

A woman with short dark hair, wearing a strapless black dress with a gold and white floral pattern, stands in a golden, ribbed architectural structure. The structure consists of large, curved, ribbed columns that create a sense of depth and scale. The lighting is warm and golden, highlighting the textures of the architecture and the woman's dress. The background is a clear, light blue sky.

# OUR JOURNEY TO REVOLUTIONIZE IMPACT

FY2023 ESG REPORT

**NMG**  
NEIMAN MARCUS  
BERGDORF GOODMAN



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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.

The reporting period is fiscal year 2023 (FY23) – July 31, 2022 to July 29, 2023 – unless otherwise stated. NMG's Internal Audit team has reviewed key data in this report, and NMG's Scope 1 and 2 greenhouse gas (GHG) emissions data for calendar year 2022 has received limited assurance by our independent registered accounting firm, Ernst & Young. The limited assurance statement can be found [here](#).

**i** The **cover photo** for this report is an editorial image from Neiman Marcus' Fall 2023 campaign. It was shot in front of the [world's first 3D-printed performance pavilion](#) built by ICON, an advanced construction technology company on a mission to address the global housing crisis. The photo features a bustier top from Koltson, a diverse-owned luxury eveningwear brand that is featured in Neiman Marcus' [Fashioned For Change](#) edit.



# INTRODUCTION

## IN THIS SECTION

- Letter from CEO
- Our Company
- Operations & Workforce
- Materiality & Stakeholder Engagement
- ESG Strategy & Goals



# LETTER FROM OUR CEO

We are continuing to *Revolutionize Luxury Experiences* driven by our strong relationships with our customers, brand partners, associates and communities. With our third ESG report, *Our Journey to Revolutionize Impact*, we are sharing the progress we've made in FY23 and empowering our stakeholders to draw meaningful connections between our ESG strategy and our ongoing business transformation.

## MEETING OUR 2025 GOALS

When we established our ESG strategy three years ago, we challenged ourselves to meet an initial set of goals by 2025. I am proud to share that through this work, we have extended the useful life of more than one million luxury items through circular services such as alterations, repair, resale, and donation—two years ahead of schedule. Our recent analysis of customer trends indicates that customers who receive an alteration or repair service are more engaged with us, spending 73% more with us over a 12 month period following the service.

We have also continued to invest in our culture of Belonging, holding ourselves accountable to achieving meaningful progress toward our aspirations. In FY23, we increased racial and ethnic diversity in leadership roles Vice President roles and above to 21% sooner than anticipated by implementing evidence-based practices to eliminate bias across the associate experience, including hiring, development,

and retention, and continued implementing evidence-based practices to advance this work to 28% by 2030. We also continued to advance workplace equity in line with prominent external standards like the Human Rights Campaign's Corporate Equality Index and Disability:IN's Disability Equality Index – organizations by which we have been named a top employer based on our inclusive policies and practices. This work continues to shape our one-size-fits-one approach, fueling our collective strength with the individual talents and diverse perspectives that drive our success.

## SUPPORTING OUR PARTNERS ON THEIR JOURNEYS

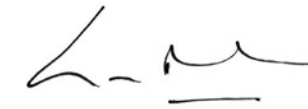
As an integrated luxury retailer, we are in a unique position to influence positive change not only within our workforce and our stores, but also in our industry at large. Leveraging our deep relationships with the world's most desired luxury brands, we are empowering our partners to join us in progressing toward a more sustainable and equitable future.

We recently committed to the Science Based Targets initiative (SBTi) and are helping our suppliers and brand partners do the same through our ongoing partnership with Supplier Leadership on Climate Transition (Supplier LOCT). We are proud to have supported the enrollment of brand partners and suppliers in courses related to

measuring emissions, setting science-based targets, implementing abatement plans, and disclosing to Carbon Disclosure Project (CDP). As the program's first and only luxury retail partner, we look forward to growing suppliers' engagement in the future.

We also recently formalized our new supplier diversity program, offering new benefits to suppliers through partnerships with groups like the National Minority Supplier Diversity Council (NMSDC). We are helping make it easier than ever for the industry to support brands owned by underrepresented groups within fashion, and for customers to discover these brands in our stores.

There is so much more to share within the pages of this report. Thank you for continuing to join us on *Our Journey to Revolutionize Impact*. We look forward to the new questions and ideas that arise from our third report.



**GEOFFROY VAN RAEMDONCK**  
CHIEF EXECUTIVE OFFICER  
NMG





# OUR COMPANY

Neiman Marcus Group is a relationship business that leads with love in everything we do for our customers, associates, brand partners, and communities. Our legacy of innovating and our culture of Belonging guide our roadmap for *Revolutionizing Luxury Experiences*. As one of the premier 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 digital, data and technology. Through the expertise of our 10,000+ associates, we deliver and scale a personalized luxury experience across our three facets of our integrated retail model- in-store, eCommerce, and remote selling. Our NMG Way culture, powered by our people, combines individual talents into a collective strength to make life extraordinary. Our 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. Each day, Neiman Marcus connects with customers worldwide while delighting them with exceptional experiences across a 36-store presence in the U.S., one of the premier U.S. e-commerce luxury platforms, and industry-leading remote selling and personalization technology. From delectable dining and indulgent beauty services to bespoke experiences and exclusive products, there is something for everyone.



