

Neiman Marcus Group Supplier Code of Conduct

Effective Sept 1, 2022

Corporate responsibility has been central to The Neiman Marcus Group's ("NMG") identity since its foundation in 1907. Today, we uphold this commitment through an Environmental, Social, Governance ("ESG") strategy that helps us continually identify, improve, and disclose our performance on material ESG issues, like human rights and climate change.

A critical factor in our success is our ability to build and sustain relationships with brand partners and suppliers who share our company's values, even as NMG recognizes and appreciates suppliers' diverse needs and business profiles. These include, but are not limited to, relevant laws and disclosure requirements related to international trade, sanctions, and security.

NMG's suppliers are expected to comply with this Code of Conduct ("Code"), by incorporating the following practices into internal business policies, processes, and communications. If at any point a supplier fails to meet our requirements, NMG reserves the right to take decisive corrective action, up to and including the cancellation of contracts and termination of business relationships.

NMG aspires to collaborate with suppliers to drive continuous improvement and implement best practices. This Code outlines NMG's expectations only. While this Code is based upon international standards including the [UN Guiding Principles for Business and Human Rights](#), [International Bill of Human Rights](#) and [the International Labour Organization \(ILO\) Declaration on the Fundamental Rights and Principles at Work](#), suppliers are required to ensure compliance with all customary international laws in addition to all national and local laws. Workers' rights shall be clearly communicated to all workers across the globe. Suppliers who maintain their own Code of Conduct should adhere to that Code or NMG's Code - whichever standard is *higher* - for any relevant issue. When relevant law is stricter than any aspect of either Code, that law supersedes the Code as a baseline requirement.

If you have questions about the Code or what is expected of you as a supplier, please contact Responsible_Sourcing@neimanmarcus.com.

Discrimination

Discrimination based on race, color, religion, national origin, gender identity and expression, sex, pregnancy, sexual orientation, age, disability, marital status, military service, or any other protected status under relevant local laws is strictly prohibited. All employment-related decisions should be based on company needs, job requirements, qualifications, years of experience, and potential.

Harassment & Abuse

Harassment in all forms – including but not limited to sexual, visual, physical, and verbal – will not be tolerated. Every worker has a right to a workplace free from harassment - whether it is from a coworker, manager, supervisor, or client. Suppliers are responsible for taking appropriate steps to ensure the workplace and all work-related engagements are free from hostility, abuse, and harassment. This includes taking appropriate employment actions, including termination, when serious or repeated violations are found to have occurred. Measures must be taken to prevent sexual harassment and gender-based violence in the workplace- such as annual trainings. Suppliers are responsible for identifying and protecting vulnerable workers such as women, members of the LGBTQIA community members of ethnic, religious, and social minorities, migrant workers, etc. from all forms of harassment and abuse. Employers are forbidden from using corporal punishment in any form. Policies around disciplinary practices must be clearly defined prior to adverse employment action being issued and must be both legal and based on the principle of impartiality. All suppliers are required to have a grievance mechanism in place and retaliation for making a good-faith complaint or for assisting in the investigation of a harassment complaint is prohibited.

Child Labor

In alignment with prevailing international norms, suppliers shall not employ anyone under the age of 15, below the age of compulsory education, or under the minimum age as defined by local law, whichever is highest. Persons less than 18 years of age are not permitted to perform hazardous work that is mentally or physically dangerous. It is required that suppliers maintain copies of identification that prove workers' age and maintain records of all workers under the age of 18 and their positions. If child labor is identified, suppliers are responsible for immediately reporting instances to NMG and remediating the affected parties.

Forced Labor

Under no circumstances are suppliers permitted to use any form of slavery, bonded, forced, indentured, or prison labor. Workers must accept employment on a wholly voluntary basis. In advance of official employment, all workers must be provided a contract or terms of employment document that is written or clearly communicated in a language they understand, freely signed, and provides an accurate description of their position and responsibilities. Suppliers must maintain all employment records. Suppliers shall take no action that infringes upon workers' freedom of movement (e.g., holding original personal identification documents) or right to freely terminate

their employment.

