚡ Beverly Hills, CA | ⚡ San Diego, CA | Orlando, FL | Chicago, IL | St. Louis, MO | Garden City, NY | Austin, TX | Plano, TX |
| ⚡ Cabazon, CA | ⚡ San Francisco, CA | Sunrise, FL | Northbrook, IL | Charlotte, NC | ⚡ New York (BG Women's), NY | Dallas, TX (2) | San Antonio, TX |
| Canoga Park, CA | Denver, CO | ⚡ Tampa, FL | Oak Brook, IL | Paramus, NJ | New York (BG Men's), NY | Fort Worth, TX | San Marcos, TX |
| ⚡ Newport Beach, CA | Bal Harbour, FL | Atlanta, GA | Boston, MA | ⚡ Short Hills, NJ | ⚡ White Plains, NY | Grapevine, TX | McLean, VA |
| ⚡ Orange, CA | Boca Raton, FL | | | | | | |

⬡ U.S. Service Centers and Supply Chain Locations

- | | | |
|--------------------|--------------------------|---------------------------|
| ⚡ Whittier, CA | Dallas (Alterations), TX | Irving, TX |
| Miramar, FL | ⚡ Long Island City, NY | Dallas (Distribution), TX |
| ⚡ Mountainside, NJ | Pittston, PA | |

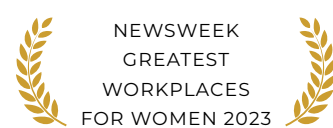
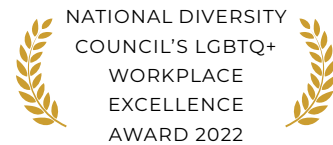
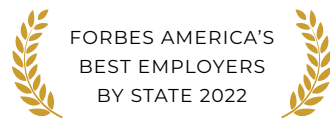
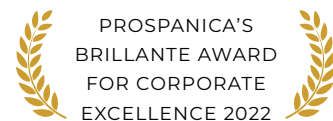
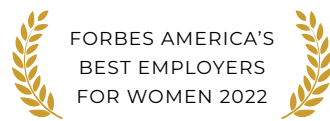
▲ Hub Locations

- Dallas, TX
- New York, NY
- Bangalore, India

OUR CULTURE

Leading with love defines our culture and is the heart of everything we do. It's how we fulfill our purpose of Making Life Extraordinary for our customers, associates, and communities. We recognize that people now expect the same purposeful, tailored experiences at work that they receive as consumers. At NMG, we listen to our associates and leverage a modern, data-informed approach to designing their workplace experience, and it's making a difference. Since January 2020, our employee Net Promoter Score (eNPS) has risen by 34%. Prospective and current employees are attracted by our diverse and flexible culture, which is open to all associates. For more information, see the [NMG People Report](#).

RECOGNITION



NMG|WAY OF WORKING (NMG|WOW)

Our unique remote and flexible way of working empowers associates with the autonomy to work wherever, whenever, and however to achieve the best results. Because these types of policies disproportionately impact women and people of color in positive ways, flexibility also supports our commitment to Belonging.

BELONGING

Diversity + Equity + Inclusion = Belonging. Our Belonging strategies encompass our efforts to increase workforce diversity, advance workplace equity, and champion marketplace inclusion to our customers and communities through inclusive merchandise and operations.

OUR VALUES

- Be Bold
- Be Memorable
- Be Trustworthy
- Be All Heart
- Be the Best

GROWTH MINDSET

A cultural transformation is underway as we move to a different way of thinking about our challenges and opportunities. With a focus on getting better, we embrace challenges and see effort as the path to mastery.

ESG | ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We are revolutionizing luxury experiences by advancing sustainable products and services, cultivating a culture of Belonging, and leading with love in our communities. We commit to identifying, improving, and disclosing our performance on material ESG issues that enhance shareholder value and address key stakeholder concerns on an ongoing basis.

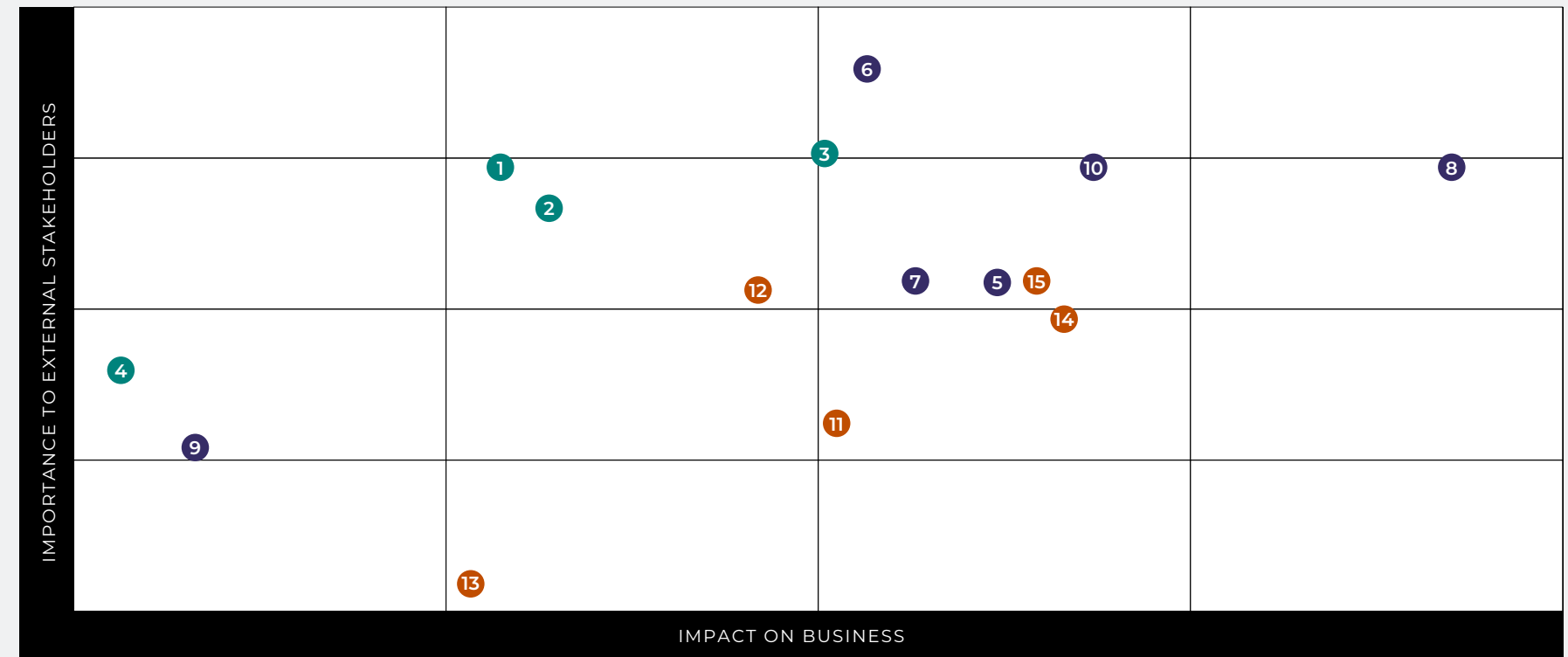
MATERIALITY & STAKEHOLDER ENGAGEMENT

In the fall of 2020, our new owners—several of whom are signatories of the United Nations Principles for Responsible Investment (UNPRI)—brought a strong vision and commitment to investing in ESG, making it a central part of NMG’s transformation.

They began by constituting a new Parent Board with a group of Directors that was diverse across multiple dimensions, including gender, race, sexual orientation, and skill set—each of whom brings a unique point of view to our mission and operations.

In March 2021, management hired independent, third-party consultants to conduct a materiality assessment, which serves as the foundation for our ESG strategy. Our materiality process involved conducting desktop research and engaging key internal and external stakeholders to identify and prioritize the company’s most significant ESG-related risks and opportunities.

TOP 15 MATERIAL TOPICS



Environmental Sustainability

1. Climate Change
2. Circular Economy
3. Sustainable & Ethical Products
4. Chemical Management

Social Impact and Human Capital

5. Workforce Investment & Training
6. Human Rights
7. Philanthropy & Corporate Citizenship
8. Belonging (Diversity, Equity, & Inclusion)
9. Brand Advocacy
10. Labor Practices (Wages, Benefits, & Turnover)

Governance

11. Board Composition & Diversity
12. Transparency
13. Executive Pay Practice
14. Technology & Innovation
15. Data Security & Customer Privacy

SUPPORTING ESG THROUGH BRAND ADVOCACY

NMG defines brand advocacy as the practice of supporting public policies that align with our values and/or significantly impact our stakeholders. Our brand advocacy efforts are modeled on the [Ceres Blueprint for Responsible Policy Engagement](#), which provides recommendations for how companies can address climate change as a systemic risk. While the blueprint focuses on climate change in particular, our own application is wider and seeks to:



ASSESS

RISKS TO THE COMPANY THROUGH PERIODIC MATERIALITY ASSESSMENTS.



ADVOCATE

IN FAVOR OF POLICIES THAT SUPPORT THE COMPANY'S VALUES AND ABILITY TO ACT ON THESE ISSUES THROUGH PARTNER FORUMS LIKE HUMAN RIGHTS CAMPAIGN (HRC), TEXTILE EXCHANGE, AND RE100.



SYSTEMATIZE

DECISION-MAKING FOR THOSE RISKS WITHIN THE COMPANY'S OPERATIONS THROUGH MONTHLY ESG STEERING COMMITTEE MEETINGS, BIENNIAL ENTERPRISE RISK MANAGEMENT PROCESS, AND QUARTERLY OVERSIGHT FROM THE BOARD'S AUDIT COMMITTEE.



ENGAGE

TRADE ASSOCIATIONS AND NONPROFIT PARTNERS SUCH AS THE NATIONAL RETAIL FEDERATION (NRF) AND RETAIL INDUSTRY LEADERS ASSOCIATION (RILA) TO SUPPORT THESE POLICIES.

For more on our Brand Advocacy efforts, visit the [Governance](#) section of this report.

KEY NONPROFITS & TRADE ASSOCIATIONS

We understand materiality is a dynamic concept. To keep a pulse on new and emerging issues between assessments, we regularly participate in industry forums like the Retail Industry Leaders Association, Global Fashion Agenda, CEO Action for Diversity & Inclusion, Responsible Business Coalition, and Sustainable Fashion Forum. These alliances help us to identify trends early and use our [brand voice](#) to inspire further change in core areas that align with our values.

- [Retail Industry Leaders Association](#)
- [National Retail Federation](#)
- [Human Rights Campaign](#)
- [American Red Cross](#)
- [Textile Exchange](#)
- [Prospanica](#)
- [National Black MBA Association™](#) NEW
- [Forté Foundation](#) NEW
- [Catalyst](#) NEW
- [U.S. EPA SmartWay](#)
- [CDP](#) NEW
- [RE100](#)
- [CEO Action for Diversity & Inclusion](#) NEW
- [Ellen MacArthur Foundation](#) NEW
- [Fashion Scholarship Fund](#)
- [Boys & Girls Clubs of America](#)
- [Global Fashion Agenda](#) NEW
- [Responsible Business Coalition](#)

NEW Denotes partnerships newly established in 2022.

PIONEERING PROGRESS

ADVERTISING YOUR VALUES (AND STICKING TO THEM)

On Sunday, September 8, 1907, the *Dallas Morning News* ran a full-page advertisement announcing the opening of the first Neiman Marcus store. Written by founders Herbert Marcus, Carrie Marcus Neiman, and Al Neiman, the ad “was a declaration of principles in which they believed and to the enactment of which they were willing to dedicate their careers.”

“They set forth their ideals and objectives clearly on paper, they pre-determined the market to which they would appeal, they proceeded to follow their principles through good times and bad. They succeeded. What’s more, they left an invaluable blueprint for those of us who followed them.”

At NMG, we’ve always believed in doing business according to our values—and our commitment to ESG progress today is simply following through on that belief.

— STANLEY MARCUS,
MINDING THE STORE

THE DALLAS MORNING NEWS, SUNDAY, SEPTEMBER 8, 1907.

The Outer-Garment Shop



Elm and Murphy Streets, Dallas

“The Outer-Garment Shop”

Cordially Invite You to Attend the Formal Opening of the New and Exclusive Shopping Place for Fashionable Women, Devoted to the Selling of Ready-to-Wear Apparel

Opening Day, Tuesday, September Tenth, from 10 A. M. to 10 P. M. A Fashion Show Pre-eminent—Artistic Souvenirs

Tuesday, September Tenth, marks the advent of a new shopping place in Dallas—a store of Quality, a Specialty store—the only store in the City whose stocks are strictly confined to Ladies’ Outer-Garments and Millinery, and presenting wider varieties and more exclusive styles in these lines than any other store in the South. All are cordially invited to attend the Opening, to view the initial presentation of the most advanced and authoritative styles in Ready-to-Wear Apparel for Fall and Winter, to accept one of the handsome Souvenirs which will be distributed in honor of the occasion.

Our Store

In extending you an invitation to be present at the opening of the new store on Tuesday, September Tenth, we present herewith some of our claims to your valuable patronage.

Our decision to conduct a store in Dallas was not reached on impulse. We studied the field thoroughly and saw that there was a real necessity for such a shopping place as ours.

Our preparations have not been hasty. We have spent months in planning the interior, which is without an equal in the South.

We Will Improve Ready-to-Wear Merchandising

A store can be bettered by specialized attention. Knowledge applied to one thing insures best results.

We began our intended innovation at the very foundation; that is to say, with the builders of Women’s Garments.

We have secured exclusive lines which have never been shown in Texas before, garments that stand in a class alone as to character and fit.

Buying Facilities

Backed by the best sort of buying connections in every market, stocked by a corps of skilled buyers, managed by an experienced and expert store management, we are confident of our value-giving supremacy, and no store in the country where qualities and styles equal to ours are sold can offer lower prices.



Our Styles

All the pages of all the fashion journals, American and Foreign, can suggest no more than the open book of realism now here, composed of Suits, Dresses and Wraps of every favored style.

For the most important occasion of Formal Dress.

For the Informal afternoon call.

For Shopping or Business wear.

The selection will meet every taste, every occasion and every price.

Our Qualities and Values

As well as the Store of Fashions we will be known as the Store of Quality and Superior Values.

We shall be hypercritical in our selections. Only the finest productions of the best garment makers are good enough for us. Every article of apparel shown will bear evidence, in its touches of exclusiveness, in its chic and grace and splendid finish, to the clearest designing and the most skillful and thorough workmanship.

Opening Souvenirs

As a memento of the occasion we will present a handsome Souvenir to visitors on opening day. These Souvenirs will be worthy of the offerings of the new store.



ESG STRATEGY, GOALS, & HIGHLIGHTS

Our ESG strategy seeks to Revolutionize Luxury Experiences by:



ADVANCING SUSTAINABLE PRODUCTS AND SERVICES



CULTIVATING A CULTURE OF BELONGING



LEADING WITH LOVE IN OUR COMMUNITIES

Over the past year, we've invested in key roles, systems, and infrastructure to help refine goals and data collection, drive progress, and hold ourselves accountable as we continue integrating ESG into our direct operations.

“Our ESG strategy and business outcomes are linked. Over the past year, we were able to drive notable progress against our 2025 targets while strengthening business performance at the same time—setting us on a journey to decouple growth from environmental and social impact.”



— **KATIE ANDERSON**
CHIEF FINANCIAL OFFICER

[CLICK TO LISTEN](#)




ADVANCING SUSTAINABLE PRODUCTS AND SERVICES



2025 GOALS (unless otherwise specified):

PROGRESS:

Reduce Scope 1 and 2 emissions 50% from a 2019 baseline.	CY20	<div style="width: 23%;"></div>	23% reduction
	CY21	<div style="width: 31%;"></div>	31% reduction
Procure 100% renewable electricity by 2030.	FY21	<div style="width: 0%;"></div>	0%
	FY22	<div style="width: 19.9%;"></div>	19.9%
 Increase sales from sustainable and ethical products to 10%.	FY22	<div style="width: 5.12%;"></div>	5.12%
	Extend the useful life of 1,000,000 luxury items through circular services, including alterations (to new and customer-owned garments), restoration, resale, and donation.	FY21	<div style="width: 32.1255%;"></div>
FY22		<div style="width: 76.0414%;"></div>	760,414
Protect human rights by developing and implementing a new Supplier Code of Conduct and Responsible Sourcing program.	FY21	<div style="width: 0%;"></div>	0%
	FY22	<div style="width: 100%;"></div>	100%

100% of imported private label vendors signed NMG's new Supplier Code of Conduct and completed at least one training on human rights.



CULTIVATING A CULTURE OF BELONGING

2025 GOALS (unless otherwise specified):

PROGRESS:

Increase racial and ethnic diversity in leadership roles Vice President level and above to 21% by 2025, and 28% by 2030.	FY21		18.2%
	FY22		19.8%
Advance workplace equity in line with prominent external standards.	FY21		
	FY22		
Provide Belonging training for 100% of NMG associates.	FY21	In progress	
	FY22	In progress	
Increase spend with diverse-owned brands and businesses. ¹			\$29.6 million

¹ Denotes total cumulative spend by 2025 with diverse enterprises that are at least 51% owned, controlled, and operated by African-Americans; Asian-Americans; Hispanic Americans; Native Americans; and/or lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons.



LEADING WITH LOVE IN OUR COMMUNITIES

2025 GOALS:

PROGRESS:

Partner with customers to raise \$3,000,000 for charity through The Heart of Neiman Marcus Foundation.	FY20		\$404,595
	FY21		\$847,762
	FY22		\$1,559,327
Increase associate volunteerism in NMG's All Heart Program to 7,500 hours to support causes close to associates' hearts.	FY21		1,160 volunteer hours
	FY22		2,426 volunteer hours
Support disaster preparedness and relief to keep our store communities thriving.	FY21	\$1,718,556 in donations	
	FY22	\$2,074,102 in donations	

ENVIRONMENT

From the footprint of our buildings to the length of time our customers treasure the products we sell, we're making an impact on environmental issues across our value chain. Our efforts include decarbonizing our direct operations with Trane® and supporting brands and vendors to set science-based targets with free training from the Supplier Leadership on Climate Transition (Supplier LOCT) Program; connecting customers to brands' sustainable and ethical products through Neiman Marcus and Bergdorf Goodman's **Fashioned For Change and Conscious Curation** edits; and converting shoe and handbag repair from a best-kept secret to a more formal part of our circular services lineup.