**Bergdorf Goodman**, a New York landmark 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—the crossroads of fashion—is a singular destination for discerning customers around the world. BG.com expands on Bergdorf Goodman's heritage, showcasing coveted collections for men and women in an unparalleled online shopping experience.

## FY23 IN NUMBERS

**115+** YEARS  
OF SERVICE

**\$5 BILLION**  
GROSS MERCHANDISE  
VALUE

**3,000+**  
OF THE WORLD'S  
MOST DESIRABLE  
BRAND PARTNERS

**~300 MILLION**  
VISITS TO DIGITAL  
PROPERTIES

**3,300+**  
SELLING ASSOCIATES  
WITH AVERAGE TENURE  
OVER A DECADE

**\$25,000+**  
ANNUAL SPEND BY  
TOP CUSTOMERS

**90%**  
TOP CUSTOMER  
RETENTION

**90%**  
OF OUR TOP BRANDS  
HELD EXCLUSIVE  
OFFERINGS WITH US



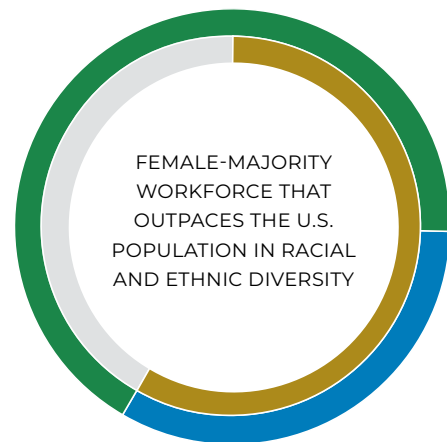
# OUR OPERATIONS & WORKFORCE



80.4%  
FULL-TIME ASSOCIATES

15.1%  
PART-TIME ASSOCIATES

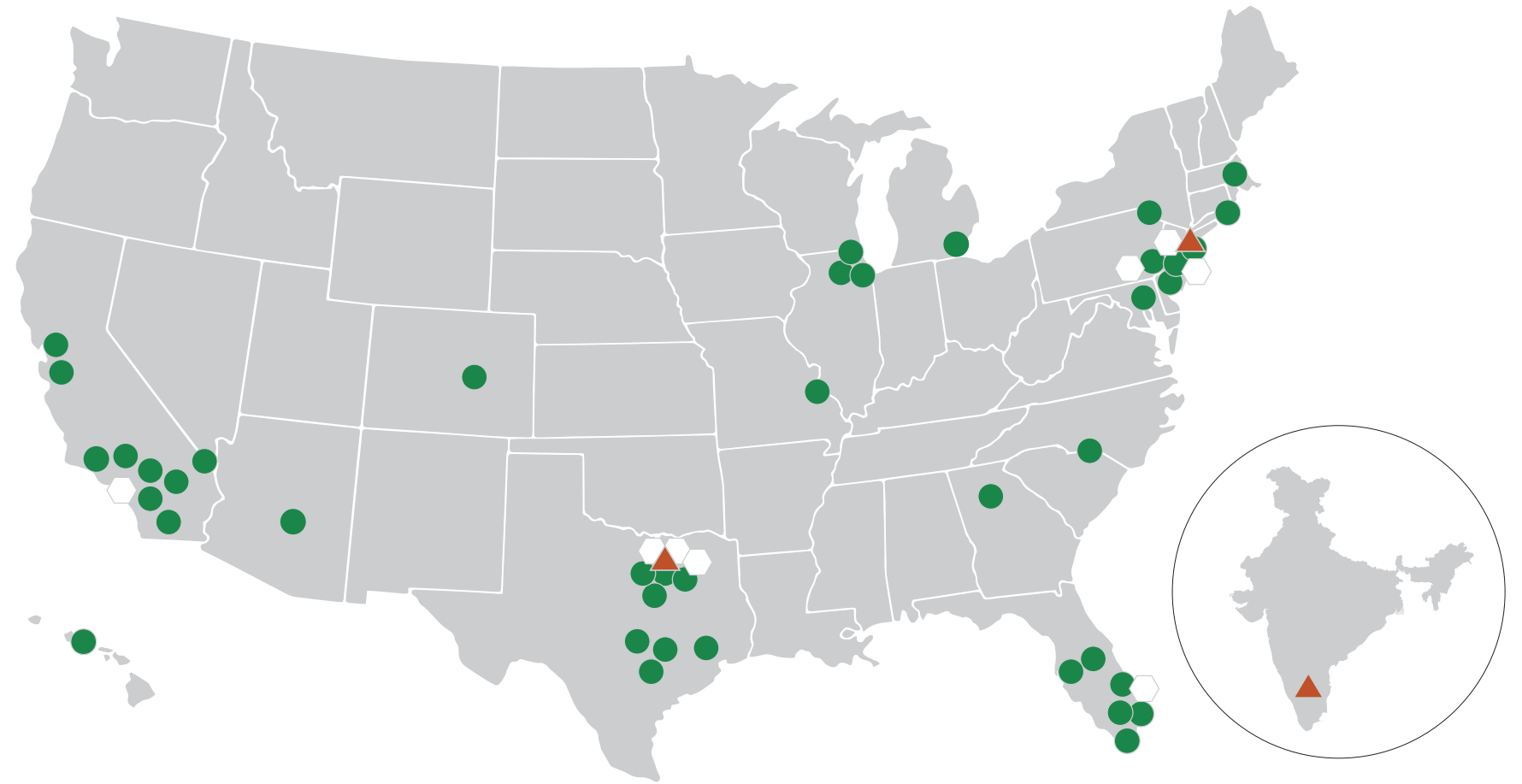
4.5%  
TEMPORARY ASSOCIATES



67.2%  
FEMALE

32.8%  
MALE

58%  
RACIALLY &  
ETHNICALLY DIVERSE



● **Store Locations** ⚡ = Facility powered by renewable electricity

- |                     |                     |                  |                  |                   |                             |                     |                 |
|---------------------|---------------------|------------------|------------------|-------------------|-----------------------------|---------------------|-----------------|
| 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      |                  |                  |                   |                             |                     |                 |