Suppliers will ensure that transnational and international migrant workers are provided with a copy of their contract, and that they clearly understand – through communication in a language they comprehend – their rights and responsibilities and the conditions of their employment prior to leaving their home country or region. Workers shall not pay any recruitment fees, either directly to the supplier or indirectly via licensed or unlicensed agencies, either for expenses related to their employment or in exchange for securing their position.

Wages and Benefits

Workers must be paid the national or local minimum wage or at the industry standard rate, whichever is higher. When compensation rates do not meet workers' basic needs and provide some discretionary income, suppliers are encouraged to develop and implement strategies to progressively realize rates that do.

All legally mandated benefits must be provided to all workers. Pay should be allotted at regular intervals in accordance with relevant national or local law and preventative action should be taken to avoid any delays, deferrals, or withholding of wages. Pay stubs and work hour records must accurately represent all hours worked including overtime and should specify rates of pay and legal deductions made. Deductions may not be made without the express consent of the worker and may not under any circumstance be used as a disciplinary measure.

Hours

Workers should not be required to work on a regular or long-term basis for more than 48 hours per work week plus 12 hours of overtime, or beyond limits on regular and overtime hours as prescribed by local law, whichever is lower. Workers must accept overtime voluntarily without fear of retaliation and be compensated at a premium rate as required by law. Workers must have at least one day off for every seven days worked.

Health and Safety

Suppliers are expected to provide a safe, hygienic, and healthy environment both within the workplace and, where relevant, in employer-provided residential facilities. Suppliers are responsible for ensuring that they abide by all health and safety laws and take all reasonable steps to minimize potential occupational hazards. Records should be maintained of all health and safety licenses and of trainings conducted by the supplier or undertaken by workers as part of their employment. Separate records should be kept of all occupational illnesses, injuries, and accidents. Workplace or work-related illnesses, accidents, or injuries should be investigated, and reasonable preventative steps should be implemented to avoid recurrence. Workers should have regular access to adequate drinking water and restroom facilities.

Freedom of Association and Collective Bargaining

Suppliers must not take any steps that interfere with the right to collective bargaining and freedom of association. Workers should be free from harassment, intimidation, and retaliation for creating and/or joining a union or association of workers of their choosing, or conversely for choosing not to participate in any such organization or process.

Community

NMG encourages all suppliers and their employees to be active corporate citizens in their local communities by providing support for relevant social and environmental issues and empowering their associates to volunteer. NMG's Heart of Neiman Marcus Foundation has long focused on addressing issues that are important to our Associate communities. NMG seeks long-term partnerships with suppliers that share these philanthropic values.

Traceability

NMG and our suppliers are jointly responsible for ensuring social and environmental responsibility and the integrity of our product content claims from the raw materials through the finished goods at the factory level.

NMG prefers suppliers who map and continuously track and monitor all locations in all tiers of their supply chain and upon request provide traceability information into the owned and subcontracted raw material and other downstream suppliers. If the supplier currently does not have this ability, they must be working towards building systems to provide traceability down to the raw material level to mitigate against potential issues like forced labor and deforestation.

Suppliers are strongly encouraged to certify that any leather they source, use, produce, or refine is not linked to deforestation in places like the Amazon Rainforest and cotton can be verified that it is not linked to forced labor.

Global Trade

NMG relies on suppliers to ensure that all products and services sold to NMG comply with all applicable laws, regulations, and standards, including the laws that regulate global trade such as laws governing country of origin, importation, customs entry, export, licensing, and sale of imported merchandise. Suppliers must ensure that all product markings and documentation are true and accurate and that appropriate records are maintained to validate information provided on all documents. We require our suppliers to establish controls to secure the supply chain from being used for improper purposes, including smuggling, terrorism, fraud, and theft. We work with our suppliers to strengthen the international supply chain by operating in compliance with our global security criteria, including the U.S. Customs Trade Partnership Against Terrorism (C-TPAT) program. We expect our suppliers to be familiar with these guidelines.

Suppliers providing product where NMG will be the importer of record are expected to exercise oversight in accordance with the security principles and requirements of these programs and to help NMG maintain a safe and secure supply chain.