IN THIS SECTION

- Climate Change
- Sustainable & Ethical Products
- Circular Economy

HIGHLIGHTS

31%

REDUCTION IN SCOPE 1
AND 2 EMISSIONS

5.12%

OF FY22 SALES
ATTRIBUTED TO SUSTAINABLE
AND ETHICAL PRODUCTS

760,414

LUXURY ITEMS EXTENDED
THROUGH CIRCULAR SERVICES



CLIMATE CHANGE

GOAL: **50%**
REDUCTION IN SCOPE 1 AND 2 EMISSIONS FROM A 2019 BASELINE¹

PROGRESS: **31%**
REDUCTION IN SCOPE 1 AND 2 EMISSIONS FROM A 2019 BASELINE AS OF CALENDAR YEAR 2021¹

GOAL: **100%**
RENEWABLE ELECTRICITY BY 2030

PROGRESS: **19.9%**
RENEWABLE ELECTRICITY IN FY22, AN INCREASE FROM 0% IN FY21

Climate change is the most urgent issue of our time, and we're taking purposeful action across our direct operations and our value chain to fight it. Over the last year, we embedded climate considerations deeper within our company's core strategy and operations by hiring a Senior Manager of Facilities & ESG, receiving limited assurance over Scope 1 and 2 GHG emissions by our independent registered accounting firm, and completing our first CDP Climate Change Questionnaire.

With enhanced climate-related governance measures instituted, we continued to reduce Scope 1 and 2 emissions through a mix of energy efficiency, refrigerant management, electrification, and renewable energy initiatives across our real estate portfolio.

We also completed our first Scope 3 emissions screening, which showed that Scope 3 emissions—specifically those from Purchased Goods & Services (87%) and Downstream Transportation & Distribution (5%)—account for the majority of NMG's total greenhouse gas footprint.

In response to these results, we will be engaging suppliers across these categories to measure their emissions and encourage them to set science-based targets, implement abatement plans, and disclose their progress to CDP with the help of partnerships like the Supplier Leadership on Climate Transition (Supplier LOCT) Program and the U.S. Environmental Protection Agency's (EPA) SmartWay Program. These efforts will help to move us closer to validating our existing science-based targets with the Science Based Targets initiative (SBTi).

SCOPE 1 AND 2 EMISSIONS



¹ Progress against our Scope 1 & 2 reduction goal is calculated using our location-based emissions. We disclose both location-based and market-based emissions for increased transparency across dual accounting methods.

² In our 2021 report, we indicated that Scope 1 and 2 emissions for 2020 were 58,612 MTCO₂e. This was due to a change in methodology, which we updated for this year's report.

REDUCING SCOPE 1 AND 2 EMISSIONS

Our continued investments in energy efficiency, refrigerant management, electrification, and renewable energy enabled us to reduce our Scope 1 and 2 emissions while growing our business over the past year. Working with Trane® by Trane Technologies, many of our stores made sweeping improvements—and our work has just begun.



ENERGY EFFICIENCY



REFRIGERANT MANAGEMENT



ELECTRIFICATION



RENEWABLE ENERGY

Across our portfolio: We implemented energy efficiency upgrades in 13 locations, totaling more than \$15 million in capital expenditures.

Boca Raton, FL: We updated rooftop HVAC units that were leaking refrigerant accounting for 33% of emissions at this site.

Orange, CA: We electrified this site's equipment and transitioned to renewable energy credits (RECs) to drive emissions to zero.

New York: We completed the conversion of chillers in the Bergdorf Goodman Women's store building in New York from natural gas to electricity, providing efficiency gains. We procured renewable energy for that building, further reducing expected emissions from the site. We also procured renewable energy for two of our other New York properties, collectively representing 7.6% of total company electricity consumption; these are the first deregulated sites we converted to renewable sources in 2022, complementing existing renewable energy use throughout California and New Jersey locations.

Illinois, Texas, Pennsylvania, and Massachusetts: In 2023, we plan to finish converting an additional 24% of consumption to renewable electricity sources in deregulated markets across Illinois, Texas, and Pennsylvania before we begin to focus our attention on renewable energy in regulated markets across the U.S.



[CLICK TO LISTEN](#)

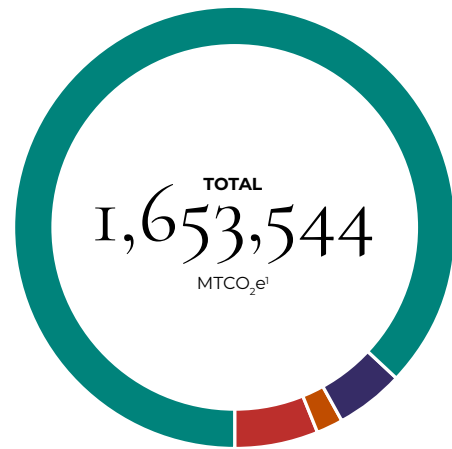
Chiller conversion at Bergdorf Goodman Women's store in NYC

REDUCING SCOPE 3 EMISSIONS

With robust progress in place for Scope 1 and 2 emissions across our direct operations, we're turning our attention to Scope 3 emissions throughout our value chain. In 2022, we completed our first Scope 3 emissions screening and found that Scope 3 emissions account for approximately 97% of NMG's total greenhouse gas footprint.

Our largest sources of Scope 3 emissions come from Purchased Goods & Services and Upstream and Downstream Transportation & Distribution. Therefore, we have a substantial opportunity to revolutionize impact on climate by developing a supplier engagement plan that doesn't just require our brand partners and vendors to measure their emissions, set science-based targets, implement abatement plans, and disclose their progress to CDP, but actually helps them to do so.

OUR SCOPE 3 EMISSIONS



87%

PURCHASED GOODS & SERVICES

5%

DOWNSTREAM TRANSPORTATION & DISTRIBUTION

2%

UPSTREAM TRANSPORTATION & DISTRIBUTION

6%

REMAINING SCOPE 3 CATEGORIES

1 For a complete listing of Scope 3 emissions, see the [Appendix](#) of this report.

In 2023, we signed on to [the Supplier Leadership on Climate Transition \(Supplier LOCT\) Program](#) to support our supplier engagement and climate goals.

[Learn more](#) about how we'll engage suppliers with the Supplier LOCT program as we continue formalizing our supplier engagement strategies across our Purchased Goods & Services and Upstream and Downstream Transportation & Distribution categories.

PURCHASED GOODS & SERVICES

To inform our plan to reduce these emissions and explore a SBTi-approved supplier engagement target, we analyzed SBTi alignment across our spend with retail and nonretail suppliers. We found that 42% of NMG's total purchased goods and services suppliers, by spend, are aligned with SBTi commitments—an unusually high baseline number that highlights the quality of NMG's existing supply base and provides a solid foundation to build upon as we explore targets to increase this number over time through supplier engagement with Supplier LOCT.



UPSTREAM & DOWNSTREAM TRANSPORTATION & DISTRIBUTION

To reduce emissions related to Upstream and Downstream Transportation & Distribution, we continue to work with the U.S. EPA Smartway program to track carriers' sustainability performance and identify areas for improvement. By submitting our carrier list with spend information each year, SmartWay is able to rank the sustainability performance of our carriers using the information they provide about transport modes, fleet age, and fuel use, and help us identify new sustainable transport vendors as additional contracting needs arise.

While it has been challenging to secure detailed ton-mileage² reporting from all of our carriers, we plan to continue collaborating with our carriers and Spend Management team to continue to improve our data collection processes in 2023. This will help us progress to SmartWay Level 3 membership, which enables the U.S. EPA to estimate our transportation emissions.

2 Ton-miles are the equivalent of shipping one ton of product one mile, reflecting both the volume and the distance shipped.



NMG'S FIRST CDP CLIMATE DISCLOSURE

In 2022, NMG completed CDP's Climate Change Questionnaire for the first time. Completing it alongside 75% of the S&P 500 signals that, as a private company, we seek to hold ourselves to public company standards and treat ESG data with rigor and oversight.

While many companies choose to keep CDP scores private in their first year, NMG announced its score as part of our commitment to transparency and accountability throughout our ESG journey.

NMG's submission is [publicly available](#) and discloses our Scope 1, 2, and 3 GHG emissions. It also provides trend performance from the last three years, and—most notably for a first-time report—includes limited assurance on our Scope 1 and 2 GHG emissions from our independent registered accounting firm, Ernst & Young.

We're proud of our score, which demonstrates the progress we've made on the goals we published in our inaugural [2021 ESG report](#). We're working to address areas of improvement, which will be reflected in our CY22 CDP disclosure.

OUR SCORE



NMG EARNED A SCORE OF "B" ON OUR FIRST CLIMATE CHANGE DISCLOSURE TO CDP—HIGHER THAN THE AVERAGE OF "C" FOR ALL PUBLIC RESPONDERS.

"NMG has demonstrated its commitment to transparency around its environmental impacts and strategies for action by disclosing its environmental data through CDP in 2022. Disclosure not only provides the foundation for environmental action, but brings tangible business benefits for stakeholders, customers, and employees alike."



— **DEXTER GALVIN**
CDP GLOBAL DIRECTOR,
CORPORATIONS AND
SUPPLY CHAINS

DISASTER PREPAREDNESS & RELIEF

Because climate change has increasingly disrupted weather patterns, disaster preparedness and relief efforts have become important considerations in our enterprise risk management process. In FY22, severe weather conditions forced our stores to close for an aggregated equivalent of 17 days, which we estimate reduced sales by \$5 million. We continue to use our resources to increase the climate resiliency of our stores, our supply chain, and our associates, while strengthening our omnichannel capabilities, which enables sales to continue even when our physical assets and workforce are impacted.

PROVIDING RELIEF TO THOSE IN NEED

Over the past year, we found new ways to engage our associates and customers in supporting our disaster preparedness and relief efforts, including our decade-old National Disaster Responder partnership with the American Red Cross.

In May 2022, we hosted an associate giving and volunteerism campaign to raise awareness and funds for NMG's Disaster Relief Fund, which helps the company to respond to crises ranging from natural disasters in California to the war in Ukraine. In one month, we raised \$164,000. We also engaged customers by launching our first American Red Cross Point of Sale (POS) Fundraising Campaign, which raised over \$181,000 through more than 24,900 customer transactions. Together, these efforts powered our annual \$250,000 contribution to American Red Cross.

In FY22, we also distributed grants to associates through NMG's Employee Hardship Assistance Fund to provide aid to those facing financial difficulties in the aftermath of a natural disaster or unexpected personal hardship. This might include military deployment, serious illness or injury, domestic abuse, or death of an immediate family member.

“During Hurricane Ian, I lost everything—my furnishings, my closets, and even the floors throughout my home. Through NMG’s Employee Hardship Assistance Fund, I was able to replace those essential items. The support helped me more than anyone will ever know—I felt like the grant gave me the breathing room I needed to figure out what’s next and how to rebuild.”



— YAJAIRA SANTIAGO
SALES EXPERIENCE
MANAGER

NMG DISASTER RELIEF FUND

Grants Awarded	FY13 - FY18	FY19	FY20	FY21	FY22	Total
American Red Cross	\$909,947	\$250,000	\$250,000	\$0 ¹	\$250,000	\$1,659,947
Employee Hardship Assistance Fund	—	\$151,534	\$55,242	\$101,833	\$105,546	\$414,155
Total	\$909,947	\$401,534	\$305,242	\$101,833	\$355,546	\$2,074,102

¹ NMG did not engage associates in fundraising for American Red Cross partnership during the pandemic.



BENEFITS OF CLIMATE RESILIENCE

In December 2022, our property insurance provider FM Global awarded NMG a \$317,000 credit in recognition of our climate resiliency efforts. A portion of this money was used to fund our new partnership with the Supplier Leadership on Climate Transition (Supplier LOCT) Program, which will help us curb climate-related events that impact stores by reducing Scope 3 emissions from Purchased Goods & Services. FM Global subsequently enrolled in Supplier LOCT as an NMG vendor, bringing our climate initiatives full circle.

“Building resilience to climate change is critical to long-term prosperity and peace of mind. And this is why we work as partners with NMG to help protect its purpose.”

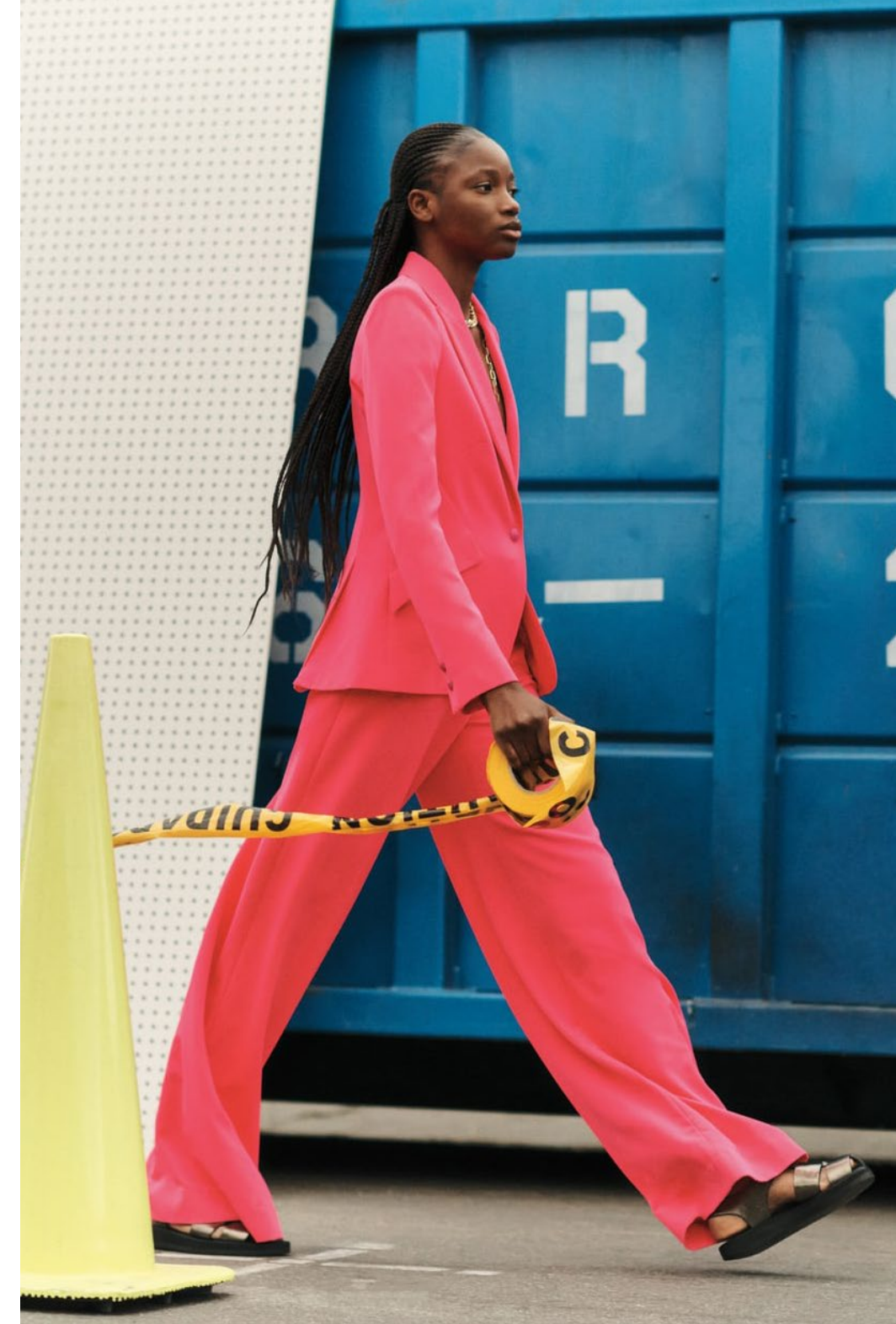


— **KASHIA MOUA**
CHIEF SUSTAINABILITY
OFFICER, FM GLOBAL

LOOKING AHEAD

To further our progress, we'll continue our work with Trane® by Trane Technologies on strategic capital investments that advance energy efficiency, electrification, and refrigerant management across our real estate portfolio. In addition, we'll finish procuring renewable electricity at facilities in deregulated markets across Texas, Illinois, and Pennsylvania in Spring 2023 before turning our attention to facilities in regulated energy markets throughout the U.S.

In 2023, we will also join other national brands in sponsoring up to 40 of our top retail and non-retail suppliers through [Supplier LOCT](#) climate school, where they will learn how to measure their GHG emissions, set science-based targets, implement abatement plans, and disclose to CDP Climate.



SUSTAINABLE & ETHICAL PRODUCTS

- GOAL:** **FUR-FREE**
 BY MARCH 2023 , IN LINE WITH NMG'S [ANIMAL WELFARE POLICY](#)
- PROGRESS:** **COMPLETED FUR EXIT**
 WITH FY22 SALES ATTRIBUTED TO SUSTAINABLE AND ETHICAL PRODUCT ALONE PROVING GREATER THAN OUR HISTORICAL FUR BUSINESS
- GOAL:** **10%**
 SALES FROM SUSTAINABLE AND ETHICAL PRODUCTS BY 2025
- PROGRESS:** **5.12%**
 OF FY22 SALES ATTRIBUTED TO SUSTAINABLE AND ETHICAL PRODUCTS

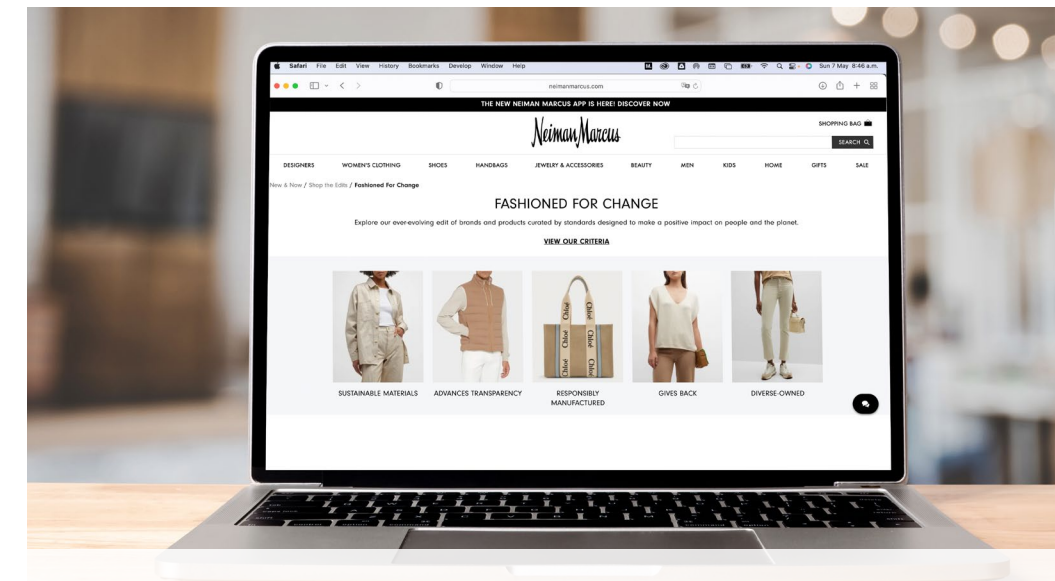
With consumers becoming increasingly aware of the impact of their purchasing decisions, [shopping consciously has become the new luxury](#). As we ended all fur sales from animals killed solely for their fur, including (but not limited to) mink, fox, lynx, chinchilla, rabbit, coyote, astrakhan/karakul lamb, kangaroo, and raccoon dog, we were able to grow sales from sustainable and ethical alternatives by launching the Neiman Marcus **Fashioned for Change** and Bergdorf Goodman **Conscious Curation** edits with customers and brand partners across our integrated retail model. Sales of these products exceeded \$200 million in FY22.