⬡ **Distribution and Support Facility Locations**

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

▲ **Corporate Hub Locations**

- |                  |                    |
|------------------|--------------------|
| ⚡ Dallas, TX (2) | ⚡ New York, NY (2) |
| ⚡ Irving, TX     | Bangalore, India   |



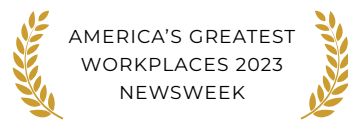
# OUR CULTURE

Our NMG Way philosophy encompasses all elements of our unique culture, including Belonging, our Values, Growth Mindset, our NMG Way of Working (NMG WOW), and ESG. This innovative philosophy ensures a culture that is diverse, flexible, and empowering to all. It has been applauded with numerous industry awards and recognitions since launching in September of 2021. Learn more about our culture in our [Power of One Associate Guidebook](#).

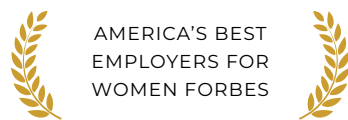
## RECOGNITION



AMERICA'S BEST-IN-STATE EMPLOYER  
FORBES



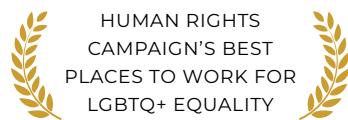
AMERICA'S GREATEST  
WORKPLACES 2023  
NEWSWEEK



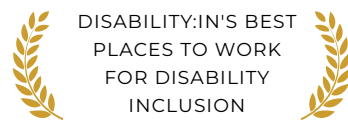
AMERICA'S BEST  
EMPLOYERS FOR  
WOMEN FORBES



AMERICA'S BEST  
WORKPLACES FOR  
WOMEN NEWSWEEK



HUMAN RIGHTS  
CAMPAIGN'S BEST  
PLACES TO WORK FOR  
LGBTQ+ EQUALITY



DISABILITY:IN'S BEST  
PLACES TO WORK  
FOR DISABILITY  
INCLUSION

## NMG WAY

The NMG Way is the architecture of our unique culture. By centering our work around a structure of adapting, learning, and supporting each other daily to fulfill our purpose of "Making Life Extraordinary," we ensure the long-term success of our associates.

## NMG BELONGING

Diversity + Equity + Inclusion = Belonging. Our culture of Belonging ensures that every associate feels welcomed, valued, and empowered to be their best, exactly as they are. 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.

## NMG VALUES

BE BOLD  
BE MEMORABLE  
BE TRUSTWORTHY  
BE ALL HEART  
BE THE BEST

## NMG 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.

## NMG WOW

Our unique, integrated working philosophy creates an environment that empowers associates to do their best work, full stop. Structured around flexibility and accountability, WOW comprises four pillars: I Work Smarter, I Am Present, I Integrate Life & Work, and I Empower...And Am Empowered. Because these types of policies can disproportionately impact women and people of color in positive ways, flexibility also supports our commitment to Belonging.

## NMG ESG

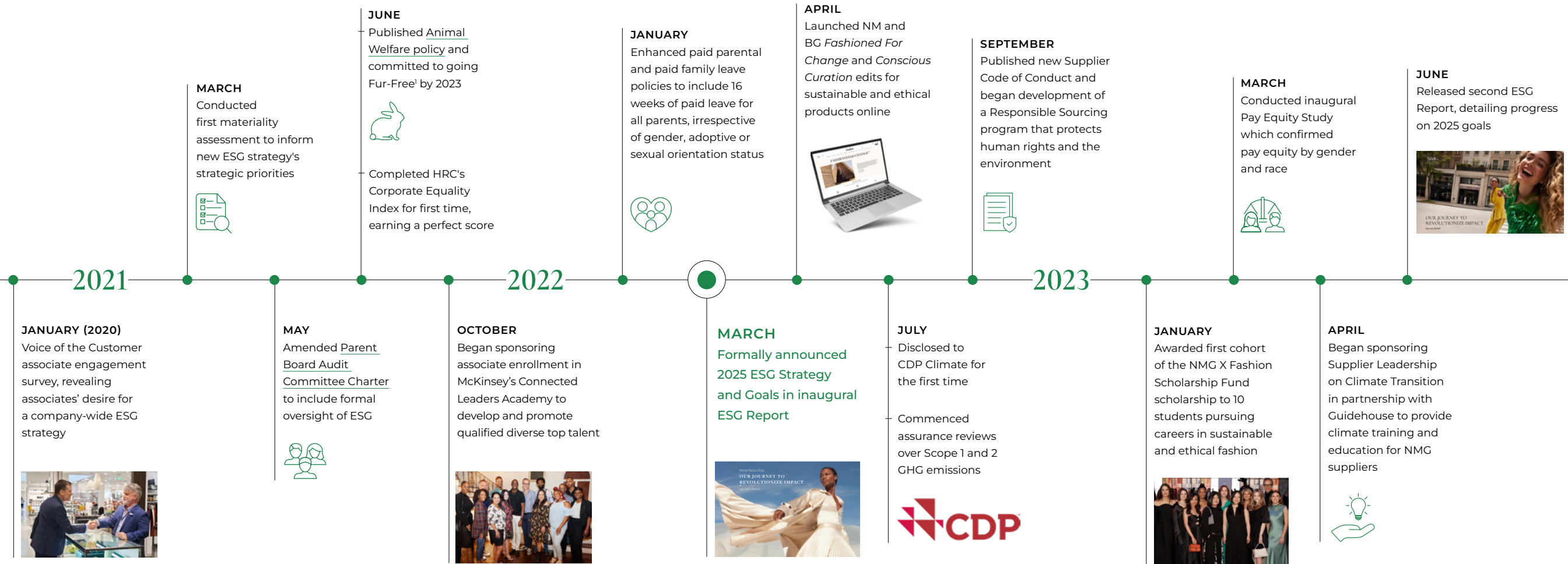
### Environmental, Social, and Governance