Anti-Corruption and Bribery

Suppliers must comply with all relevant anti-corruption and anti-bribery laws in addition to expectations outlined in NMG's Code of Ethics and Business Conduct. NMG has zero tolerance for all forms of bribery, corruption, extortion, money laundering, or fraud. Suppliers should neither directly nor indirectly give, accept, or encourage – overtly or through policies and practices – bribes or kickbacks. Under no circumstances may a supplier working for NMG offer, promise, or provide anything of value directly or indirectly to a government official for the purpose of exerting improper influence or to obtain or retain an improper benefit or advantage.

Suppliers are required to notify NMG's Legal Department and complete NMG's due diligence review process prior to representing NMG before any government official. Additionally, if a supplier hires a third party to work on a project that requires interaction with a government official on behalf of NMG, the supplier must closely monitor the actions of the third party to ensure compliance with anti-corruption laws. All invoices submitted to NMG for payment or reimbursement require accurate and adequate supporting documentation and may not mischaracterize or disguise any transaction or expenditure.

Conflicts of Interest

NMG associates are required to avoid not only conflicts of interest but also activities that could give the appearance of impropriety. Suppliers may not attempt to improperly influence an associate to receive favorable treatment. Suppliers are required to avoid actions that may result in conflicts of interest, which include offering, providing, or reimbursing personal gifts, favors, personal travel expenses, lodging or other housing, services of any kind, excessive meals, or entertainment. During any calendar year, an associate may, as a limited exception accept in-kind gifts of nominal value in compliance with the company's policies regarding gifts including as set forth in the [Code of Ethics and Business Conduct](#). Suppliers are expected to immediately report any potential conflicts of interest to NMG.

Competition

NMG is committed to free and fair competition and conducts its business in compliance with antitrust and competition laws. We expect our suppliers to refrain from asking NMG to limit business with another company or limit sales of private label products and not to offer or provide NMG with competitively sensitive information related to NMG's competitors or other third parties.

Product Quality, Hazardous Materials, and Labelling Practices

NMG is committed to delivering the highest quality goods to our customers. The sourcing, production, assembly, and shipping of products we sell must, in addition to

complying with all relevant laws, prioritize the safety and experience of the consumer and where relevant be backed by scientifically demonstrated standards. Suppliers must refrain from using products on the MRSL ([Manufacturing Restricted Substances List](#)) as defined by the Zero Discharge of hazardous Chemicals Programme (ZDHC) and RSL ([Restricted Substances List for Finished Products](#)) – as defined by the American Apparel and Footwear Association.

Suppliers must advertise truthfully in their relations with NMG and be fully transparent regarding material inputs and production processes. NMG relies on this information to make business, legal, and compliance decisions, among other purposes. Suppliers should provide only genuine products that are what they claim to be and should comply with relevant labeling laws and regulations and be honest with NMG's customers. All product labels and descriptions must be clear, accurate, truthful, and not misleading and must include all appropriate disclaimers, disclosures, and warranties, and support any claims you make with adequate substantiation. If appropriate, products must contain instructions adequate to use or consume the product safely.

Global Citizenship

Neiman Marcus Group expects suppliers to prevent cultural appropriation by implementing processes to avoid plagiarism, theft, and/or incorrect use of designs, patterns, forms, materials, and words/names that are culturally meaningful to and/or originate in Native, Indigenous, or other underrepresented communities. Additionally, suppliers are expected to ensure diverse and inclusive representation in marketing assets and photo casting, across race, age, gender identity and expression, body size and disability. Photography provided to Neiman Marcus Group is expected to do the same.

Recognizing that our suppliers encounter differing challenges, NMG expects suppliers to set ambitious diversity and inclusion goals that actively support underrepresented groups. Suppliers are encouraged to proactively use inclusive naming practices and diverse representation and design practices. For guidance, please refer to the [United Nations Convention on the Protection and Promotion of the Diversity of Cultural Expressions](#).

Animal Welfare

Suppliers are expected to abide by [NMG's Animal Welfare Policy](#). All permitted animal products must be ethically sourced from environments that promote the humane treatment of animals and provide adequate protection for their handlers. Suppliers are expected to treat animals in accordance with the "Five Freedoms" for animal welfare in all phases of testing and production. Suppliers must provide required certifications for products where applicable.