Over the past year, these Edits have enabled us to assess how much of our sales are attributed to sustainable and ethical products, prominently market these products to customers, and share monthly insights with our internal teams. To further boost growth, we hired our first ESG Merchandising Manager, whose role is to help drive sales from these products across all NM and BG divisions by helping buying teams identify new brands, flag products from existing ones, and provide resources that help all brand partners strengthen their social and environmental performance. Through these efforts, we've refined our 2025 goal and increased engagement with clients and top brand partners.

CELEBRATING OUR MOVE TO FUR-FREE FASHION

Our journey to remove fur from our assortment by March 2023 began approximately two years earlier, in June 2021, when NMG partnered with the Humane Society of the U.S. to publish our first [Animal Welfare Policy](#). Since our announcement, we've seen similar commitments from brand partners like Dolce & Gabbana, Moncler, and Kering (parent company of Gucci, Saint Laurent, Bottega Veneta, and other luxury brands) who have joined this effort and issued fur-free commitments of their own.

We achieved our goal to remove fur by 2023, in line with our Policy. Further, we educated our previous fur customers about shopping faux alternatives in our Edits or updating existing fur garments in their closets through NMG's circular services to help end demand for products that require the death of more animals.



Fashioned for Change edit on [NeimanMarcus.com](https://www.NeimanMarcus.com)

ADVOCATING FOR ANIMAL-FRIENDLY LUXURY

In November 2022, NMG sponsored the Humane Society of the U.S.' annual To The Rescue Gala, hosting brand partners like Kering, Stella McCartney, Prota Fiori, and Chanel to celebrate the industry's shift away from fur and towards sustainable and ethical alternatives.

The evening featured a storefront with merchandise from Neiman's Fashioned for Change edit, and a materials innovation lab showcasing pioneering fabrics and textiles, including bio-based mushroom ([Mylo](#)) and lab-grown leather alternatives ([Slowhide](#)), vegetable cashmere (from [KD New York](#)), and silks made from orange waste ([Orange Fiber](#)).



EVENT RAISED MORE THAN
\$2 MILLION

FOR THE HUMANE SOCIETY
OF THE UNITED STATES' WORK
TO END SUFFERING FOR ALL ANIMALS



Laurent Claquin, President of Kering Americas; Lana Todorovich, President & Chief Merchant of Neiman Marcus; and Ida Simonsen, President of Stella McCartney at the event.



[CLICK TO LISTEN](#)

Stella McCartney's team was so pleased with NMG's vision for a fur-free future that the designer made a personal appearance at Neiman Marcus Coral Gables to speak with customers about the "rewilding and rechilding" themes behind her Spring 2023 collection a few months later.

GROWING SALES FROM SUSTAINABLE & ETHICAL MERCHANDISE

In line with our fur exit, we're honing our focus on sustainable and ethical merchandise through our Fashioned For Change and Conscious Curation edits. These evolving Edits define multiple categories within sustainable and ethical fashion and allow our customers to shop in line with the values they care about most, whether that's sustainable materials, responsibly manufactured, diverse, gives back, and transparent—an attribute that's unique to NMG's approach.

Wherever possible, we rely heavily on independently-recognized certifications to facilitate brand conversations, flag products, prevent greenwashing, and maintain credibility. Since the Edits' launch in 2022, we've seen increasing interest in participation from leading fashion brands including Stella McCartney, Chloé, Gabriela Hearst, and Ralph Lauren.

“As a leading integrated luxury retailer, we serve as a valuable platform for brands with sustainable and ethical merchandise to reach the luxury customer. We do this by leveraging independently recognized social and environmental certifications to facilitate brand conversations, flag products, and help customers shop in line with their values.”



— YUMI SHIN
CHIEF MERCHANDISING
OFFICER, BERGDORF
GOODMAN

[▶ CLICK TO LISTEN](#)



Studio189 Raffia Tote Exclusive to Bergdorf Goodman, **Conscious Curation** Diverse-Owned Brand

Bergdorf Goodman's **Conscious Curation** edit categories have converted more than 29% above total site sales since launching in May 2022, demonstrating that these shoppers are intentional about their purchases.

[Note: This conversion rate represents the time period between May 20, 2022 and December 31, 2022. Though **Conscious Curation** reflects a higher conversion rate, it traditionally generates lower visits and sales relative to BG.com.]

PIONEERING PROGRESS

PAYING FOR QUALITY AND ARTISANSHIP

From the beginning, Neiman Marcus was known for a radical approach to sourcing: in a market where conventional buyers aimed to pay manufacturers as little as possible, Neiman Marcus buyers offered to pay more to improve the product, trusting the customer to recognize quality. As an early supplier remarked: “Neiman Marcus was always for better.”

— STANLEY MARCUS,
MINDING THE STORE



REVOLUTIONIZING IMPACT FOR OUR INDUSTRY

While the demand for sustainable and ethical fashion is increasing, so are customers' and regulators' expectations around transparency and clarity as means to prevent greenwashing. NMG is leading the way by supporting organizations that standardize the meaning of sustainable and ethical fashion and advance responsible practices across the industry.

RESPONSIBLE BUSINESS COALITION

The fashion industry has a critical need for standardized product certification and labeling to reduce consumer confusion. It's why NMG has worked closely with the Responsible Business Coalition (RBC) and luxury retailers including Nordstrom, Saks, Farfetch, and others to develop the Impact Index: a tech-agnostic framework that defines trusted, third-party certified product-level claims accepted by participating retailers and streamlines back-end data collection from brand partners.

GLOBAL FASHION AGENDA

NMG is proud to be one of the few multi-brand luxury retail members of Global Fashion Agenda (GFA) alongside brand partners like Kering and Ralph Lauren to advance the luxury sector's conversations on sustainability and human rights. Through GFA's Fashion CEO Agenda and GFA Monitor publications, Global Fashion Summit, Masterclasses, and more, we're expanding our impact through education and industry collaboration.

SUSTAINABLE FASHION FORUM

Since the beginning of our sustainability journey, NMG has also been a proud sponsor of Sustainable Fashion Forum (SFF)'s annual conference, which convenes a global community of consumers and industry experts to discuss fashion's most complex sustainability challenges. In 2022, we [hosted a panel](#) on how technology can scale circular services with EON's founder and CEO, Natasha Franck, and NMG's VP of Product & Technology, Kristen Miller.

"NMG has been a key partner in building awareness and using their brand voice to advance the conversation around sustainability in the fashion community."



— **BRITTANY SIERRA**
SUSTAINABLE FASHION
FORUM CEO AND FOUNDER

TEXTILE EXCHANGE

Textile Exchange is a global nonprofit driving positive action on climate change across the fashion, textile, and apparel industry. Their goal is a 45% reduction in greenhouse gas from fiber and raw material production by 2030. NMG's membership enables us to leverage their cutting-edge data, tools, and community network to navigate the

complexities of sustainable materials and their connection to our own decarbonization efforts. We use their work to inform and validate the criteria for our **Fashioned For Change** and **Conscious Curation** edits.

LOOKING AHEAD

We're working to launch **Fashioned For Change** and **Conscious Closet** in-store and integrate these products into our digital selling tools, like NM's CONNECT app, in 2023.

As we grow the Edits, we're also integrating ESG into our leadership's brand review meetings and training our sales associates on our approach to sustainable and ethical products so they are empowered to champion the Edits' products with customers.



THEMOIRE Vegan Leather Tia Clutch
Fashioned For Change, Sustainable Materials

CIRCULAR ECONOMY

GOAL:

1,000,000

USEFUL LIVES OF LUXURY ITEMS EXTENDED THROUGH CIRCULAR SERVICES BY 2025

PROGRESS SINCE FY21:

760,414

USEFUL LIVES OF LUXURY ITEMS EXTENDED THROUGH CIRCULAR SERVICES

419,559¹
ITEMS ALTERED

223,066
ITEMS RESTORED OR REPAIRED

54,537
ITEMS RESOLD WITH FASHIONPHILE

63,252
ITEMS DONATED VIA GIVE BACK BOX

Circular services are key to the luxury of a relationship. Since NMG's founding, the personal relationships we develop with our customers and their closets have included services like alterations, helping to extend the lives of customers' most-loved luxury items. In recent years, we've expanded those services and solidified our status as a first mover and consistent investor in circular economy initiatives—piloting partnerships with The RealReal (2015) and Rent The Runway (2017), and becoming the first luxury retailer to make an equity investment in resale with FASHIONPHILE (2019), one of the world's top resellers of pre-owned luxury handbags and accessories.

In 2022, we demonstrated our leadership in circular services among luxury multi-brand retailers in the U.S. market by transitioning our shoe and handbag repair services to a regularly marketed offering and becoming one of the few multi-brand luxury retail members of the Ellen MacArthur Foundation (EMF)'s network alongside many of our brand partners.

FORGING ALLIANCES THAT ADVANCE CIRCULAR FASHION

In 2022, NMG became a Network Member of the Ellen MacArthur Foundation—a global thought leader on the circular economy—as one of the few multi-brand luxury retailers, setting us apart from our peers. We attended the bi-annual Network Workshop in Stockholm, Sweden with brand partners from Chloé, Ralph Lauren, and Gucci to discuss ways to enhance our respective approaches to circularity through innovation.

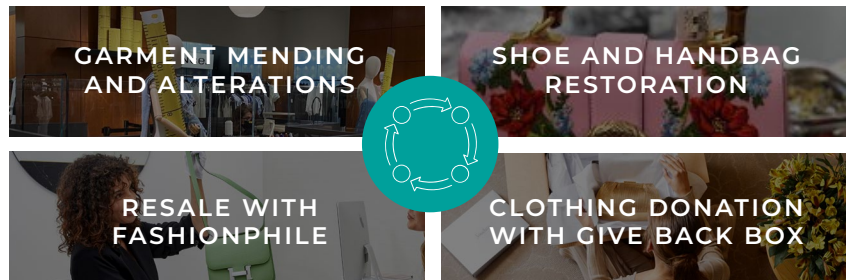
Our Sustainability & ESG Reporting Manager also completed EMF's six-week online Circular Economy Masterclass with the University of Exeter, developed with the Foundation's input, to preview the content and determine the viability of offering this circularity upskilling tool to more NMG associates in the future.



¹ Circular services refer to practices that support the circular economy, such as mending and alterations (to new and customer-owned garments), restoration, resale, and donation. These services aim to extend the life of products and materials, reduce waste, and decrease the need for new resources. Neiman Marcus is committed to the circular economy and offers these services to our customers.

OUR CIRCULAR SERVICES

Within our direct operations, NMG supports circularity in four key ways: garment mending and alterations, shoe and handbag restoration, resale with FASHIONPHILE, and clothing donation with Give Back Box.



GARMENT MENDING & ALTERATIONS

Our alterations service continues to grow year over year, supported by 336 skilled tailors who make up NMG’s Artisan Network. These talented artisans have an average tenure of 13 years with NMG and over 30 years in the field. Through our Alterations Bars in select Neiman Marcus stores, we offer tailoring services like “while you wait” and same-day delivery. Bergdorf Goodman’s longtime on-site atelier is now available as a service that’s accessible in the fitting room, in homes, or virtually.

Shoppers who have come to rely on NMG’s Artisan Network for new items have also opened up their closets for restyling and repurposing, further promoting circularity. In 2023, we will continue expanding our alterations services through more intentional branding and marketing across the omnichannel environment at both BG and NM.

OUR ACCOMPLISHMENTS

- Launched 5 Alterations Bars in Spring 2022 and visual displays in all NM stores
- Created [landing page](#) on NM.com with pricing and details of alterations services
- Stood up new service level agreement (SLA) for rush alterations
- New customers represented 69% of total alterations customers, up 25% from FY19
- Over 10,000 items incremental between March and November 2022

PIONEERING PROGRESS

TEACHING CLIENTS TO CARE FOR THEIR CLOTHES

Herbert Marcus understood the long-term value of caring for fine clothing. A customer once returned a handmade lace gown, destroyed after a single wearing. Since it was the first fine garment she had ever bought, Herbert saw

this as an opportunity to educate the customer on how to get the most wear from her luxury items.

“Explain to her that we will replace it, and tactfully call her attention to the fact that a delicate handmade lace will wear less than a coarser machine-made lace,” he told his son, Stanley. “She’ll know better next time.”

Over the years, the customer spent over \$500,000 with Neiman Marcus—a win for the relationship, and for the treatment of the clothing.

— STANLEY MARCUS,
MINDING THE STORE





HELPING ONE FAMILY GIVE NEW LIFE TO HUNDREDS OF ITEMS

A top client in San Francisco called on NM's alterations team to help them prepare for a milestone family birthday event in Mexico. Shopping for new festive pieces quickly transitioned into restyling many owned pieces in the family's closets.

After in-home tailor visits and in-store fittings, our team altered 227 garments in San Francisco and 11 in Los Angeles, totaling close to \$40,000 in alterations. This created an intimate relationship between the client and the NM team and proved the unique and exceptional nature of NM's team of luxury tailors.

We're committed to maximizing opportunities like these in order to support our shoppers to extend the life of their most-loved luxury items.

SHOE & HANDBAG RESTORATION

NMG's Southeast Service Center gives luxury shoes and handbags a second chance through services like resoling and stretching, shortening straps, re-dyeing/re-finishing leather, cleaning/replacing linings, replacing hardware, and more. The Center also plays a key role in the company's profitability by repairing damaged merchandise and reconditioning customer returns to return to full-line stores or Neiman Marcus Last Call.

\$242M

MERCHANDISE PROCESSED BY
SOUTHEAST SERVICE CENTER
SINCE FY19

\$175M

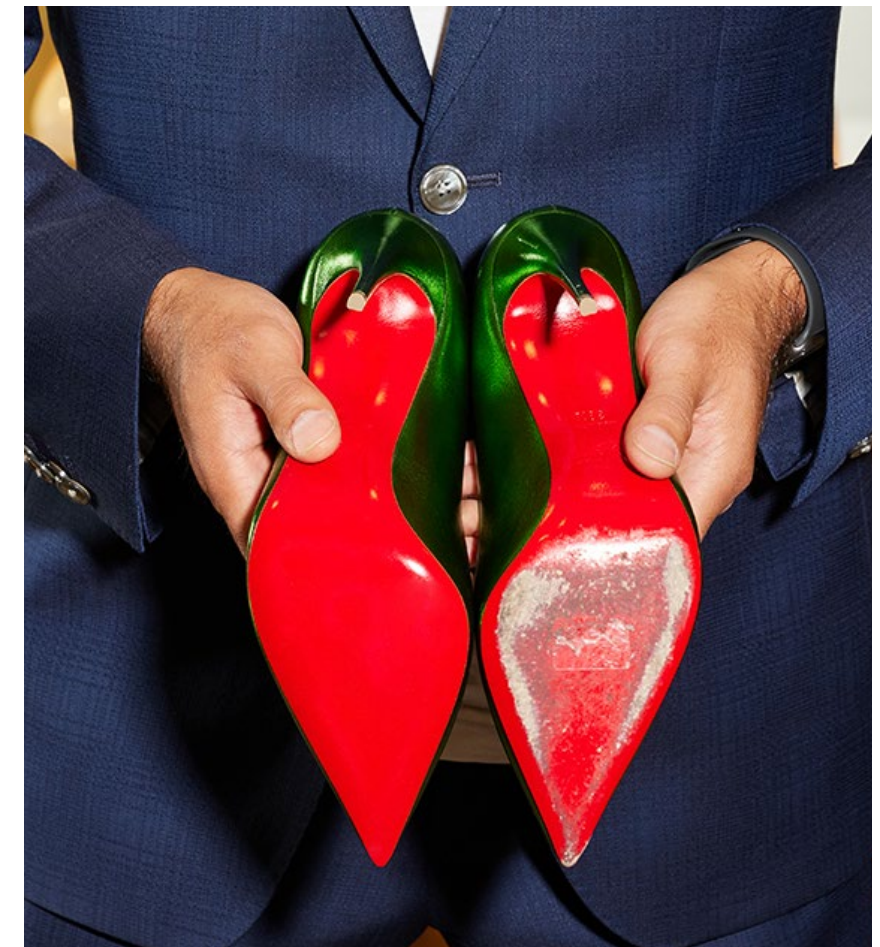
MERCHANDISE
TRANSFERRED BACK TO
SELLING LOCATIONS AFTER
RESTORATION SINCE FY19¹

These repair services have always been complimentary for Chairman's Circle clients, so in the past, only they knew we could re-sole the red bottoms of their Louboutins or send their favorite handbag to a leather spa. In October 2022, NM launched its [Repair & Restoration Services landing page](#) on NM.com and began marketing repair services online and in The Book, increasing inquiry calls to NM's Southeast Service Center by over 30%. In 2023, we'll continue to focus on integrating shoe and handbag repairs deeper into our branding and marketing across the omnichannel environment.

¹ \$160M of this merchandise is sent to NM Last Call, demonstrating how critical these stores are to extend the life of luxury items.

Santana Leather Partnership

One of our vendors, Santana Leather, restores shoes and bags for clients when they experience wear and tear. Through Bergdorf Goodman's continued on-site partnership with these luxury repair experts, we help to ensure that items are restored with integrity and authenticity.



RESALE WITH FASHIONPHILE

Through our partnership with FASHIONPHILE, we bring together the primary and secondary—or resale—market, offering our customers a convenient and luxurious environment where they can feel excited to extend the lifecycle of their luxury goods. FASHIONPHILE uses artificial intelligence and authentication services to purchase items from customers on the spot. We currently have 10 FASHIONPHILE studios in our Neiman Marcus stores network and have partnered to extend the life of more than 50,000 items since 2019. In 2023, we'll continue to pursue thought leadership opportunities in resale with the FASHIONPHILE team and explore opportunities to pilot the sale of vintage and out-of-circulation resale items, alongside new ones, through private client events, NM's **Fashioned For Change** edit, and BG's forthcoming Conscious Closet service.