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



# OUR ESG JOURNEY

Philanthropy has been a central part of Neiman Marcus Group's DNA since we were founded in 1907. In recent years, we've expanded this into a broader Environmental, Social, Governance (ESG) strategy that creates positive impact for all key stakeholders, including our customers, associates, brand partners, and investors. We're proud of the quick progress we've made in establishing a best-in-class program, highlighted below.



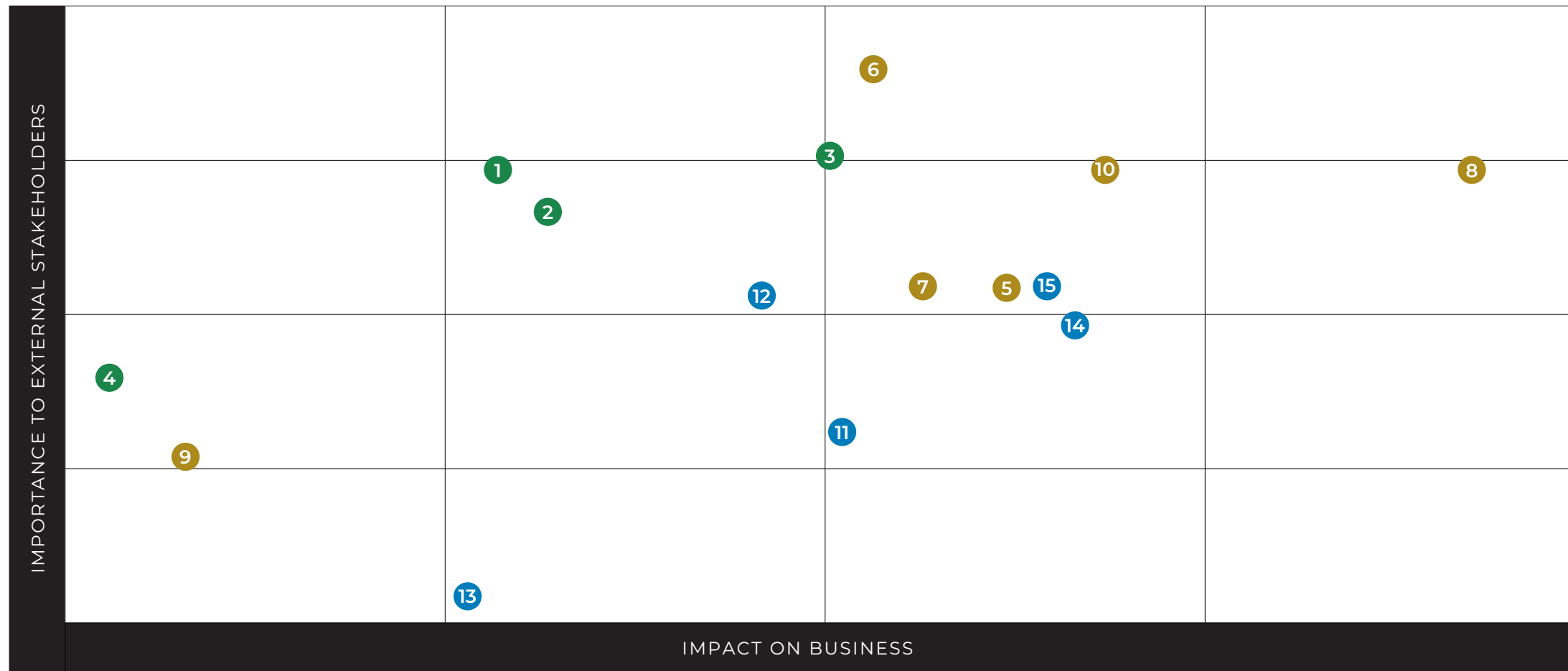
<sup>1</sup> Fur-Free is defined in our Animal Welfare Policy and is consistent with the definition established by the Human Society of the United States.