Environmental Sustainability

It is the responsibility of NMG's suppliers to comply with all applicable environmental laws and regulations, including those related to water use and waterway disposal,

hazardous chemicals, solid waste disposal, recycling, energy use, emissions, and air quality. To support NMG's environmental ambitions, suppliers should also seek to measure their environmental impact, including greenhouse gas emissions, and continually adopt practices that improve their environmental sustainability performance.

In the short-term, suppliers are strongly encouraged to eliminate the use of coal-fired boilers, replace it with energy efficient equipment, and procure renewable energy, where applicable. If renewable energy is not available, suppliers should build a program to source more environmentally friendly sources of heat energy.

Subcontracting, Homework, and Shared Buildings

For direct suppliers to NMG, all subcontracting must be approved in writing by NMG prior to production.

Suppliers must disclose all use of homework (work done outside of the facility on-record) to produce goods for NMG. All homeworkers must freely agree to work prior to the commencement of such work. Suppliers must maintain records that include exact addresses where work will be done, as well as estimates of the number of hours of work, the total amount homeworkers will be paid, rosters and copies of identification for all homeworkers, and descriptions of the work being performed. Suppliers employing homeworkers must proactively conduct social compliance audits of homeworking spaces where applicable.

Suppliers are strongly encouraged not to manufacture in shared buildings, including multi-use buildings, buildings utilized by multiple owners or leaseholders, and residential buildings converted to commercial facilities.

Confidentiality, Security and Privacy

NMG expects our suppliers to comply with applicable security and privacy laws, regulations, and retention requirements, and to ensure that they have appropriate technical and security controls in place to protect our confidential information. Confidential information means all non-public information about NMG, including but not limited to: business plans, pricing strategies, marketing plans, associates' personal information, customers' personal information, and intellectual property. Suppliers may not outsource, disclose, share – even in an anonymized or aggregated manner nor use this information outside the requirements defined in their contractual or non-disclosure agreement with NMG. Unauthorized use or disclosure, or any action impacting confidentiality of the information may subject you to civil or criminal charges, according to local law.

Transparency, Disclosure, and Cooperation

Transparency in all business dealings is required, including the comprehensive and accurate maintenance of legally required licenses and the maintenance of all

employment and safety-related records. Suppliers have a responsibility to notify NMG within 24 hours of when they are made aware of any violation of this Code.

NMG reserves the right to audit or inspect the practices and facilities of any supplier in its supply chain and in the supply chains of its brand partners.

NMG requires all suppliers to cooperate with investigations related to potential violations of law, regulation, policy, contract, or this Code, and to respond to inquiries and requests for information by being upfront and honest. NMG's suppliers are required to make products, facilities, and records available for audits, inspections, and tests, and obtain required audits, inspections, and tests in accordance with NMG's policy. Upon request, suppliers are expected allow Neiman Marcus and third-party vendors to engage directly with workers.

Grievance Mechanisms

All suppliers are required to have a grievance mechanism in place that enables workers, in their preferred language, to raise concerns without fear of intimidation, retribution, or retaliation. Suppliers are also encouraged to post signage and include in relevant trainings NMG's hotline and [Ethics Point](#). Suppliers must address concerns raised with workers, and when serious or pervasive issues arise, document grievance, and make these records available to Neiman Marcus or the relevant direct sourcing entity.

NMG is committed to discussing, investigating, and addressing any violations of this Code or relevant laws in a fair and transparent manner and in the spirit of collaboration - when possible and if permitted by law. Concerns may be reported confidentially and in local languages via a toll-free telephone number – **+1 866 384 4277** – or website at ethicspoint.com. Reporting individuals have the option to remain anonymous. NMG will never retaliate against someone for raising good-faith concerns about potential violations of law, ethics, or NMG's policy, and requires that suppliers also refrain from any such retaliation.

Amendments to the Code

This Code may be amended from time to time. The most recent date of modification of this Code was September 2022.

For questions and concerns, please email ResponsibleSourcing@neimanmarcus.com