CLOTHING DONATION WITH GIVE BACK BOX

We're extending our year-long partnership with [Give Back Box](#) to bolster our commitment to sustainable services that support the circular economy. Since Fall 2021, NM has donated over 60,000 items on behalf of our customers in partnership with Give Back Box.

In 2022, through NM's partnership with Give Back Box, we also supported refugees impacted by the war in Ukraine by re-routing all donations containing women's and children's items from Neiman Marcus customers and associates to a warehouse in Poland—the founder of Give Back Box's home country.

LOOKING AHEAD

We will be branding BG's circular services within a new **Conscious Closet** banner that complements BG's **Conscious Curation** edit for new sustainable and ethical products. To extend the life of items in a client's closet, in 2023 we'll offer virtual and in-person white glove assessments of their wardrobe contents, with recommendations for altering, mending, or donating. **Conscious Closet** will also provide recommendations for new items that complement a client's existing pieces, incorporating items from BG's Conscious Curation edit.

At Neiman Marcus, we will also explore technologies that embed circular services more seamlessly into the omnichannel platform and partnerships that train the next generation of artisans.

POWER OF ONE SUPPORTING UKRAINIAN RELIEF

To complement customers' donations, NM's Supply Chain and Southeast Service Center team collected and shipped over 1,400 items—\$165,000 in retail value—to support Ukrainian relief efforts, highlighting the greatness of our Power of One people strategy.



SOCIAL

NMG is a female-founded, female-majority organization that outpaces the U.S. population in racial and ethnic diversity, with one of corporate America's few openly gay CEOs. Our people are at the heart of our progress, and we take great care to protect and empower them by integrating industry-leading policies and practices across our direct operations and supply chain to cultivate a culture of Belonging.

IN THIS SECTION

- Human Rights
- Belonging
 - Workforce Diversity
 - Workplace Equity
 - Marketplace Inclusion
- Philanthropy & Corporate Citizenship

HIGHLIGHTS

100%

OF IMPORTED PRIVATE LABEL SUPPLIERS SIGNED THE NEW SUPPLIER CODE OF CONDUCT

19.8%

RACIAL AND ETHNIC DIVERSITY IN LEADERSHIP ROLES VICE PRESIDENT LEVEL AND ABOVE

\$1,559,327

IN POINT-OF-SALE DONATIONS SINCE FY20

HUMAN RIGHTS

GOAL:

DEVELOP AND IMPLEMENT

A NEW SUPPLIER CODE OF CONDUCT AND RESPONSIBLE SOURCING PROGRAM

PROGRESS SINCE FY21:

100%

OF IMPORTED PRIVATE LABEL SUPPLIERS SIGNED THE NEW SUPPLIER CODE OF CONDUCT

100%

OF IMPORTED PRIVATE LABEL SUPPLIERS COMPLETED AT LEAST ONE TRAINING AND DEVELOPMENT MODULE ON HUMAN RIGHTS DUE DILIGENCE

While private label remains less than 1% of company revenue, championing human rights throughout our supply chain is an integral part of advancing sustainable products and services for our customers, associates, and communities.

For the past two decades, NMG has been a Tier 2 partner of U.S. Customs and Border Protection's Customs Trade Partnership Against Terrorism (CTPAT) program, which monitors ethics and employment as part of its approach to supply chain security. Through this programming, NMG has a history of setting supplier expectations and monitoring supplier operations for private label and direct import brands.

In 2020, CTPAT's minimum security criteria added forced labor considerations to the requirements as a recommended program component. After the Uyghur Forced Labor Prevention Act (UFLPA) went into effect in June 2022, U.S. Customs and Border Control changed the forced labor component from recommended to mandatory, reflecting the growing scope of human rights due diligence. The renewed focus, resources, and work on human rights as a core pillar to NMG has positioned the company to go beyond CTPAT's minimum security requirements as we build our own robust standard for social compliance in our private label and, eventually, direct import supply chains.

While our human rights programs are still in their infancy, we've begun to invest in resources like a new Responsible Sourcing Manager and a partnership with industry leader in sustainability and supply chain services globally, ELEVATE—an LRQA company. Together, we are increasing transparency, building capacity, and supporting our suppliers as we work to build a best-in-class human rights due diligence program.

SUPPLIER CODE OF CONDUCT

In 2022, we partnered with ELEVATE to conduct internal stakeholder interviews and aggregate international standards from the International Labour Organization (ILO) and United Nations to inform our new [Supplier Code of Conduct](#).

After publishing the document on our website in September 2022, we deployed it for signature acknowledgement to all our imported private label suppliers in October 2022. As active participants in the document's development, NMG associates and merchants remain invested in working together to begin educating partners and maintaining compliance with our Supplier Code of Conduct—a key for long-term success.

DID YOU KNOW?

NMG's new Supplier Code of Conduct extends beyond typical human rights topics to include sections like "Global Citizenship," where we outline expectations for our suppliers to prevent cultural appropriation by implementing processes to avoid practices like plagiarism or incorrect use of designs and names that are culturally meaningful to Native, Indigenous, or other underrepresented communities.

ASSESSING OUR PARTNERS

We used ELEVATE's data and analytics platform, EIQ, to conduct a manufacturer risk assessment for issues like forced labor across our imported private label suppliers. Evaluating risk by country and spend, this segmentation exercise helps us prioritize audit activities and training for our highest risk suppliers. One hundred percent of imported private label suppliers have completed at least one training and development module on human rights.

DRIVING ACCOUNTABILITY WITH TRACEABILITY & TRANSPARENCY

As we deepen our efforts within our private label supply chain, we're tracing and disclosing our Tier 1 factories on [Open Supply Hub](#) (OS Hub), a collaborative supply chain mapping platform that leverages transparency to promote sustainability and human rights. NMG is currently the only multi-brand luxury retailer to highlight transparency as a preferred product attribute within its Edits for sustainable and ethical fashion by indicating items made by brands that disclose their factory list on OS Hub and/or use digital product passports.

While we request and encourage more of our brand partners to engage with preferred product attributes within **Fashioned For Change** and **Conscious Curation**, we're also leading by example by implementing them within our private label product. For example, NMG has contributed information related to 40% of factories supplying our private label merchandise to OS Hub, with the goal of full disclosure in 2023.

FOUNDATION FOR THE FUTURE

By developing a new Responsible Sourcing program and investing in resources like a Responsible Sourcing Manager, social compliance audit partner, and risk assessment software tools, we're building safeguards into the infrastructure of our business to protect human rights.

LOOKING AHEAD

Going forward, we will broaden our launch of the Supplier Code of Conduct to direct import suppliers, which will expand the reach of our Responsible Sourcing efforts. At the same time, we will expand our partnership with ELEVATE beyond the factor risk assessment through:

Education: The EiQ Learn platform will support and educate our vendors, foreign buying agents, and internal staff on responsible sourcing practices such as ethical sourcing, recognizing and preventing forced labor in supply chains, and supply chain traceability.

Audit: We plan to launch our audit program with the goal of implementing audit activities for 100% of our imported private label Tier 1 suppliers in CY23.

MAP OF NMG'S IMPORTED PRIVATE LABEL FACILITIES DISCLOSED ON OPEN SUPPLY HUB



FACILITIES ● FEWER ● MORE

“New investments in programmatic action are building great transparency and accountability across our business.”



— **AMANDA MARTIN**
CHIEF SUPPLY
CHAIN OFFICER

[▶ CLICK TO LISTEN](#)

BELONGING

GOAL: 21%
RACIAL AND ETHNIC DIVERSITY IN LEADERSHIP ROLES VICE PRESIDENT LEVEL AND ABOVE BY 2025, AND 28% BY 2030

PROGRESS IN FY22: 19.8%
RACIAL AND ETHNIC DIVERSITY IN LEADERSHIP ROLES VICE PRESIDENT LEVEL AND ABOVE, AN INCREASE FROM 18.2% IN FY21

GOAL: ADVANCE WORKPLACE EQUITY IN LINE WITH PROMINENT EXTERNAL STANDARDS

PROGRESS:



GOAL: 100%
OF NMG ASSOCIATES TRAINED IN BELONGING

PROGRESS: IN PROGRESS

GOAL: INCREASE SPEND WITH DIVERSE-OWNED BRANDS AND BUSINESSES BY 2025¹

PROGRESS IN FY22: \$29.6M
SPENT WITH DIVERSE-OWNED BRANDS AND BUSINESSES¹

True to our commitment to preserve NMG's people-first culture, we work hard to celebrate different backgrounds, experiences, and communities, and consider them integral to our success. We make it a priority to cultivate a culture where everyone Belongs and where showing up as one's full and authentic self is encouraged. Our approach to Belonging includes increasing **workforce diversity**, advancing **workplace equity**, and championing **inclusive marketplaces**.

The NMG|Way, grounded in our values and ways of working, also plays a critical role of cultivating a culture of Belonging. Beyond our unique way of working, it's how we show up and inspire our associates, customers, brand partners, and communities. Belonging is a living, breathing practice enmeshed in the very fabric of our culture. A reflection of [our values](#), Belonging comes to life through engaged team members intentionally working to implement bias interrupters and measure outcomes throughout our operations.

Learn more about how we are revolutionizing associate experiences in our first [NMG People Report](#).



¹ Denotes total cumulative spend with diverse enterprises that are at least 51% owned, controlled, and operated by African-Americans; Asian-Americans; Hispanic Americans; Native Americans; and/or lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons.

WORKFORCE DIVERSITY

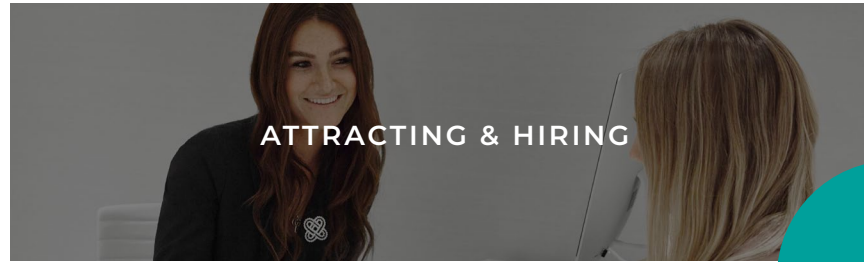
Finding the best people to welcome to NMG requires incorporating evidence-based tactics across the full associate experience, from hiring, to retention, to development and beyond. While NMG outpaces the U.S. population in terms of total workforce diversity, we've embedded [bias interrupters](#) in our new Inclusive Hiring Toolkit and Training Module to help us increase the racial diversity represented in our company's leadership roles over time. We are on track to reach our 2025 Workforce Diversity goal ahead of schedule, but it's more than just a matter of numbers. Every hire is a new relationship, with the power to create change and expand our culture of Belonging.

“It’s by actively investing in relationships and resources to support diverse backgrounds that we can truly realize our unique culture of Belonging and ensure Neiman Marcus is a place where all associates, customers, and brands feel welcome.”

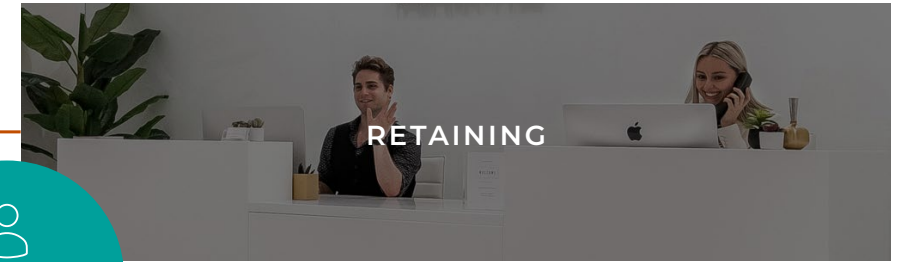


— **NABIL ALIFFI**
CHIEF BRAND OFFICER
& RECENT NMG HIRE

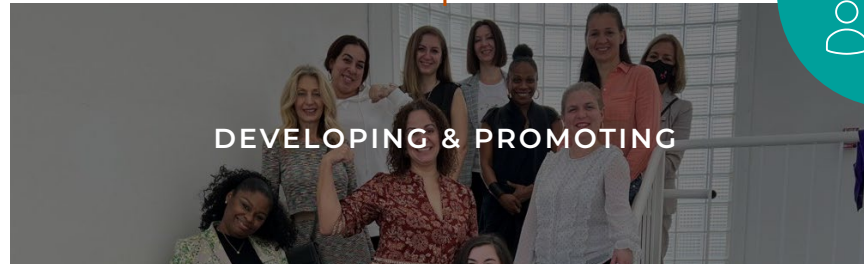
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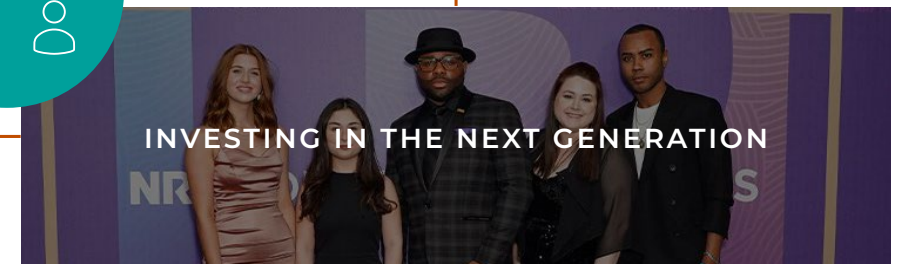
ATTRACTING & HIRING



RETAINING



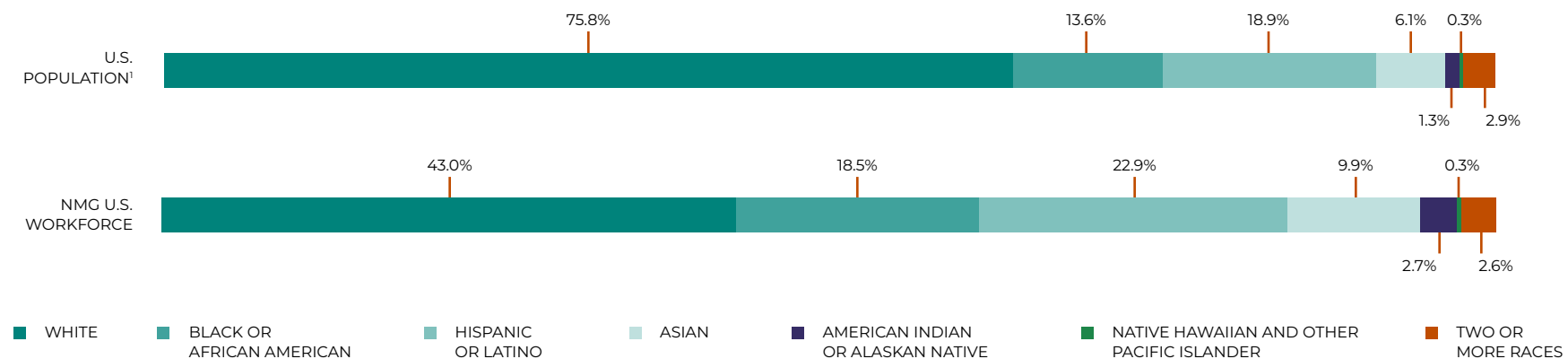
DEVELOPING & PROMOTING



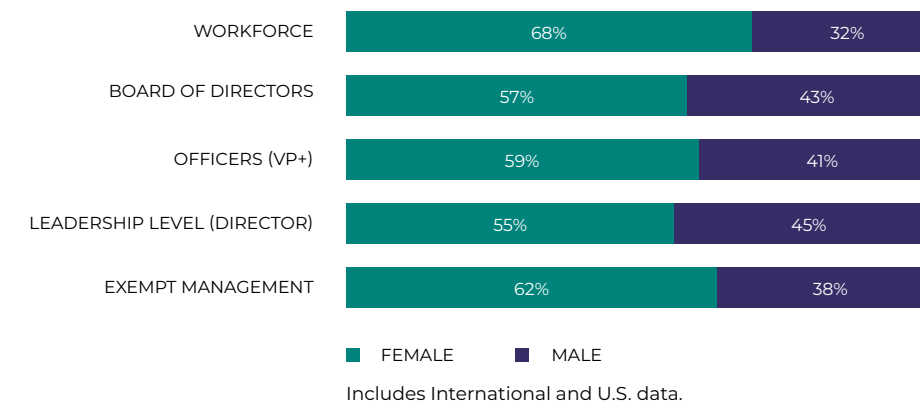
INVESTING IN THE NEXT GENERATION



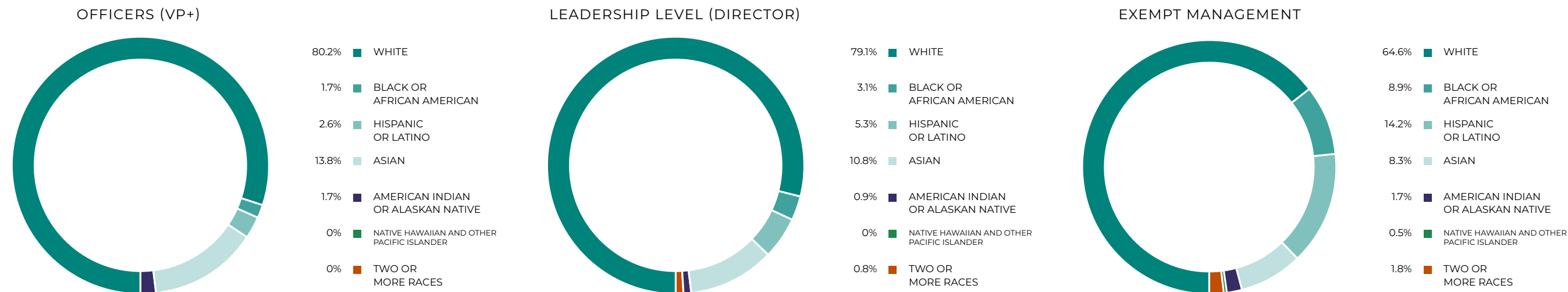
NMG U.S. WORKFORCE VS. U.S. POPULATION BY ETHNICITY



NMG GLOBAL WORKFORCE GENDER DIVERSITY



NMG U.S. WORKFORCE REPRESENTATION



Includes U.S. employee data only.

¹ U.S. Census Bureau QuickFacts: United States. <https://www.census.gov/quickfacts/fact/table/US/BZA110220>. Percentages for the various race categories add to 118.9% percent because the concept of race is separate from the concept of Hispanic origin in U.S. Census reporting.

ATTRACTING & HIRING TOP TALENT

NMG starts cultivating and seeking the best talent in the world before they've had their first interview. In 2022, we hired a new Manager of Inclusive Talent Acquisition & Belonging to expand our existing talent pipelines with groups like Prospanica and Fashion Scholarship Fund, and build a strategic approach to new ones.