# MATERIALITY & STAKEHOLDER ENGAGEMENT

The results from our March 2021 materiality assessment continue to serve as the foundation for our ESG strategy today. Performed by independent, third-party consultants, the assessment 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



# ESG STRATEGY & GOALS

Revolutionize Luxury Experiences by:



ADVANCING SUSTAINABLE PRODUCTS AND SERVICES



CULTIVATING A CULTURE OF BELONGING



LEADING WITH LOVE IN OUR COMMUNITIES

*“To make the greatest impact, we work cross-functionally to ensure all teams are held accountable across the business. Over the past year, we’ve prioritized investing in key roles, systems, and infrastructure to drive progress as we continue integrating ESG into our direct operations.”*

**ERIC SEVERSON**  
CHIEF PEOPLE, ESG, & BELONGING 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. <sup>1</sup>	CY20	<div style="width: 23.0%;"></div>	23.0%
	CY21	<div style="width: 32.4%;"></div>	32.4%
	<b>CY22</b>	<div style="width: 42.2%;"></div>	42.2%
Procure 100% renewable electricity by 2030.	FY21	<div style="width: 0.0%;"></div>	0.0%
	FY22	<div style="width: 19.9%;"></div>	19.9%
	<b>FY23</b>	<div style="width: 57.0%;"></div>	57.0%
Increase sales from sustainable and ethical products to 10%.	FY21	Not tracked	
	FY22	<div style="width: 5.1%;"></div>	5.1%
	<b>FY23</b>	<div style="width: 7.4%;"></div>	7.4%
 Extend the useful life of 1,000,000 luxury items through circular services, including alterations, restoration, resale, and donation.	FY21	<div style="width: 321,255;"></div>	321,255
	FY22	<div style="width: 760,414;"></div>	760,414
	<b>FY23</b>	<div style="width: 1,139,555;"></div>	1,139,555
 Implement a Supplier Code of Conduct and Responsible Sourcing Program that protects human rights and the environment <sup>2</sup>	FY21	Supplier Code of Conduct launched	
	FY22	100.0% of imported private label vendors signed	
	<b>FY23</b>	80.0% of domestic private label vendors signed	

<sup>1</sup> In last year's report we reported CY21 progress as 31% using location-based methodology. Since then, we have begun using market-based methodology and updated this number to 32.4%.

<sup>2</sup> This goal currently applies to NMC's private label vendors, whose goods represent less than 1% of company sales.



ACHIEVED GOAL



## 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 by implementing evidence-based practices to eliminate bias across the associate experience, including hiring, development, and retention.	FY21	18.2%
	FY22	19.8%
	<b>FY23</b>	21.4%
Advance workplace equity in line with prominent external standards. <sup>3</sup>	FY21	Human Rights Campaign's Best Places to Work for LGBTQ+ Equality
	FY22	Bloomberg Gender Equality Index Reporting Framework
	<b>FY23</b>	Disability Equality Index
Provide Belonging training for 100% of NMG associates.	FY21	In progress
	FY22	In progress
	<b>FY23</b>	In progress
Increase spend with qualified diverse-owned brands and businesses. <sup>4</sup>	FY22	\$29.6 million
	<b>FY23</b>	\$49.2 million



## 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 and Bergdorf Goodness Foundation.	FY20	\$404,595
	FY21	\$847,762
	FY22	\$1,559,327
	<b>FY23</b>	\$2,281,680
Increase associate volunteerism in NMG's All Heart Program to at least 7,500 hours in total to support causes close to associates' hearts.	FY21	1,160 hours
	FY22	3,586 hours <sup>5</sup>
	<b>FY23</b>	6,906 hours
Support disaster preparedness and relief to keep our store communities thriving.	FY21	\$1,718,556 in total donations since FY13
	FY22	\$2,074,102 in total donations since FY13
	<b>FY23</b>	\$2,433,353 in total donations since FY13

<sup>5</sup> Last year we reported the annual number of hours volunteered instead of the cumulative total, which we have corrected here.

<sup>3</sup> Progress denotes the first year an equality index submission was completed. We continue to participate in an ongoing basis.

<sup>4</sup> Denotes 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.



# ENVIRONMENT

From the footprint of our buildings to the length of time customers treasure the products we sell, we're making an impact on environmental issues across our value chain. Our approach focuses on three issues where we have the greatest opportunity to drive change – climate change, sustainable and ethical products, and circular services.

## IN THIS SECTION

- Climate Change
- Sustainable & Ethical Products
- Circular Economy

## HIGHLIGHTS

↓ 42.3%

REDUCTION IN SCOPE 1  
AND 2 EMISSIONS  
FROM A 2019 BASELINE

7.4%

SALES FROM  
SUSTAINABLE AND  
ETHICAL PRODUCTS

1,139,555

LUXURY ITEMS EXTENDED  
THROUGH CIRCULAR SERVICES  
SUCH AS ALTERATIONS, REPAIR,  
RESALE, AND DONATION



ACHIEVED GOAL



# CLIMATE CHANGE

**GOAL:** **50.0%**  
REDUCTION IN SCOPE 1 AND 2 EMISSIONS FROM A 2019 BASELINE

**PROGRESS:** **42.3%**  
REDUCTION IN SCOPE 1 AND 2 EMISSIONS FROM A 2019 BASELINE AS OF CALENDAR YEAR 2022

**GOAL:** **100.0%**  
RENEWABLE ELECTRICITY BY 2030

**PROGRESS:** **57.0%**  
RENEWABLE ELECTRICITY IN FY23

We reduced our Scope 1 & 2 emissions 42% from a 2019 baseline and increased our renewable electricity from 19.9% to 57.0% over the course of FY23 as we work to fulfill NMG's RE100 commitment.