A highlight of some of our partnerships:



“We’re proud to recognize the exceptional contributions of NMG to the Hispanic community with our 2022 Brillante Award for Corporate Excellence. By working with committed partners like NMG, we can continue to create long-term change in the business world.”



— **THOMAS SAVINO**
CEO, PROSPANICA



“The LGBTQ+ Unity Conference felt like a special space dedicated to recognizing who I am both as a person and professional. I’m proud to work at a company like NMG where I’m encouraged and supported to be true to myself.”



— **LOUIS HOLLINS**
SENIOR GROUP MANAGER,
NEIMAN MARCUS AUSTIN



“Joining the Forté community, I found invaluable resources to build my leadership skills in practical ways. Not only did I find community and friendship, I found access to career opportunities I never thought were possible.”



— **ANGELA MASCIALE**
SENIOR ANALYST,
PEOPLE STRATEGY

[▶ CLICK TO LISTEN](#)

REVOLUTIONIZING THE ASSOCIATE EXPERIENCE

Once we hire diverse top talent, we work hard to retain them. Developing a people strategy to improve employee retention, engagement, and satisfaction starts with actively listening to each other. People from different backgrounds have different needs, and hearing their perspectives, including through regular company-wide surveys, makes ongoing dialogue a vital part of the associate experience.

By treating associate insights with the same care as consumer insights, we can deliver on our purpose to Revolutionize Luxury Experiences.

“For our associates, luxury means personalization: listening to our associates and developing new, best-in-class programs and benefits to meet them where they are...Our work is reflected in our associate engagement results—since January 2020, we’ve seen a 34% increase in our employee Net Promoter Score (eNPS).”



— **ERIC SEVERSON**
CHIEF PEOPLE, ESG & BELONGING OFFICER

[▶ CLICK TO LISTEN](#)

During Summer 2022, we launched an anonymous Self-Identification Survey with Kanarys, a data-driven diversity, equity, and inclusion (DEI) agency. Associates voluntarily self-disclosed various dimensions of their identity, a leading DEI technique to help organizations build evidence-based practices—interrupting bias and communicating where systematic barriers may exist within policies and procedures.

Irrespective of race/ethnicity or gender, NMG associates felt most comfortable with how they identified in Family Status and Gender Identity in the workplace, with Caregiver and Sexual Orientation Status ranking in the Top 10 for all associates. In addition to affirming our efforts towards a culture of Belonging for all, these findings helped shape how we [expanded benefits](#) like parental leave to meet the needs of all caregivers in 2022.

Exploring every avenue to help our associates be successful, we’re also developing [personalized development opportunities](#) using various partnerships and custom technologies. And we continue to monitor how the changes we’re making affect associate sentiment and experience through a quarterly pulse survey measuring employee Net Promoter Score (eNPS).

CONNECTING THROUGH COMMUNITY

Launched in early 2022, our Associate Community Networks (ACNs) are also a direct result of listening to our people and responding to their need to be heard through the NMG Belonging Assessment. Every person has an avenue to participate, whether through celebrating self-expression, stepping into a leadership role, or leveraging the ACN’s budget and platform to host conversations and implement programs around the issues that matter most to them.



DEVELOPING & PROMOTING INTERNAL TALENT

Investing in tomorrow's leaders starts today, right here at NMG. Diverse top talent has the opportunity to attend [McKinsey & Company's Connected Leaders Academy](#). Focused on leadership skills, networking, and ways associates can create an impact in the workplace, the program helps unlock their full potential and enrich those around them at NMG. Since the program began, we have enrolled 45 associates and seen successful promotions into more senior roles post completion from leaders like Valerie Garza, NMG's Director of People Services, and Jackie Aguirre, our Senior Manager of Corporate Communications.



Participants in the McKinsey & Company Connected Leaders Academy celebrating their achievements alongside CEO Geoffroy van Raemdonck.

THE POWER OF INCLUSIVE ASSOCIATE EXPERIENCES

Our workforce diversity efforts allow associates to bring their full and authentic selves to the workplace. After completing the McKinsey & Company's Connected Leaders Academy, Neiman Marcus General Manager Elias Synalovski partnered with his team to engage customers in Hispanic Heritage Month celebrations at his store in Coral Gables. The event honored Hispanic leaders in the media and benefitted local nonprofit Amigos for Kids. In addition to cultivating a more inclusive marketplace, the event generated over \$150,000 in sales.

"I'm incredibly passionate about uplifting Hispanic voices and shining a light on their contributions, and my time with the McKinsey & Company's Connected Leaders Academy has only encouraged that fire. Being able to host a meaningful event that brought together Hispanic leaders in conversation and supported a community organization close to our hearts will remain a lasting highlight for me and my team."



— ELIAS SYNALOVSKI
GENERAL MANAGER



NEXT GENERATION OF TALENT

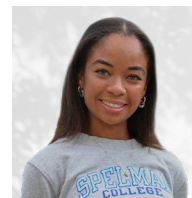
The Heart of Neiman Marcus Foundation plays a critical role in developing and funding partnerships that empower the next generation, cultivate a culture of Belonging, and invest in a sustainable future. Many of the Foundation's nonprofit grantees also serve as talent pipeline partners.

Since 2019, the Foundation has partnered with the Fashion Scholarship Fund (FSF)—the fashion industry's leading education and workforce development nonprofit—to fund scholarships, mentor students, and connect rising talent to entry-level roles in the company's Executive Development Program (EDP). Building upon the successful matriculation of FSF alumni like Mecca Hodge and Shanita Hunt into NMG's EDP and Assistant Buyer roles in recent years, we launched the NMG x FSF co-branded scholarship in 2022. The scholarship awards 10 students attending an FSF-member school a \$10,000 scholarship and pairs them with an executive mentor from NMG as they pursue careers in sustainable and ethical fashion.

Additionally, through our longstanding relationship with the National Retail Federation (NRF) Foundation, we support students from dozens of schools across the country as they pursue retail careers. In FY23, NMG is expanding the collaboration by piloting the NRF Foundation's RISE Up training program on retail careers with Boys & Girls Clubs of Greater Dallas.



"I'm grateful not just for the scholarship, but the opportunity to connect with and learn from my NMG executive mentor. Their insight and guidance helped me understand all the exciting ways a career in sustainable and ethical fashion could unfold."



— **MALLORY BUTTS**
2023 NMG X FSF SCHOLAR
AT SPELMAN COLLEGE

"I've been in love with fashion since I was a child, and being able to apply a business sense to that passion was what drove me. I knew I loved the business of the retail industry, but there are times when you doubt yourself—this scholarship took that doubt away."



— **MARCEL SMITH**
NRF FOUNDATION
SCHOLARSHIP FINALIST
AND NEIMAN MARCUS
ASSISTANT BUYER

LOOKING AHEAD

Like all industries during this time, turnover has increased at NMG. While this trend reflects wider forces in the job market and changing attitudes towards the workplace, we seek to better understand and address actual and perceived disparities going forward.

In early 2023, we launched the Inclusive Hiring Toolkit and Training Module with Officers and People Services. Moving forward, we'll introduce Datapeople—a leading platform to analyze job postings, remove bias, and increase inclusivity in job postings—into the hiring process. We'll also deepen existing partnerships while investing in new ones, from the women-focused Forté Foundation to the premier National Black MBA Association™.

LABOR PRACTICES

With a 115-year legacy of recognizing the power of its people, NMG continually evolves its approach to the workplace with the future in mind. We don't just meet employee expectations, we're determined to exceed them, which requires a personalized and flexible experience for every associate. Our NMG|WAY OF WORKING (WOW) encourages associates to integrate life and work—respecting their professional and personal commitments in a way that prioritizes health and well-being. With this in mind, we designed the Corporate Hub model as a magnet, not a mandate. This enables us to support our associates wherever they are and however they work best—ultimately fostering a culture of innovation, creativity, and equity.

As we implement evidence-based practices to advance workplace equity, we look to reputable external indices not only to benchmark our progress, but also to adopt guidance for our path forward.

HUMAN RIGHTS CAMPAIGN CORPORATE EQUALITY INDEX

In 2022, NMG announced that we earned a perfect 100% score on our first Corporate Equality Index (CEI) submission to the Human Rights Campaign, which was submitted in FY21. The CEI is the nation's leading benchmarking survey and report measuring corporate policies and practices for LGBTQ+ workplace equality. To achieve the top score, Neiman Marcus Group added gender identity as a protected class within its discrimination and harassment policies, extended medical and soft benefits to same-sex domestic partners, initiated recruiting efforts with LGBTQ+ organizations, and more.

BLOOMBERG GENDER-EQUALITY INDEX FRAMEWORK

Bloomberg's Gender-Equality Index framework is a leading benchmark for public companies advancing workplace equity for women. While private companies completing the framework aren't scored for index inclusion, completing it in 2022 revealed several areas where NMG stands out amongst their peers. This includes having 57% female representation on the company's Board of Directors, 60% representation in its senior management body, and 54% representation when looking at the top 10% of compensated individuals at the company.

EXPANDED BENEFITS

We continue to prioritize equitable healthcare and wellness for our associates and their loved ones. In 2022, we enhanced our Total Rewards offerings with:

- Travel coverage for medical procedures that cannot be addressed by a provider within 100 miles of where associates live
- Increased adoption reimbursement from \$3,000 to \$10,000
- Flexible bereavement leave, allowing for days to be taken when needed
- Paid parental and paid family leave which includes 16 weeks of paid leave for all parents, irrespective of gender, adoptive, or sexual orientation status



INAUGURAL PAY EQUITY STUDY

A core tenet of NMG's Belonging culture is to pay our employees fairly and equitably based on consistent criteria. Our inaugural pay equity analysis reviewed 100% of U.S.-based job titles in consultation with an independent third party who confirmed equitable pay practices at NMG. After accounting for Job, Department, Location Name, and Hours Compensated, female associates earn over 98% of their male counterparts' compensation, and non-white associates earn over 99% of white associates' compensation. We will continue to review and consistently report on our pay practices every two to three years, making adjustments as appropriate to pay our associates equitably.

Fair pay is foundational to NMG's Belonging culture, and practices like our pay equity analysis are part of a larger set of processes to achieve NMG's goals to increase workforce diversity and advance workplace equity—positioning NMG as a best place to work. Additional practices we implement to interrupt bias and prevent the perpetuation of external pay inequities within our organization include:

Hiring Practices

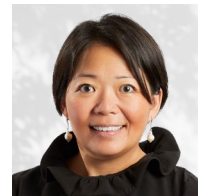
- We utilize a platform called Datapeople to screen job descriptions for gendered language for Manager roles and above, and increase the count of diverse applicants at NMG.
- We do not ask for prior salary for external hiring engagements, so as not to perpetuate pay gaps for applicants.

- We require diverse interview panels and candidate slates comprised of both gender and racially diverse candidates in Director roles and above.

Pay Controls

- We make pay decisions based on consistent, fair, and job-relevant criteria when setting pay, including job title, location, experience, tenure, and productivity.
- We monitor and enhance our pay equity through our annual compensation planning process, including benchmarking salaries internally and externally.
- We engage outside counsel to ensure we comply with pay equity laws and improve our pay practices.

“Pay equity is a fundamental aspect of creating a culture of Belonging. It’s not just a matter of fairness—it’s a business imperative that fosters innovation and adaptability across the business. Our compensation practices to maintain pay equity help position NMG as an employer of choice for women and people of color.”



— HANNAH KIM
CHIEF LEGAL OFFICER,
CORPORATE SECRETARY,
CHIEF COMPLIANCE
OFFICER

 [CLICK TO LISTEN](#)

LOOKING AHEAD

To advance workplace equity for associates with disabilities, we'll complete the [Disability Equality Index \(DEI\)](#), a benchmarking tool that provides an objective score and roadmap on disability inclusion policies and practices.



WORKFORCE INVESTMENT & TRAINING

Whether it's an associate's first day or fifteenth year, NMG offers innovative programs and resources to expand their skills and capabilities. By investing in technology to provide personalized learning experiences, every associate benefits from development that is tailored to their unique needs. A few of our key workforce development and training programs include:

LEARNING HUB

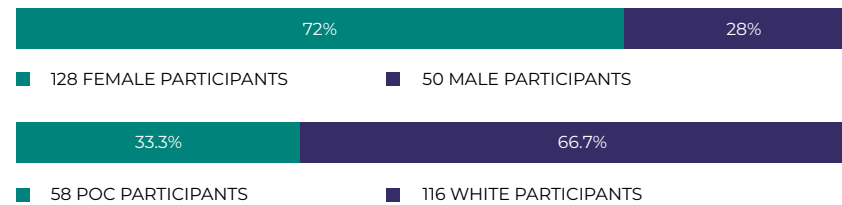
The new Learning Hub hosts thousands of on-demand courses that build on associates' strengths to foster impactful development experiences in their career journey. In FY22, enrolled course completions increased 87%.

LINKEDIN LEARNING

Partnering with LinkedIn Learning provides our associates access to over 16,000 development courses ranging from developing cross-cultural intelligence to cultivating a growth mindset. Available anywhere and anytime, the program is rich with opportunities for associates to personalize their learning to their priorities. Since its launch in FY21, associates have viewed over 64,000 videos and completed 2,300 courses, with a 54% activation rate.

FASHION YOUR FUTURE

NMG's first leadership program developed internally, Fashion Your Future, centers on self-awareness as a tool to accelerate career development. Enrolling nearly 200 exempt associates in FY22, its first iteration, the six-month program includes dynamic offerings like workshops, e-learning, and small group discussions to provide a comprehensive professional development plan.



BETTERUP COACHING

Professional development is an essential part of a thriving workforce. BetterUp meets associates' individual needs with six months of 1:1 coaching sessions that focus on habits and behaviors. In FY22, 64 associates participated in the program, with 39 Female (61%) and 17 (27%) ethnically-diverse associates.

MCKINSEY & COMPANY'S CONNECTED LEADERS ACADEMY

Diverse top talent has the opportunity to attend McKinsey & Company's Connected Leaders Academy—helping to harness their full potential as well as enriching those around them at NMG. Enrollment rates more than doubled this fall, a testament to the genuine engagement and value our associates have found through the program.

“My experience with the program was incredible in connecting me to professional leaders at every level, in various industries, and within my own organization at NMG! I’ve developed my communication and strategic skill level, deepened my understanding of operational excellence, and cascaded my learnings to my direct reports and peers at BG.”



— **JESSICA JOHNSON**
COUTURE RTW AND
SALON SHOES MANAGER,
BERGDORF GOODMAN

LOOKING AHEAD

We'll finalize a more comprehensive curriculum incorporating our approach to Belonging and preparing associates to respond to common situations where bias that conflicts with our commitments may arise.

MARKETPLACE INCLUSION

Building a strong supplier diversity program provides unique perspectives and innovative products that reflect the diversity of our current and future customers. In FY22, we focused on establishing a system for collecting consistent and accurate data—ensuring we can measure progress across retail and non-retail spend.

After disclosing a broad ambition in the inaugural report, we honed in on NMG's definition of diverse-owned brands and businesses (including enterprises that are at least 51% owned, controlled and operated by African-Americans; Asian-Americans; Hispanic Americans; Native Americans; and/or lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons) and established a baseline of FY22 numbers to refine our 2025 goal. By expanding our ESG team with an ESG Merchandising Manager responsible for driving sales growth of diverse retail brands across our Sustainable & Ethical Products efforts, we are further empowering our teams' efforts across all NM and BG divisions.



INCREASE SPEND

WITH DIVERSE-OWNED BRANDS AND BUSINESSES BY 2025.¹

FY22



\$29.6 million

In FY22, our Spend Management team also integrated supplier diversity reporting into non-retail supplier quarterly reviews with business teams across the enterprise, tracking what percentage of spend is with diverse-owned businesses and flagging where new and renewing contract needs could be filled with certified businesses found on Supplier.io, a leading supplier diversity platform. Through Supplier.io, we have increased spend with diverse-owned businesses like Tejas, a full-line office products distributor under second-generation family ownership.

LOOKING AHEAD

To continue bolstering opportunities for diverse-owned businesses that reflect our customer base, we'll create inclusive slate requirements within NMG's RFP process. On the retail side, we'll increase business support and marketing visibility for diverse-owned retail brands highlighted in Neiman Marcus and Bergdorf Goodman's **Fashioned For Change** and **Conscious Curation** edits.

We'll also build a grant program to offset the cost of certification for minority business enterprises (MBEs) across our indirect and retail spend through the National Minority Supplier Development Council (NMSDC), and complement this with a formalized list of other supplier diversity program benefits. These efforts will complement others we've taken over the past three years to champion more inclusive marketplaces for customers, including training all General Managers in cognitive bias and evidence-based approaches to Belonging to implementing store-based Belonging Councils and training our Loss Prevention teams.

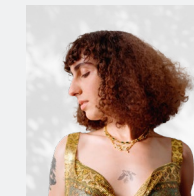
¹ Denotes total cumulative spend by 2025 with diverse enterprises that are at least 51% owned, controlled, and operated by African-Americans; Asian-Americans; Hispanic Americans; Native Americans; and/or lesbian, gay, bisexual, transgender, and queer (LGBTQ+) persons.



DESIGNER SPOTLIGHT: DARYA KHONSARY OF DARIUS KHONSARY

In 2022, Darya Khonsary became Bergdorf Goodman's first transgender fine jewelry designer, representing a milestone for NMG.

"It is a true honor and responsibility to pioneer transgender representation in the fine jewelry industry & to have the support of such an important historical institution."



— DARYA KHONSARY
FINE JEWELRY DESIGNER

PHILANTHROPY & CORPORATE CITIZENSHIP

GOAL:	\$3,000,000	RAISED FOR CHARITY IN PARTNERSHIP WITH CUSTOMERS THROUGH THE HEART OF NEIMAN MARCUS FOUNDATION BY 2025
PROGRESS SINCE FY20:	\$1,559,327	IN POINT-OF-SALE DONATIONS
GOAL:	7,500	HOURS OF ASSOCIATE VOLUNTEERISM IN NMG'S ALL HEART PROGRAM BY 2025
PROGRESS SINCE FY21:	2,426	HOURS OF ASSOCIATE VOLUNTEERISM, A 109% INCREASE FROM FY21
GOAL:		SUPPORT DISASTER PREPAREDNESS AND RELIEF IN STORE COMMUNITIES
PROGRESS SINCE FY13:	\$2,074,102	DONATED TO DISASTER PREPAREDNESS AND RELIEF

At NMG, our approach to leading with love in our communities includes corporate grantmaking, associate giving and volunteerism, and national point-of-sale fundraising campaigns. From mentoring the next generation of industry talent to championing [disaster preparedness and relief](#), the causes we support reflect the diverse passions of our associates' and customers' hearts.

CORPORATE GRANTMAKING

Philanthropy has been central to our DNA since the Marcus family founded the company in 1907. In 2013, we created The Heart of Neiman Marcus Foundation to formalize this commitment and begin tracking grants. In FY22, we introduced a new mission that aligns the Foundation's grantmaking with our ESG strategy and established guidelines that ensure our grantmaking process is strategic, equitable, and transparent.

As a result, the Heart of Neiman Marcus Foundation has been able to invest deeply in fewer, select organizations to raise its average grant value and maximize its national impact, while stores' Brand Experience teams now manage local grants and sponsorships in the communities they know best. We've also established the Bergdorf Goodness Foundation to enhance BG's ability to pursue its own unique philanthropic strategy in the NYC community.

ASSOCIATE GIVING & VOLUNTEERISM

A powerful source of inspiration and change, associate giving and volunteerism grew across the organization in FY22. From new hires to NMG executives, we enhanced ways for associates to engage at all levels of the company.

It starts on day one with our Cause Card Program, which awards new associates a \$25 voucher to donate to a charity of their choice when they log in to the All Heart platform within their first 60 days of hire. Those who log in to the platform to redeem their Cause Card are more likely to engage in giving and volunteerism throughout their NMG career—driving progress toward our 2025 goal.

Achieving this goal strengthens our values and supports philanthropic causes close to associates' hearts, ultimately increasing associate engagement and helping reduce turnover.

OUR MISSION

The Heart of Neiman Marcus Foundation believes that when we empower our next generation, cultivate a culture of Belonging, and invest in a sustainable future, the world will be a better place.



\$2,034,625

IN GRANTS ISSUED BY THE HEART OF NEIMAN MARCUS FOUNDATION IN FY22

In FY22, we introduced the All Heart Ambassador Program, offering associates the opportunity to champion NMG’s philanthropy initiatives in their stores. From promoting point-of-sale fundraising campaigns to encouraging other associates to take advantage of NMG’s philanthropic benefits—like our Matching Gifts Program, paid volunteer time off, or Employee Hardship Assistance Fund—associates are empowered to lead the change they wish to see every day.

Expanding the budget for our Executive Honorarium Program in FY22 helped NMG’s officers lead with love and model our All Heart value for their teams. With \$74,500 in Executive Honorarium grants, 18 NMG officers selected 20 nonprofit boards to benefit from the program including the American Red Cross, Clayton Community Foundation, Dallas Symphony Orchestra, and Runway of Dreams.

POINT-OF-SALE (POS) FUNDRAISING

Expanding point-of-sale fundraising campaigns to all 12 months of the year at Neiman Marcus in FY22 propelled us halfway toward our ESG goal of raising \$3M for charity by 2025.

POS FUNDRAISING PARTNERS

Our POS partners exemplify the foundation’s new mission to empower our next generation, cultivate a culture of Belonging, and invest in a sustainable future.

American Red Cross

Building on our decade-old National Disaster Responder partnership, we launched our first [American Red Cross](#) POS Fundraising Campaign

to engage customers in our disaster preparedness and relief efforts from August to October.

Boys & Girls Clubs of America (BGCA)

Each holiday season from November to January, we empower our next generation by fundraising for Boys & Girls Clubs across the country. In January 2022, we celebrated reaching \$1 million in contributions since our partnership began in 2018.

Fashion Scholarship Fund (FSF)

From February to April 2022, we launched a three-month POS fundraising campaign in all 36 Neiman Marcus stores, raising \$125,000 to establish our new co-branded NMG X FSF Scholarship for students pursuing careers in sustainable and ethical fashion. Learn more about our new [NMG X FSF Scholarship](#).



Mallory Butts (Spelman College), Mia DeMeola (Fordham University), Lyla Duffy (Thomas Jefferson University), Amaryllis Dunklee (The University of Texas at Austin), Isabella Kostrzewa (Parsons School of Design), Megan Lenzi (Iowa State University), Rachel Slesnick (The Ohio State University), Lei Xiang (Parsons School of Design), Hazel Anne Ycasiano (George Brown College), Britney Zhang (University of California, Berkeley)

Human Rights Campaign (HRC)

Partnering with the largest national gay, lesbian, bisexual, transgender, and queer civil rights organization in the U.S. is a natural extension of our longtime commitment to the LGBTQ+ community. Our 2022 designation as one of HRC’s “Best Place to Work for LGBTQ+ Equality” unlocked the opportunity for Neiman Marcus to fundraise for HRC with customers at point-of-sale from May through July, raising \$212,000 during Pride Month celebrations to complement our \$150,000 annual HRC membership and advance LGBTQ+ equality throughout the year. Learn more about our [Brand Advocacy](#) efforts.

LOOKING AHEAD

Through the Heart of Neiman Marcus Foundation's talent pipeline partnerships, we'll empower youth to matriculate into entry-level roles with NMG. For example, by working with the National Retail Federation Foundation to introduce their RISE UP retail training curriculum to high schoolers in Boys & Girls Clubs of Dallas, or by matching our NMG x FSF scholars with executive mentors from NMG.

We'll continue to grow the Bergdorf Goodness Foundation's visibility with customers and the community. We'll also integrate associate giving and volunteerism metrics into business units' organizational health dashboards to drive more targeted improvements in engagement with NMG's All Heart program across the business—improving associate satisfaction and reducing turnover through philanthropy.

GOVERNANCE

At NMG, we continue to treat ESG data with rigor and oversight, aspiring to hold our private company to public company standards in this space. An effective governance framework and a diverse set of perspectives helps ensure the integrity of our ESG strategy, performance, and disclosures. As we continue strengthening our performance on key ESG issues, we will use our brand voice to advocate for systemic change beyond our direct operations and revolutionize impact for our industry where and when it makes sense.

IN THIS SECTION

- ESG Oversight
- Executive Pay Practice
- Brand Advocacy
- Technology & Innovation
- Data Security & Consumer Privacy

HIGHLIGHTS



SECURED LIMITED
ASSURANCE FOR SCOPE 1
AND 2 EMISSIONS



GREW ESG TEAM THROUGH
AN INNOVATIVE DUAL-
REPORTING MODEL



ADVOCATED FOR PUBLIC
POLICY CHANGES RELATED
TO SUSTAINABILITY AND
HUMAN RIGHTS



ESG OVERSIGHT

ESG oversight can [improve risk management](#) and increase strategic opportunities, especially as luxury customers increase their focus on sustainable products and services. While historically, we may have viewed ESG through the lens of risk management, we are increasingly linking the connection to higher returns as we establish goals like increasing sales from sustainable and ethical products to 10% by 2025.

ESG is overseen by our highest governing entity—our parent company Board of Directors—chaired by Paul Brown, with primary oversight delegated to the Board’s Audit Committee, chaired by Pamela Edwards. The Board of Directors oversees Geoffroy van Raemdonck, NMG’s CEO, who in turn manages our Group Leadership Team (GLT).

Overseen by the Board of Directors, the GLT has primary responsibility for developing and executing NMG’s purpose, values, and strategy, working in tandem with Corporate Communications on a regular basis to relay appropriate updates to all associates, ensuring alignment and compliance across the enterprise. Within the GLT, NMG’s Chief People and Belonging Officer is the highest-level executive responsible for ESG, reporting directly to NMG’s Chief Executive Officer and the parent company’s Audit Committee.

We’re evolving the way we execute our internal strategy to support our broader ESG goals and integrate ESG across our business. The ESG team’s core purpose is to identify, improve, and disclose our performance on material ESG issues. Our team is growing,

but not in a siloed department. We’re creating new roles across the organization that support our ESG initiatives and that dual report into our core ESG team.

In 2022, we hired several new ESG-related roles, including a Sr. Manager Facilities & Climate Change, Manager Responsible Sourcing, Manager ESG Merchandising, and Manager Inclusive Talent Acquisition & Belonging. By placing these roles and their associated expenses within the various functions of the business, we create more direct information exchange and help to ensure ESG becomes an integral part of the company’s growth and transformation strategies.

“By embedding new ESG roles throughout the company and connecting them to the ESG team through an innovative dual reporting model, we ensure accountability and alignment with business strategy. This also demonstrates that Revolutionizing Impact is not just an add-on—it’s at the heart of everything we do.”



— **ALI MIZE**
SENIOR DIRECTOR OF ESG,
BELONGING, & CORPORATE
PHILANTHROPY

[CLICK TO LISTEN](#)

ESG GOVERNANCE TEAM

PARENT BOARD OF DIRECTORS’ AUDIT COMMITTEE

Meets quarterly



CROSS-FUNCTIONAL STEERING COMMITTEE

Meets monthly

Members include officers (VP+) from:

Legal	Stores	People Services
Finance	Merchandising	Marketing
Technology	Supply Chain	



CORE WORKING TEAM

Meets weekly

ESG team includes centralized roles for sustainability, Belonging, philanthropy, and ESG reporting, with dual reports responsible for Climate Change, Sustainable Transportation, ESG Merchandising, Responsible Sourcing, and Inclusive Talent Acquisition.

PIONEERING PROGRESS

FIRST FEMALE BOARD CHAIR

Following the death of Herbert Marcus in 1950, the Board of Directors elected Carrie Neiman Chair of the board—a significant role for a woman during that time as well as our own, with the prevalence of women in board chair roles currently around 6.7%¹. She went on to become a revolutionary force in luxury fashion.

¹ Deloitte, [Women in the Boardroom report](#), 2022.



BOARD COMPOSITION & DIVERSITY




NMG’s parent Board of Directors is a diverse and majority-female group of seven members that has played a critical role in championing ESG’s importance within the company and to our stakeholders. Directors are 71% independent, 57% female, 14% Black, 14% LGBTQ+, and span diverse religions and nationalities. The Board’s independent majority, comprising the six Directors who do not have a material relationship with NMG and are neither part of the executive team nor involved in day-to-day operations, fosters independent decision-making and mitigates conflicts of interest. Women chair 100% of the Board’s committees, which include the Audit Committee and the Compensation and Talent Management Committee (CTMC).

AUDIT COMMITTEE

The Audit Committee oversees the effectiveness of NMG’s Enterprise Risk Management and Disclosure processes, and

reviews ESG risks, opportunities, and impacts on a quarterly basis. Directors are nominated by the company’s principal investors (based on rights established in the parent company limited liability company agreement). 100% of Audit Committee members have participated in “ESG: Navigating the Board’s Role,” a training co-developed by the nonprofit organization Ceres and the UC Berkeley School of Law.

As we increase our focus on environmental and climate-related matters, these topics are discussed at each Audit Committee meeting. In addition to receiving reports from the Audit Committee, the full board receives an ESG update at least once annually, including visibility into the development of ESG goals and strategies, as well as the ESG report. With accountability to the Audit Committee, we’ll continue to integrate ESG into our bi-annual Enterprise Risk Management process.

Name	Pronouns	Independent Director	Committees	# of Other Boards Served
Paul Brown	He / Him / His	X	CTMC	2
 Pauline Brown	She / Her / Hers	X	Audit Committee	1
 Pamela Edwards	She / Her / Hers	X	Audit Committee (Chair)	1
Kris Miller	She / Her / Hers	X	CTMC (Chair)	3
 Meka Millstone-Shroff	She / Her / Hers	X	Audit Committee, CTMC	4
Geoffroy van Raemdonck	He / Him / His			0
Gabriel Marc Goldstein	He / Him / His			0

 DENOTES ESG EXPERTISE

CORPORATE COMPLIANCE

To ensure we're in compliance with current and upcoming regulations on a variety of issues including ESG, we established a new Corporate Compliance Committee in 2022, which currently meets every other month. We also conducted our first corporate compliance risk assessment, including review of ESG and related programs and policies.

CODE OF ETHICS

Our [Code of Ethics and Business Conduct](#) emphasizes our position on ethical and lawful behavior, its incorporation into the fabric and culture of our company, and its importance to our business model. This promotes compliance with applicable laws and regulations and ensures that our customers and brand partners trust us and want to conduct business with us.

The Code provides information regarding how to report violations and suspected violations of the Code or applicable law, as well as assurance of protection against retaliation associated with any such reporting.

The Code also directs associates on how to receive answers to questions and advice regarding ethical and lawful behavior. We continue to evolve our Code of Ethics and Business Conduct and will be incorporating required annual ethics and compliance training for all associates in 2023.

PARTNERSHIPS & THIRD-PARTY AUDITS

In 2022, we engaged with our independent registered accounting firm, Ernst & Young, to provide limited assurance of our Scope 1 and 2 GHG emissions, with a plan to expand to DEI data over time. For more on our Scope 1 and 2 emissions, see the [Climate Change](#) section of this report.

Our Legal Department also works with credible external partners to build and enhance our compliance program, including the development and enhancement of foundational policies and training. We'll also complete a privacy impact assessment in 2023 as we further build and enhance our data privacy program in preparation for conducting eCommerce internationally.

LOOKING AHEAD

Governance is at the heart of every successful ESG program, and it will remain a focus for us as we continue our Journey to Revolutionize Impact. As we refine our data collection processes and strengthen our controls, we'll continue to explore best practices such as:

- Expanding assurance beyond GHG emissions to other key ESG KPIs
- Standardizing our data collection and certification processes, including through the use of technology
- Incorporating ESG into budgeting decisions—particularly around capital allocation through tools such as an internal carbon tax

EXECUTIVE PAY PRACTICE

NMG upholds guidelines and performance criteria established by our CTMC that are structured to include time-based and performance-based long-term incentive plans to promote executive accountability. Our variable compensation model promotes the alignment of executive interest with the long-term success of the company by incentivizing our leaders to focus on sustainable growth and performance over an extended time horizon. These guidelines tie executive compensation to the achievement of specific, values-driven milestones that address risk, encourage responsible decision-making, and enhance overall transparency with our stakeholders.



BRAND ADVOCACY

Research shows that 58% of the population buys from or advocates for brands based on their beliefs and values, and 60% of the population chooses where to work in the same way.¹ At NMG, we recognize the role brand advocacy plays in growing sales, reducing turnover, and attracting diverse top talent.

Advocating for public policies that incentivize or standardize practices aligned with our values also impacts our ability to control operating expenses, remain competitive with peers, and scale change across the communities in which we operate. We support trade associations and nonprofit organizations with missions that represent our industry or align with our company values. These groups can help us understand and react to a dynamic legal and regulatory and macroeconomic environment including current trends and potential changes in policies, laws, or regulations that impact business operations related to our material ESG issues.

We also empower leaders across our organization to steward our values internally and in our communities. NMG's Senior Director of ESG represents the Company's social and environmental interests

within the Retail Industry Leaders Association (RILA) and the National Retail Federation (NRF), and oversees the Company's Foundation, which develops and funds partnerships with organizations like the Human Rights Campaign, and RE100, and our membership with Textile Exchange. Having the same person manage the company's ESG strategy and stakeholder engagement activities helps ensure consistency between the two.

We advocate for public policies that address key issues across our environmental, social, and governance pillars. For more on how we engage stakeholders and align our efforts across ESG, see the [Materiality Assessment and Stakeholder Engagement](#) section of this report.

STANDING UP FOR HUMAN RIGHTS

In March 2022, NMG joined more than 60 corporations that signed on to the Human Rights Campaign's petition to block Texas Governor Greg Abbott's attempt to criminalize parents for helping their transgender children access medically necessary, age-appropriate,

and gender-affirming healthcare. The petition ran as a full-page ad in *Dallas Morning News*, and NMG's participation was featured in [D Magazine](#), with Eric Severson, Chief People, ESG and Belonging Officer, noting how the policy didn't align with our "Lead with Love" and "Stand for Love for All" mantras.

We continue to engage our trade associations and their members in national policy conversations around LGBTQ+ equality—holding webinars with HRC leadership and RILA members and hosting RILA and NRF leadership at HRC's National Dinner—to ensure our lobbying and ESG efforts in this space align.



¹ "2022 Edelman Trust Barometer," Edelman, <https://www.edelman.com/trust/2022-trust-barometer>.

PIONEERING PROGRESS

SPEAKING OUT FOR FREEDOM

Stanley Marcus made the company's position clear on standing up for our values. He encouraged business leaders to speak out on controversial matters without fear of retaliation from those who might inhibit freedom of speech and inquiry.

“Business leadership should be ready to come to the defense of freedom in business, education, religion, law, and government, for wherever freedom is stifled by fear, it may next be strangled by hysteria.”

— STANLEY MARCUS,
MINDING THE STORE



CALLING FOR AN ACCELERATED TRANSITION TO RENEWABLE ENERGY

In 2022, we signed on to the EU Power Plan letter, along with RE100 and more than one hundred other companies, calling for the European Commission to accelerate the EU Green Deal and disconnect from fossil fuels so that the European brand partners in our supply chain can begin to more easily transition to renewable energy, as well.

SUPPORTING THE SWITCH TO SUSTAINABLE MATERIALS

We also signed on to the Textile Exchange COP26 request for sustainable materials. The letter from the apparel and textile industry urges policymakers to consider working together to develop thoughtful trade policy mechanisms to incentivize the use of environmentally-preferred materials.

ENSURING EQUITABLE HEALTH FOR ASSOCIATES

After Roe v. Wade was overturned in June 2022, NMG added a travel benefit for associates related to health care services unavailable in their state, including but not limited to, abortion. [The New York Times](#) and [Wall Street Journal](#) recognized NMG for leading the way in taking action.

LOOKING AHEAD

Aligning our action with our values, we'll continue to advocate for responsible policy engagement related to climate change, sustainable and ethical fashion, and equal rights—particularly for women and the LGBTQ+ community—and any other issues that are materially relevant to our business.



TECHNOLOGY & INNOVATION

As a relationship business, we make investments in technology that help us connect deeply with our customers. We work to make every customer feel unique and valued—from providing personalized experiences through our sites and apps to improving the shipping process so customers can get their items faster. We continue to modernize our infrastructure to cut down on emissions from legacy technology and advance sustainable products and services across our omnichannel platform.

DELIVERING PERSONALIZED LUXURY

NMG is committed to delivering luxury every day through exceptional, personalized experiences. We focus on highly innovative products as well as analytical capabilities to better serve our customers, brand partners, and associates.

FOR CUSTOMERS

We continue the Neiman Marcus legacy of providing outstanding relationship-based customer service with a modern approach. By enhancing the Neiman Marcus App and integrating Stylyze's advancements in personalization through machine learning technology, we brought together online and store models to better connect with customers through more relevant shopping experiences. Tying in with our ESG strategy, this enhanced app will help associates to better curate more sustainable products and services.

FOR ASSOCIATES

Just as we use customer insights to improve the luxury experience, we use insights to craft personalized career development paths for our associates. See our [Workforce Investment & Training](#) section for more information.