Our strategic growth and transformation initiatives allowed us to leverage capital investments in store remodels and supply chain upgrades to improve our climate performance. We specifically relied on a mix of energy efficiency and renewable electricity to reduce Scope 1 & 2 emissions within our direct operations.

Energy efficiency projects, conducted in partnership with Trane®, reduced energy consumption by approximately 3.5% in FY23. We also procured renewable electricity for 23 additional sites operating in deregulated markets, strengthening Neiman Marcus' and Bergdorf Goodman's respective positions as retailers of choice for top brands prioritizing sustainability across their distribution networks.

## SCOPE 1 AND 2 EMISSIONS

### LOCATION-BASED

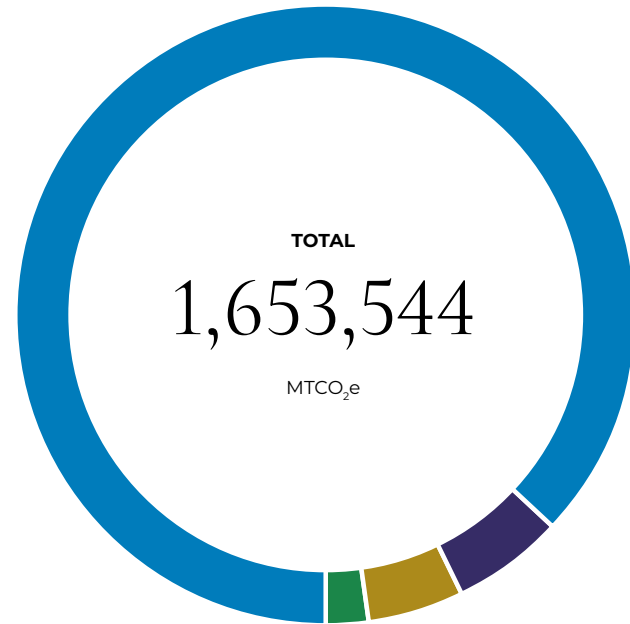


### MARKET-BASED





## SCOPE 3 EMISSIONS



87%

PURCHASED GOODS & SERVICES

5%

DOWNSTREAM TRANSPORTATION & DISTRIBUTION

6%

REMAINING SCOPE 3 CATEGORIES

2%

UPSTREAM TRANSPORTATION & DISTRIBUTION

During FY22, we screened our Scope 3 emissions and determined that Purchased Goods and Services and Downstream Transportation and Logistics represent approximately 92% of NMG's Scope 3 emissions. We continue to address these categories through supplier engagement initiatives with Guidehouse and the U.S. Environmental Protection Agency.

### This includes:

- Sponsoring 17 brands and vendors in FY23 like EILEEN FISHER, 7 For All Mankind, MCM, Proenza Schouler, Natura Bissé, and more to enroll in [Guidehouse's Supplier Leadership on Climate Transition program](#) and complete training courses designed to help them measure emissions, set science-based targets, implement abatement plans, and report progress to CDP.
- Enrolling over 99% of our domestic transportation and logistics vendors by spend in the US EPA's SmartWay program in FY23 – enabling us to more accurately monitor vendors' emissions and benchmark their sustainability performance over time.

Thanks to these initiatives and broader industry trends, we saw our percentage of suppliers by spend committed to the SBTi increase from 42% to 46% in FY23.

### Disaster Preparedness & Relief

Ultimately, we know it's important to complement efforts to limit future increases in the global temperature with ones designed to provide disaster preparedness and relief from climate change today. During the fiscal year, NMG continued supporting the American Red Cross

as a National Disaster Responder Partner and providing associates facing unexpected hardships with financial assistance through NMG's [Hardship Assistance Fund](#). In total, we have donated \$2,433,353 to disaster relief and preparedness since FY13.

Going forward, we plan to meet our 2025 Scope 1 & 2 emissions reduction goal in FY24 and sustain our momentum by increasing store associates' and suppliers' engagement in our various climate initiatives. We will continue to publicly report our progress through CDP's Climate Change questionnaire and adopt best practices that help us advance toward CDP's A-list, including setting a Scope 3 supplier engagement goal and validating our climate targets with the Science-Based Targets initiative (SBTi).

*“As a longstanding leader in responsible production, EILEEN FISHER supports decarbonization efforts throughout our value chain. In Neiman Marcus, we have a dedicated partner standing beside us as we all work for the betterment of our planet. The Supplier LOCT sponsorship is a testament to that.”*

**SUSAN SCOW**  
SUSTAINABLE IMPACT  
ASSOCIATE AT EILEEN FISHER



# SUSTAINABLE & ETHICAL PRODUCTS

GOAL:

10.0%

SALES FROM SUSTAINABLE AND ETHICAL PRODUCTS BY 2025

PROGRESS:

7.4%

OF FY23 SALES ATTRIBUTED TO SUSTAINABLE AND ETHICAL PRODUCTS

Advancing sustainable and ethical products remains a key way we engage top brands and customers in Neiman Marcus Group's environmental sustainability efforts. In FY22, we launched Neiman Marcus and Bergdorf Goodman's *Fashioned For Change* and *Conscious Curation* edits to define multiple categories within

sustainable and ethical fashion. These edits allow our customers to shop in line with the values they care about most, whether that's sustainable materials, responsible manufacturing, diverse-ownership, products that give back, or transparent supply chain practices – an attribute that's unique to NMG's approach. We rely heavily on independently recognized certifications to facilitate brand conversations, flag products, prevent greenwashing, and maintain customer trust and credibility in the space.