INVESTING IN INNOVATION

SUPPLY CHAIN & INFRASTRUCTURE INVESTMENTS

We've invested in modernizing our supply chain facilities—both physically and from a systems standpoint—by acquiring new warehouse management capabilities. In 2022, we migrated our 30-year-old data center to the cloud and modernized apps to reduce downtime, increase agility, and provide a better experience for our customers.

NMG HUB IN BANGALORE, INDIA

To increase our talent pool, we opened a new NMG Hub in Bangalore, India in 2022. This hub has allowed us to provide infrastructure and cybersecurity redundancy, while decreasing reliance on external resources. Because this area has a strong presence in giving back to the community, we have more opportunities to partner with NGOs that align with our mission and spending to create a culture

that reflects our own way of working and community engagement approach. The Heart of Neiman Marcus Foundation supported NMG's India Hub launch with a \$25,000 grant to the Indian Institute of Management Bangalore's NSRCEL, the leading incubation center for social entrepreneurs. We'll also work with our India Hub to align their operations with NMG's commitments to renewable energy and workplace equity.

LOOKING AHEAD

Going forward, we are working to re-launch BG.com on FARFETCH Platform Solutions to further amplify NMG and the Bergdorf Goodman brand on a global scale.

“With this grant, we're excited to carry out NMG's values in a way that's authentic to both the company and the people here in the community.”



— **MONICA PIRGAL**
NMG INDIA
MANAGING DIRECTOR

DATA SECURITY & CONSUMER PRIVACY

In 2022, we continued to modernize our security stack. Because we handle the sensitive data of tens of millions of customers, we strive to be as transparent as possible without compromising on security. Our security practices are based on Zero Trust¹, and our [NMG Privacy Policy](#) governs all operations.

We also hired NMG's first Chief Privacy Officer (CPO). The new CPO will help NMG respond to the dynamically-changing domestic legal landscape, as states and other countries continue to develop and introduce separate approaches to data privacy and help our customers to feel confident in entrusting us with their personal information. We can also better prepare to conduct eCommerce on a global basis, in association with the global partnership we initiated with FARFETCH in FY22.

¹ Zero Trust is a security framework that requires all users to be authenticated, assessed, and validated before being given access to applications and data.

STRENGTHENING DATA GOVERNANCE

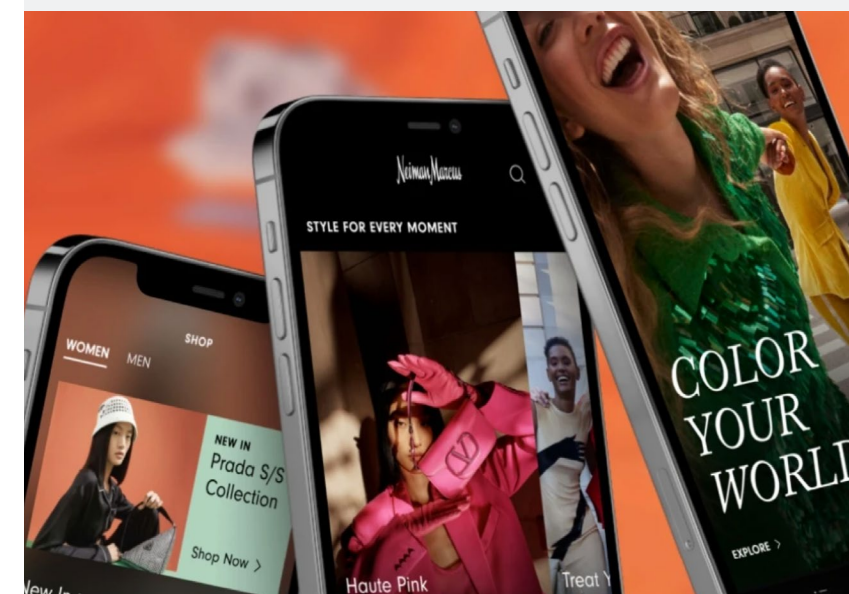
Our Audit Committee of our parent company's Board of Directors oversees data security. Our Chief Information Security Officer is responsible for cybersecurity within the company and reports to the Audit Committee at least quarterly and to the full parent company Board annually or more frequently as needed.

We continue to proactively undergo third-party assessments to strengthen our customer data privacy and security programs and earn the trust of our customers. Our data security program is assessed, at least annually, by independent third parties against industry standards such as the PCI Data Security Standard (PCI-DSS), the NIST Cybersecurity Framework (CSF), and a set of SOX IT General Controls (ITGC). This year, we engaged a third-party auditor to conduct a comprehensive assessment of our cybersecurity program's maturity. The program earned high marks—they found it to be not only effective but also significantly better than the retail industry average.

Internally, multiple aspects of the cybersecurity program are tested routinely, including conducting incident response table top and business continuity and disaster recovery exercises. Additionally, the program covers several crucial areas, such as ongoing security testing on in-house developed applications and systems, monthly vulnerability scanning, bi-annual penetration testing by third parties, monthly termination reviews, and quarterly access reviews of sensitive access.

SECURING COMMUNICATIONS, PROTECTING DATA PRIVACY

In order to better control and manage interactions, communication between associates and customers is now frequently directed through the Connect App. In addition, customer data such as payment information is only collected through the use of our own apps and data ecosystem, providing a more secure buying experience.



APPENDIX

IN THIS SECTION

- SASB Index
- GRI Index
- TCFD Index
- EY Assurance Letter

SASB INDEX

The Sustainability Accounting Standards Board (SASB) is an independent nonprofit organization that sets industry-specific standards to guide corporate disclosure of environmental, social, and governance (ESG) information to investors.

Neiman Marcus Group (NMG) reports ESG information in accordance with SASB standards to ensure our disclosures are comparable, financially material, and decision-useful.

NMG references disclosure topics and accounting metrics from the SASB Standards for Multiline and Specialty Retailers & Distributors below. NMG does not reference SASB Standards for Apparel, Accessories & Footwear because less than 1% of the company’s total annual revenue is derived from private-label goods.

All NMG responses reflect the Fiscal Year 2022 unless otherwise noted and have been reviewed by NMG’s internal auditing team.

Code	Disclosure Topic	Accounting Metric	FY22 Response	FY21	FY22
CG-MR-130a.1	Energy Management in Retail & Distribution	(1) Total energy consumed,	Total energy consumption from stores, distribution centers, and offices*	486,269 GJ	515,690 GJ
		(2) percentage grid electricity,	Percentage grid electricity	100%	84%
		(3) percentage renewable	Percentage renewable	0%	19.9%
<i>*Energy consumption went up YOY due to increased operating hours even though emissions went down due to renewable energy.</i>					
CG-MR-230a.1	Data Security	Description of approach to identifying and addressing data security risks	<p>NMG’s Chief Information Security Officer (CISO) reports data security performance to the Board of Directors’ Audit Committee on a quarterly basis.</p> <p>Risks are assessed through a mix of routine internal reviews; bi-annual penetration testing by third parties; and annual independent external audits against industry standards like the PCI Data Security Standard (PCI-DSS), the NIST Cybersecurity Framework (CSF), and SOX IT General Controls (ITGC).</p> <p>NMG’s information assets—including but not limited to network devices, servers, databases, middleware components, and applications—are routinely patched and updated to address vulnerabilities.</p> <p>NMG also offers annual training to permanent employees to help them identify and address data security risks.</p> <p>To protect our customers and associates against information security breaches or other cybersecurity incidents, NMG carries insurance with a maximum value of \$10,000,000.</p>		

Code	Disclosure Topic	Accounting Metric	FY22 Response	FY21	FY22																																				
CG-MR-230a.2	Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	(1) In September 2021, we became aware of one data breach that occurred in May 2020. (2) This breach did involve personally identifiable information. (3) Approximately 4.6 million Neiman Marcus online customers were affected. For these customers, approximately 3.1 million payment and virtual gift cards were affected, more than 85% of which are expired or invalid.																																						
CG-MR-310a.1	Labor Practices	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	<p>NMG's workforce is one of our most valuable assets. We believe the strong pay averages presented below help attract diverse top talent and reduce the impact to NMG's balance sheet from proposed changes to federal minimum wage:</p> <p>(1) Average hourly wage for Neiman Marcus in-store commissioned Associates:</p> <table border="1"> <tr> <td>Central:</td> <td>\$39.04</td> <td>\$43.14</td> </tr> <tr> <td>East:</td> <td>\$37.84</td> <td>\$43.12</td> </tr> <tr> <td>West:</td> <td>\$39.10</td> <td>\$47.38</td> </tr> </table> <p>Average hourly wage for Neiman Marcus in-store non-commissionable Associates:</p> <table border="1"> <tr> <td>Central:</td> <td>\$21.39</td> <td>\$21.72</td> </tr> <tr> <td>East:</td> <td>\$22.26</td> <td>\$22.05</td> </tr> <tr> <td>West:</td> <td>\$23.32</td> <td>\$23.92</td> </tr> <tr> <td>Average hourly wage for Bergdorf Goodman in-store commissioned Associates:</td> <td>\$49.02</td> <td>\$73.45</td> </tr> <tr> <td>Average hourly wage for Bergdorf Goodman in-store non-commissionable Associates:</td> <td>\$22.19</td> <td>\$23.07</td> </tr> </table> <p>(2) Percentage of non-exempt, in-store employees earning minimum wage, by region:</p> <table border="1"> <tr> <td>Central:</td> <td>23.7%</td> <td>18.5%</td> </tr> <tr> <td>East:</td> <td>19.7%</td> <td>24.1%</td> </tr> <tr> <td>West:</td> <td>15.5%</td> <td>18.9%</td> </tr> <tr> <td>Bergdorf Goodman:</td> <td>26.5%</td> <td>21.5%</td> </tr> </table> <p>These numbers represent all in-store associates whose base pay is set to minimum wage and would be expected to be affected by legislative efforts to increase the applicable minimum wage. However, the majority of these associates' actual W-2 earnings exceed minimum wage because of supplemental pay structures, such as commissions, tipping, etc. NMG also offers a variety of financial resources to support associates who may be struggling—from short-term cash loans through the credit union that offer longer payback periods and better terms than traditional payday loans, to PayActiv payroll advances, to the more substantial hardship grants through the NMG Employee Hardship Assistance Fund. We prioritize our associates' financial wellbeing.</p>	Central:	\$39.04	\$43.14	East:	\$37.84	\$43.12	West:	\$39.10	\$47.38	Central:	\$21.39	\$21.72	East:	\$22.26	\$22.05	West:	\$23.32	\$23.92	Average hourly wage for Bergdorf Goodman in-store commissioned Associates:	\$49.02	\$73.45	Average hourly wage for Bergdorf Goodman in-store non-commissionable Associates:	\$22.19	\$23.07	Central:	23.7%	18.5%	East:	19.7%	24.1%	West:	15.5%	18.9%	Bergdorf Goodman:	26.5%	21.5%		
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Code	Disclosure Topic	Accounting Metric	FY22 Response	FY21	FY22
CG-MR-310a.2	Labor Practices	(1) Voluntary and (2) involuntary turnover rate for in-store employees	Voluntary turnover rate for in-store Associates Involuntary turnover rate for in-store Associates	16.9% 29.8%	31.3% 3.9%
CG-MR-330a.1	Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	NMG is proud to be a female co-founded, female-majority company whose total workforce outpaces the U.S. population in racial and ethnic diversity according to 2019 U.S. Census data: Total Workforce Diversity Female Male White Black or African American Hispanic or Latino Asian Native Hawaiian or other Pacific Islander American Indian or Alaska Native Two or more races Not provided In 2022, we added self-identification categories to track associates who identify as “Native Hawaiian or other Pacific Islander” as well as for those who would rather not disclose this information. The additional categories are a sign of our ongoing work to increase representation across the company while ensuring our measurement strategies represent the diversity of our workforce.	68% 32% 47% 17% 23% 10% – 1% 2% –	67.6% 32.4% 43.0% 18.5% 22.9% 9.9% 0.3% 2.7% 2.6% 0.2%

Code	Disclosure Topic	Accounting Metric	FY22 Response	FY21	FY22
			We are currently working to improve racial/ethnic diversity among management:		
			Officers (VP+)		
			Female	59%	58.6%
			Male	41%	41.4%
			White	82%	80.2%
			Black or African American	2%	1.7%
			Hispanic or Latino	3%	2.6%
			Asian	13%	13.8%
			American Indian or Alaska Native	–	1.7%
			Director		
			Female	54%	54.7%
			Male	46%	45.3%
			White	77%	79.1%
			Black or African American	3%	3.1%
			Hispanic or Latino	6%	5.3%
			Asian	12%	10.8%
			American Indian or Alaska Native	1%	0.9%
			Two or more races	1%	0.9%
			Manager		
			Female	61%	62.1%
			Male	39%	37.9%
			White	67%	64.6%
			Black or African American	9%	8.9%
			Hispanic or Latino	14%	14.2%
			Asian	8%	8.3%
			Native Hawaiian or other Pacific Islander	–	0.5%
			American Indian or Alaska Native	1%	1.7%
			Two or more races	1%	1.7%
			Not provided	–	0.1%

Code	Disclosure Topic	Accounting Metric	FY22 Response	FY21	FY22
			Individual Contributors		
			Female	70%	68.7%
			Male	30%	31.3%
			White	44%	39.4%
			Black or African American	18%	20.1%
			Hispanic or Latino	24%	24.5%
			Asian	10%	10.0%
			Native Hawaiian or other Pacific Islander	–	0.3%
			American Indian or Alaska Native	1%	2.8%
			Two or more races	2%	2.7%
			Not provided	–	0.2%
CG-MR-410a.1	Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Revenue from sustainable and ethical products across Neiman Marcus, Bergdorf Goodman, and Last Call banners. For more details, see Sustainable & Ethical Products .	–	\$220,877,075 5.12%
CG-MR-410a.2	Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	NMG's Compliance Committee and Responsible Sourcing program oversees, from a programmatic level, compliance with respect to chemicals in projects and manages certain of the related risks. The NMG Compliance Committee and the Responsible Sourcing program, together with the company's Spend Management, Supply Chain, and Merchant teams, govern the company's approach to Product Quality & Safety and seek to ensure suppliers abide by all applicable laws and regulations. Within NMG's Responsible Sourcing program, the Supplier Code of Conduct goes beyond legal compliance to specify that certain suppliers should refrain from using hazardous chemicals listed on ZDHC's Manufacturing Restricted Substances List (MRSL) and American Apparel and Footwear Association's Restricted Substances List (RSL).		
CG-MR-410a.3	Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	In recent years, we have significantly reduced the environmental impact of in-store packaging, with shopping bags that are FSC-certified and made from 80% post-consumer waste content, as well as elevated gift boxes intended for customer re-use. Therefore, we continue to focus on improving the sustainability performance of packaging for online orders through Project Monarch—our supply chain transformation initiative—which includes aspirations to: <ul style="list-style-type: none"> • Reduce and right-size corrugated packaging and dunnage • Ensure packaging is made from recycled and/or FSC-certified materials • Engage customers in reusing or recycling corrugated packaging with Give Back Box • Audit packaging ecosystem to identify and eliminate single-use plastic (including polybags) 		

Code	Disclosure Topic	Accounting Metric	FY22 Response	FY21	FY22
CG-MR-000.Aa	Activity Metrics	Number of retail locations		44	43
CG-MR-000.Ab	Activity Metrics	Number of distribution centers		6	5
CG-MR-000.Ba	Activity Metrics	Total area of retail space (square meters, m ²)		519,048	509,480
CG-MR-000.Bb	Activity Metrics	Total area of distribution centers (square meters, m ²)		201,673	218,787

GRI INDEX

Our reporting has also been prepared with reference to the Global Reporting Initiative (GRI) Standards. Applicable GRI sector standards are not currently available. The information cited in this GRI content index is for the period from August 1, 2021 to July 30, 2022 unless otherwise stated. The table below links to where the relevant information can be found in our 2022 ESG Report and on our corporate website.

Indicator	Description	FY22 Response
GENERAL DISCLOSURES		
2-1	Organizational details	NMG Holding Company, Inc., and, prior to the Emergence Date, to Neiman Marcus Group LTD LLC. The Company's operations are conducted through its direct wholly owned subsidiary, The Neiman Marcus Group LLC ("NMG"). Our Company Our Operations and Workforce
2-2	Entities included in the organization's sustainability reporting	All retail brands under Neiman Marcus Group's operational control, including Neiman Marcus, Bergdorf Goodman, Last Call by Neiman Marcus, and Horchow.
2-3	Reporting period, frequency and contact point	About This Report NMG will refresh this report on an annual basis. Contact ESGCompliance@neimanmarcus.com with any feedback or questions.
2-4	Restatements of information	In our 2021 report, we indicated that our combined Scope 1 and 2 emissions for 2020 were 58,612 MTCO ₂ e. This was due to a change in methodology for both Scope 1 and 2 emissions calculations. The corrected total is 59,753 MTCO ₂ e (Scope 1: 3,095 MTCO ₂ e; Scope 2: 55,273 MTCO ₂ e). In our 2021 report, we indicated having extended the useful lives of 350,398 total luxury items through our circular services. We've since updated our calculation methodology for restoration and repairs, which we updated for this year's report. The corrected total is 321,255. In our 2021 report, we disclosed total BCGA transactions as 41,797 and BCGA donations as \$331,840. This was due to the absence of outstanding POS values. The corrected 2022 BCGA totals are 41,414 transactions and \$326,050 donations.
2-5	External assurance	Our scope 1 and 2 greenhouse gas emissions data has been verified through a third-party assurance process, and the EY limited assurance report can be found here .
2-6	Activities, value chain and other business relationships	Our Company Our Operations and Workforce Key Nonprofits & Trade Associations Climate Change

Indicator	Description	FY22 Response																
2-7	Employees	<p>At the end of FY21, NMG employed a majority female (68%) workforce with:</p> <table border="1"> <tr> <td>Associates</td> <td>8,911</td> <td>10,402</td> </tr> <tr> <td>Full-Time</td> <td>80.50%</td> <td>81.50%</td> </tr> <tr> <td>Part-Time</td> <td>18.00%</td> <td>17.70%</td> </tr> <tr> <td>Temporary</td> <td>0.75%</td> <td>0.72%</td> </tr> <tr> <td>Union/Collective Agreements</td> <td>0.75%</td> <td>0.77%</td> </tr> </table> <p>For more information about the racial and gender diversity of our workforce, see Belonging.</p>	Associates	8,911	10,402	Full-Time	80.50%	81.50%	Part-Time	18.00%	17.70%	Temporary	0.75%	0.72%	Union/Collective Agreements	0.75%	0.77%	<p>At the end of FY22, NMG employed a majority female (68%) workforce with:</p>
Associates	8,911	10,402																
Full-Time	80.50%	81.50%																
Part-Time	18.00%	17.70%																
Temporary	0.75%	0.72%																
Union/Collective Agreements	0.75%	0.77%																
2-8	Workers who are not employees	This information is not available at this time. Data collection not deemed relevant due to a limited number of workers who are not employees.																
2-9	Governance structure and composition	The Board of Directors is NMG's highest governance body and includes committees for Audit and Compensation & Talent Management, which are both chaired by women. The Board's Audit Committee maintains oversight of ESG risk management and disclosures, as outlined in its Committee Charter , Board Composition & Diversity and ESG Oversight .																
2-10	Nomination and selection of the highest governance body	Parent Board Directors are nominated by select investors, who consider a broad array of qualifications, including director independence, board service, diversity, and relevant business skills, including ESG expertise.																
2-11	Chair of the highest governance body	Paul Brown, CEO Inspire Brands																
2-12	Role of the highest governance body in overseeing the management of impacts	ESG Oversight Board Audit Committee Charter																
2-13	Delegation of responsibility for managing impacts	ESG Oversight																
2-14	Role of the highest governance body in sustainability reporting	ESG Oversight																
2-15	Conflicts of interest	Code of Ethics																
2-16	Communication of critical concerns	<p>Code of Ethics</p> <p>NMG's Chief Legal Officer communicates critical concerns to the Board of Directors' Audit Committee through the results of Navex's EthicsPoint hotline reports, among other methods. These reports are shared on a quarterly basis and are referenced in preparation for NMG's quarterly reporting.</p>																
2-17	Collective knowledge of the highest governance body	100% of Board Audit Committee members participated in "ESG: Navigating the Board's Role," a training co-developed by the nonprofit organization Ceres and the UC Berkeley School of Law.																

Indicator	Description	FY22 Response
2-18	Evaluation of the performance of the highest governance body	NMG's primary Board of Directors will conduct annual self-assessments as part of its standard governance process and take actions to address concerns, including changes in membership and organizational practice, subject to and consistent with NMG's limited liability company agreement.
2-19	Remuneration policies	Executive Pay Practice
2-20	Process to determine remuneration	Executive Pay Practice
2-21	Annual total compensation ratio	Due to confidentiality constraints, this information is not publicly disclosed.
2-22	Statement on sustainable development strategy	Letter from Our CEO Letter from Our Board
2-23	Policy commitments	Code of Ethics
2-24	Embedding policy commitments	Human Rights Corporate Compliance
2-25	Processes to remediate negative impacts	Code of Ethics
2-26	Mechanisms for seeking advice and raising concerns	Details and advice about ethics are available in our Code of Ethics . Concerns can be reported confidentially or anonymously at our EthicsPoint.com hotline or by calling 1.866.384.4277.
2-27	Compliance with laws and regulations	Due to confidentiality constraints, this information is not publicly disclosed.
2-28	Membership associations	Materiality & Stakeholder Engagement Organizations to which NMG provides membership dues are listed below: American Red Cross: \$250,000 Human Rights Campaign: \$150,000 RILA: \$30,000 NRF: \$30,000 Textile Exchange: \$12,500 CDP: \$5,640 RE100: \$5,417
2-29	Approach to stakeholder engagement	Materiality & Stakeholder Engagement
2-30	Collective bargaining agreements	Approximately 0.77% of our total workforce is covered by a collective bargaining agreement.

Indicator	Description	FY22 Response
MATERIAL TOPICS		
3-1	Process to determine material topics	We perform periodic materiality assessments to inform our ESG strategy and engage key stakeholders, including investors, customers, associates, nonprofits, suppliers, policymakers, and retail industry trade associations and peers. To keep a pulse on new and emerging issues between assessments, we regularly participate in industry forums outlined in our Materiality & Stakeholder Engagement section.
3-2	List of material topics	Materiality & Stakeholder Engagement
TAX 2019		
207-1	Approach to tax	As a company that leads with love, we understand corporate taxes play an important role in community investments. Our tax policy is to comply with all relevant tax laws and regulations in the countries where we operate. Any tax planning we engage in is done so with commercial substance, in support of our operations and not purely as a tax avoidance measure. We may pursue tax minimization strategies and credits which support key business priorities or advance larger societal goals, such as decarbonization. Any transfer pricing within our operations is performed using the arm's length principle. Our Board's Audit Committee is responsible for reviewing and approving our tax strategy on a yearly basis.
MATERIALS 2016		
3-3	Management of material topics	Sustainable & Ethical Products Circular Economy
301-3	Reclaimed products and their packaging material	Sustainable & Ethical Products Circular Economy
EMISSIONS 2016		
3-3	Management of material topics	Climate Change
305-1	Direct (Scope 1) GHG emissions	Climate Change 2019: 5,480 MTCO ₂ e 2020: 3,095 MTCO ₂ e 2021: 3,561 MTCO ₂ e

Indicator	Description	FY22 Response
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change 2019: 70,409 MTCO ₂ e 2020: 55,273 MTCO ₂ e 2021: 48,887 MTCO ₂ e <i>(Note: GHG emissions data are calculated based on location-based methodology. Alternative market-based calculations can be found on page 17.)</i>
305-3	Other indirect (Scope 3) GHG emissions	Climate Change 2021: 1,653,544 MTCO ₂ e
305-5	Reduction of GHG emissions	31% reduction in Scope 1 and 2 emissions from a 2019 baseline.
WASTE 2020		
306-2	Management of significant waste-related impacts	Circular Economy
306-3	Waste generated	2021: 2,830 Tons 2022: 3,638 Tons
306-4	Waste diverted from disposal	2021: 714 Tons 2022: 719 Tons
306-5	Waste directed to disposal	2021: 2,116 Tons 2022: 2,919 Tons
SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
3-3	Management of material topics	Sustainable & Ethical Products
308-1	New suppliers that were screened using environmental criteria	Sustainable & Ethical Products
TRAINING AND EDUCATION 2016		
3-3	Management of material topics	Workforce Investment & Training
404-2	Programs for upgrading employee skills and transition assistance programs	Workforce Investment & Training

Indicator	Description	FY22 Response
DIVERSITY AND EQUAL OPPORTUNITY 2016		
3-3	Management of material topics	Belonging Board Composition & Diversity
405-1	Diversity of governance bodies and employees	Belonging Board Composition & Diversity Board of Directors diversity: - 57% female / 43% male - 14% Black - 14% LGBTQ+ Employee diversity: SASB CG-MR-330a.1
FORCED OR COMPULSORY LABOR 2016		
3-3	Management of material topics	Human Rights
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights
LOCAL COMMUNITIES 2016		
3-3	Management of material topics	Disaster Preparedness & Relief Philanthropy & Corporate Citizenship

Indicator	Description	FY22 Response																																		
413-1	Operations with local community engagement, impact assessments, and development programs	<p>Disaster Preparedness & Relief American Red Cross grants awarded: \$250,000 Employee Hardship Assistance Fund grants awarded: \$105,546</p> <p>Philanthropy & Corporate Citizenship</p> <table border="1"> <thead> <tr> <th>Engagement Metrics</th> <th>FY20 - BGCA</th> <th>FY21 - BGCA</th> <th>FY21 - FMC</th> <th>FY21 - HRC</th> <th>FY22 - BGCA</th> <th>FY22 - FSF</th> <th>FY22 - HRC</th> <th>Total Lifetime</th> </tr> </thead> <tbody> <tr> <td>Transactions</td> <td>58,135</td> <td>34,005</td> <td>9,100</td> <td>15,152</td> <td>41,797</td> <td>18,000</td> <td>20,566</td> <td>196,755</td> </tr> <tr> <td>Donations</td> <td>\$404,595</td> <td>\$273,912</td> <td>\$62,090</td> <td>\$107,165</td> <td>\$331,840</td> <td>\$166,795</td> <td>\$212,930</td> <td>\$1,559,327</td> </tr> </tbody> </table>								Engagement Metrics	FY20 - BGCA	FY21 - BGCA	FY21 - FMC	FY21 - HRC	FY22 - BGCA	FY22 - FSF	FY22 - HRC	Total Lifetime	Transactions	58,135	34,005	9,100	15,152	41,797	18,000	20,566	196,755	Donations	\$404,595	\$273,912	\$62,090	\$107,165	\$331,840	\$166,795	\$212,930	\$1,559,327
Engagement Metrics	FY20 - BGCA	FY21 - BGCA	FY21 - FMC	FY21 - HRC	FY22 - BGCA	FY22 - FSF	FY22 - HRC	Total Lifetime																												
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PUBLIC POLICY 2016																																				
3-3	Management of material topics	Brand Advocacy																																		
415-1	Political contributions	NMG does not contribute to any PACs or political campaigns.																																		
CUSTOMER PRIVACY 2016																																				
3-3	Management of material topics	Data Security and Consumer Privacy																																		
418-1	Substantiated Complaints Concerning Breaches of Customer Privacy & Losses of Customer Data	Data Security and Consumer Privacy SASB CG-MR-230a.2																																		

TCFD INDEX

Given the immense effects climate change poses for business, now and in the future, the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) was established to help identify the information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities. In alignment with the TCFD recommendations, the following index provides links to NMG's key disclosures on climate change throughout this report. More detailed information for all sections is also available in NMG's annual [CDP Climate Change Questionnaire disclosure](#).

Metrics	FY22 Response
GOVERNANCE	
Describe the board's oversight of climate-related risks and opportunities.	The Board's Audit Committee oversees climate-related risks and opportunities through a bi-annual Enterprise Risk Management process, quarterly Audit Committee meetings, and an annual review of NMG's annual CDP Climate Change Questionnaire disclosure. ESG Oversight Board Audit Committee Charter
Describe management's role in assessing and managing climate-related risks and opportunities.	Materiality & Stakeholder Engagement ESG Strategy, Goals & Highlights Climate Change
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	ESG Strategy, Goals & Highlights Environment
Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	Climate Change Climate-related risks and opportunities influence public perception of our business and affect our ability to operate our stores, digital platform, supply chain, and administrative functions in profitable and predictable ways. As a result, we are making strategic investments to decarbonize our real estate portfolio, advance sustainable products and services, and reduce Scope 3 emissions from purchased goods and services and downstream transportation & logistics.

Metrics	FY22 Response
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Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Company's strategy enables resiliency under a variety of different climate-related scenarios.

In a 2°C or lower scenario, there would be limited stress on our current strategy. While the company may face some of the same physical risks we see from severe weather patterns today, our commitments to source 100% renewable electricity by 2030, increase revenue from sustainable and ethical products to 10% by 2025, and extend the useful life of 1,000,000 luxury items by 2025 through circular services would align with consumer expectations and government initiatives—allowing us to avoid reputational risks and large expenses from carbon taxes and regulatory penalties.

In a 2°C or higher scenario, our corporate strategy remains fairly resilient, but faces added pressure to adopt a Net Zero goal. We'd expect to see increased physical risks from severe weather patterns; but our strong omni-channel platform differentiates us from peers, maintains our competitive advantage, and allows associates to stay connected to clients through eCommerce and remote selling tools. Our efforts to advance sustainable products and services, which attract conscious consumers in a 2°C or lower scenario, become critical to operate in this one as traditional material inputs become more scarce, competition for products with renewable materials increases, and circular services that decouple revenue growth from the sale of new product become essential. Since our commitments to source 100% renewable energy by 2030, increase revenue from sustainable and ethical products to 10% by 2025, and extend the useful life of 1,000,000 luxury items through circular services by 2025 are built into our business strategy, we would not expect pressure for unplanned capital or operating investments due to the extreme reputational or regulatory risks that would be present in this scenario.

RISK MANAGEMENT	
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Describe the organization's processes for identifying and assessing climate-related risks.

[Materiality & Stakeholder Engagement](#)
[ESG Strategy, Goals & Highlights](#)
[Environment](#)
[ESG Oversight](#)

Describe the organization's processes for managing climate-related risks.

[ESG Strategy, Goals & Highlights](#)
[Environment](#)

Metrics	FY22 Response
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Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

[ESG Oversight](#)

Processes for identifying, assessing, and managing climate-related risks are incorporated directly into the Company's existing Enterprise Risk Management (ERM) process, which identifies risks to the Company's objectives, assesses those risks in terms of likelihood and impact, and monitors the status of initiatives to address those risks. Twice per year, the Company's Internal Audit department works with the ESG team to update climate-related risks and mitigating initiatives, then partners with the Company's Chief People & Belonging Officer to review these risks and the effectiveness of the ERM process with the Parent Board's Audit Committee, which also oversees:

- (A) the integrity of the Company's financial statements,
- (B) the Company's compliance with legal and regulatory requirements,
- (C) any independent registered public accounting firm engaged by the Company (including its qualifications and independence),
- (D) the performance of the Company's internal audit function and independent auditor,
- (E) risk management and the Company's policies with respect to risk assessment and risk management, including the Company's Environmental, Social, and Governance (ESG) performance and disclosures.

All Directors on the Parent Board's Audit Committee have completed an ESG training course with Ceres and UC Berkeley Law and are considered climate-competent to review climate-related risks within the Company's overall risk management efforts above.

METRICS AND TARGETS

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

- MTCO₂e Scope 1, 2, and 3 emissions
- % renewable and nonrenewable electricity
- \$USD revenue from sustainable and ethical products
- \$USD penalties from climate-related litigation and/or regulation
- % purchased goods & services suppliers with SBTi commitments, by spend
- Total equivalent days of store closures from severe weather patterns

Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

[Climate Change](#)

Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

[ESG Strategy, Goals & Highlights](#)
[Environment](#)

We welcome comments or questions about NMG's climate transition plan to be sent to ESGCompliance@neimanmarcus.com.



Ernst & Young LLP
Suite 1400
1201 Elm Street
Dallas, Texas 75270
www.ey.com

Independent Accountants' Review Report

To the Board of Directors and Management of Neiman Marcus Group

We have reviewed Neiman Marcus Group's schedule of Scope 1, Scope 2 Location-Based Method, and Scope 2 Market-Based Method Greenhouse Gas Emissions (the "Subject Matter") included in Appendix A for the year ended December 31, 2021 in accordance with World Resources Institute/World Business Council for Sustainable Development's *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition* (the "Criteria"). Neiman Marcus Group's management is responsible for the Subject Matter in accordance with the Criteria. Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform our review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance with the Criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the Subject Matter is in accordance with the Criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. As such, a review does not provide assurance that we became aware of all significant matters that would be disclosed in an examination. We believe that the review evidence obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent of Neiman Marcus Group and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review engagement. Additionally, we have complied with the other ethical requirements set forth in the Code of Professional Conduct and applied the Statements on Quality Control Standards established by the AICPA.

As described in the notes accompanying the schedule in Appendix A, the Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature of and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

The information included in Neiman Marcus Group's 2022 CDP response and ESG Report, other than the Subject Matter, has not been subjected to the procedures applied in our review, and accordingly, we express no conclusion on it.

The procedures we performed were based on our professional judgment. Our review consisted principally of applying analytical procedures, making inquiries of persons responsible for the subject matter, obtaining an understanding of the data management systems and processes used to generate, aggregate and report the Subject Matter and performing such other procedures as we considered necessary in the circumstances.

Based on our review, we are not aware of any material modifications that should be made to the Schedule of Scope 1, Scope 2 Location-Based and Scope 2 Market-Based Greenhouse Gas Emissions for the year ended December 31, 2021 in order for it to be in accordance with the Criteria.

Ernst + Young LLP

September 16, 2022

Appendix A: Management’s Schedule of the Subject Matter and Criteria:

Neiman Marcus Group
 Schedule of Scope 1, Scope 2 Location-based Method (LBM), and Scope 2 Market-based
 method (MBM) Greenhouse Gas Emissions
 For the Year Ended December 31, 2021
 Amounts in Metric Tonnes CO₂e

Metric	Amount	Unit	Criteria
Scope 1 Emissions	3,561.03	Metric tonnes of carbon dioxide equivalent (“mt CO ₂ e”)	World Resources Institute (WRI)/World Business Council for Sustainable Development’s (WBCSD) <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition</i> (GHG Protocol)
Scope 2 Location-Based Method (LBM) Emissions	48,887.46	mtCO ₂ e	WRI/WBCSD GHG Protocol
Scope 2 Market-Based Method (MBM) Emissions	48,673.45	mt CO ₂ e	WRI/WBCSD GHG Protocol

Note 1 – Basis of Presentation:

The above amounts represent the Scope 1, Scope 2 Location-Based and Scope 2 Market-Based Greenhouse Gas Emissions of Neiman Marcus Group for the year ended December 31, 2021. These amounts have been prepared based on criteria established by the WRI/WBCSD GHG Protocol and an operational control boundary. Scope 1 emissions capture stationary combustion, mobile combustion, and refrigerants. Scope 2 emissions include purchased electricity, chilled water, and purchased steam. The vast majority of Scope 2 emissions are attributable to CO₂. Emissions are calculated based on actual utility and purchase data where available and extrapolated using spend and/or square footage data where actual data cannot be obtained. The following emission factor sources are referenced in the emission calculations:

Metric	Sources of Emissions Factors
Scope 1 Emissions	EPA Climate Change Registry California Air Resources Board
Scope 2 Location-based Emissions	The Emissions & Generation Resource Integrated Database 2019 (eGrid) ¹
Scope 2 Market-based Emissions	Contractual instruments, Green-e Residual Mix Emission Rate 2019 ¹

Note 2 – Measurement Uncertainties:

Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

¹ NMG’s overall electricity consumption reported in the Market-based method utilizes WRI’s hierarchy of emission factor assignment: applying contractual instruments, supplier specific emission factors where provided by vendors, residual mixes for markets where available and lastly using regional or national grid factors for the balance of the portfolio. Under the Location-Based method, only regional and national grid mixes are utilized, and renewable energy has no effect or benefit to emission figures. For market-based reporting, priority is given to supplier emissions factors in accordance with GHG Protocol Scope 2 Guidance and regional factors for residual mix in US (2019 Green-e), which were utilized in preparing the inventory.

NMG

NEIMAN MARCUS
BERGDORF GOODMAN

Statements contained in this document are aspirational and relate to the manner in which the Company currently intends to conduct certain of its activities, based on management's current plans and expectations. These statements are not promises, guarantees, or statements on which you should rely with respect to the Company's conduct or policies, and are subject to a variety of risks and uncertainties, some of which may be material and/or beyond the Company's control. In addition, certain statements contained in this document constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For these purposes, forward-looking statements are statements that address activities, events, conditions or developments that the Company expects or anticipates may occur in the future. In some cases forward-looking statements can be identified because they contain words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "likely," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "target," "will," "would," or similar expressions and the negatives of those terms. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Any forward-looking statements are and will be based upon the Company's then-current expectations, estimates and assumptions regarding future events and are applicable only as of the dates of such statements. Readers are cautioned not to put undue reliance on such forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected in this press release for numerous reasons, including factors outside the Company's control. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.