In FY23, sales from products in these edits increased to more than 7%. Over 400 brands engaged with us through these edits - from top brands, like Chloe, Veronica Beard and Zegna, to new brands, like Alemais, We-AR4, and Merlette. The edits also featured exclusive collections from new and existing brands, including 1/OFF, CALLAS Milano, Diotima, Zankov, and Triarchy – who introduced their fully-circular [CELLSIUS](#) line with Neiman Marcus in Spring '23.

We also expanded the edits across all facets of our integrated retail approach, piloting activations at store locations in addition to a robust presence on our digital platforms. In honor of Earth Month, BG's iconic Fifth Avenue windows were dedicated to sustainable and ethical product branded with *Conscious Curation's* color-coding for each of our five preferred product attributes. The store also transformed alcoves with *Conscious Curation* product and visual installations made by local artisans from recycled, repurposed materials.

Heading into FY24, we are focused on expanding these edits into additional Neiman Marcus stores and increasing the attribute and sub-certification details we share about each product with customers online.

Stella McCartney Frayme Mylo bag made of renewable mycelium vegan leather, featured in *Fashioned For Change* and *Conscious Curation* edits



# CIRCULAR ECONOMY

**GOAL:** 1,000,000  
LUXURY ITEMS EXTENDED THROUGH CIRCULAR SERVICES BY 2025

**PROGRESS SINCE FY21:** 1,139,555  
LUXURY ITEMS EXTENDED THROUGH CIRCULAR SERVICES

657,900  
ITEMS ALTERED

312,044  
ITEMS REPAIRED

95,403  
ITEMS RESOLD

74,308  
ITEMS DONATED

In FY23, we surpassed our 2025 circular economy goal two years ahead of schedule – extending the useful life of 1,139,555 luxury items through circular services such as alterations, repair, resale, and donation since FY21. These services remain a differentiator with top customers. Our recent analysis of customer trends indicates that customers who receive an alteration or repair service are more engaged with us, spending 73% more with us over a 12 month period following the service<sup>1</sup>. As a result, Neiman Marcus integrated these services further into the Connect app – our digital-assisted remote selling tool - and Bergdorf Goodman’s new Conscious Closet™ program – an at-home closet editing program that launched to customers in May 2023.

Alterations, repairs, and resale of customer-owned items have all nearly doubled since FY21 as we increase marketing support and associate education around these services. However, alterations on new items were still the leading driver behind this year’s progress, highlighting the importance of fit and personalization in ensuring the luxury items we sell are kept and worn for longer. It was followed by repairs to returned, damaged, and excess inventory sent to our Southeast Service Center and re-directed to Neiman Marcus Last Call, demonstrating the importance of off-price locations in maximizing revenue and limiting waste.

Resale with Fashionphile and donation with Give Back Box were the third and fourth largest drivers of progress, respectively. We were proud to see our resale partnership with Fashionphile expand to Bergdorf Goodman through the banner’s launch of Conscious Closet™ in FY23. As part of this new initiative, Bergdorf customers can resell items they no longer wear to Fashionphile and receive credit to shop BG’s *Conscious Curation* edit or other products offered across its assortment.

While our donation program with Give Back Box remains a valued customer service, we continue to educate our sales associates and customers to leverage clothing donation after our other circular service offerings.

Looking ahead, we will continue expanding our circular services across Neiman Marcus and Bergdorf Goodman’s integrated retail environment and exploring the opportunity to add vintage and pre-owned items to the banners’ *Fashioned For Change* and *Conscious Curation* edits.



<sup>1</sup> Neiman Marcus Group Data Analytics, 2023



# SOCIAL

Our legacy of innovation and culture of Belonging guide our roadmap for Revolutionizing Luxury Experiences. As a female-founded, female-majority organization that outpaces the U.S. population in racial and ethnic diversity, our people are at the heart of our progress, and we take great care to protect and empower them.

## IN THIS SECTION

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

## HIGHLIGHTS

21.4%

INCREASE RACIAL AND ETHNIC DIVERSITY IN LEADERSHIP ROLES VP LEVEL+ BY IMPLEMENTING EVIDENCE-BASED PRACTICES TO ELIMINATE BIAS ACROSS THE ASSOCIATE EXPERIENCE, INCLUDING HIRING, DEVELOPMENT, AND RETENTION

 ACHIEVED GOAL

DISABILITY: \$2,281,680  
IN DEI

ADVANCE WORKPLACE EQUITY IN LINE WITH PROMINENT EXTERNAL STANDARDS

RAISED FOR CHARITY THROUGH POINT-OF-SALE FUNDRAISING SINCE FY20



# HUMAN RIGHTS

GOAL:

## IMPLEMENT

A SUPPLIER CODE OF CONDUCT AND RESPONSIBLE SOURCING PROGRAM THAT PROTECTS HUMAN RIGHTS AND THE ENVIRONMENT

PROGRESS SINCE FY21:

## LAUNCHED ACHIEVED GOAL

SUPPLIER CODE OF CONDUCT AND RESPONSIBLE SOURCING PROGRAM

# 100%

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

# 80%

OF **DOMESTIC** PRIVATE LABEL SUPPLIERS SIGNED THE NEW SUPPLIER CODE OF CONDUCT

Championing human rights throughout our supply chain remains an integral part of advancing sustainable products and services for our customers, associates, and communities. In FY22, we created a Supplier Code of Conduct based on international standards from the United Nations (UN) and the International Labour Organization (ILO) and deployed it to 100% of NMG's imported private label suppliers alongside trainings on forced labor and human rights. In FY23, we expanded the rollout of this Code and training to 100% of NMG's domestic private label suppliers - 80% of which have signed the Code of Conduct thus far. While private label remains less than 1% of company sales, we continue to strengthen visibility and engagement in our private label supply chain through the launch of compliance focused audit and remediation activities to ensure safe and healthy working conditions and by increasing the percentage of Tier 1 factories we disclose on Open Supply Hub from 40% to 75%.

In FY24, we will finish deploying our Supplier Code of Conduct and training to domestic private label vendors while continuing to implement compliance initiatives. High-risk and high-leverage suppliers will be asked to complete a new audit, medium-risk and medium-leverage suppliers will be asked to submit existing audit results from an auditor certified by the Association of Professional Social Compliance Auditors (APSCA), and low-risk and low-leverage suppliers will be asked to complete a self-assessment questionnaire. Within select private label facilities, we will also go beyond basic social compliance activities to implement impact programming, like Fair Trade certification. These efforts will empower more specific and quantitative reporting related to human rights and other responsible sourcing topics over the next 1-2 years and enhance our ability to comply with existing regulations.



# BELONGING

GOAL:

21.0%

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

PROGRESS:

21.4%



ACHIEVED GOAL

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

True to our commitment to preserve NMG's people-first culture, we're proud to celebrate associates, suppliers, and customers from different backgrounds, experiences, and communities. We strive to cultivate a culture of Belonging by increasing workforce diversity, advancing workplace equity, and championing marketplace inclusion. The diversity of our workforce powers our innovation by leveraging our collective differences to foster new ideas and drive improved business outcomes. In FY23, we achieved our stated 2025 goals to increase racial and ethnic diversity in leadership roles Vice President level roles and above to 21% by implementing evidence-based practices to eliminate bias across the associate experience, including hiring, development, and retention, and advanced workplace equity in line with prominent external standards from the Human Rights Campaign, Bloomberg, and Disability:IN – preserving culture as a vector of performance.

## NMG GLOBAL WORKFORCE GENDER DIVERSITY<sup>1</sup>

WORKFORCE

67.2% 32.8%  
FEMALE MALE

OFFICERS (VP+)

61.2% 38.8%  
FEMALE MALE

LEADERSHIP LEVEL (DIRECTOR)

55.2% 44.8%  
FEMALE MALE

EXEMPT MANAGEMENT

61.8% 38.2%  
FEMALE MALE

## NMG U.S. WORKFORCE BY ETHNICITY<sup>2</sup>



42.0% WHITE  
17.2% BLACK OR AFRICAN AMERICAN  
24.4% HISPANIC OR LATINO  
9.9% ASIAN  
3.2% AMERICAN INDIAN OR ALASKAN NATIVE  
0.4% NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER  
2.9% TWO OR MORE RACES



78.6% WHITE  
2.9% BLACK OR AFRICAN AMERICAN  
1.9% HISPANIC OR LATINO  
14.7% ASIAN  
1.9% AMERICAN INDIAN OR ALASKAN NATIVE  
0.0% NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER  
0.0% TWO OR MORE RACES



77.6% WHITE  
4.3% BLACK OR AFRICAN AMERICAN  
5.7% HISPANIC OR LATINO  
9.5% ASIAN  
1.9% AMERICAN INDIAN OR ALASKAN NATIVE  
0.0% NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER  
1.0% TWO OR MORE RACES



59.3% WHITE  
11.0% BLACK OR AFRICAN AMERICAN  
14.9% HISPANIC OR LATINO  
9.1% ASIAN  
3.0% AMERICAN INDIAN OR ALASKAN NATIVE  
0.4% NATIVE HAWAIIAN AND OTHER PACIFIC ISLANDER  
2.3% TWO OR MORE RACES

<sup>1</sup> Includes International and U.S. data.

<sup>2</sup> Includes U.S. employee data only.



## INCREASING WORKFORCE DIVERSITY

In FY23, we maintained or increased gender and racial diversity across every level of the company by enhancing processes to eliminate biases that could impair qualified diverse talent's access to hiring and promotion opportunities and to drive retention.

### HIRING

First, we strengthened our employer branding and talent pipeline partnerships with groups such as Forte Foundation, Lesbians Who Tech, National Black MBA Association, Prospanica, and Savoy Magazine. We also trained People Services associates and Director+ level leaders on inclusive hiring practices. This training included the introduction of inclusive job posts, inclusive interview teams, and applicant goals, designed to ensure all candidates are treated equitably and can envision themselves belonging at NMG.



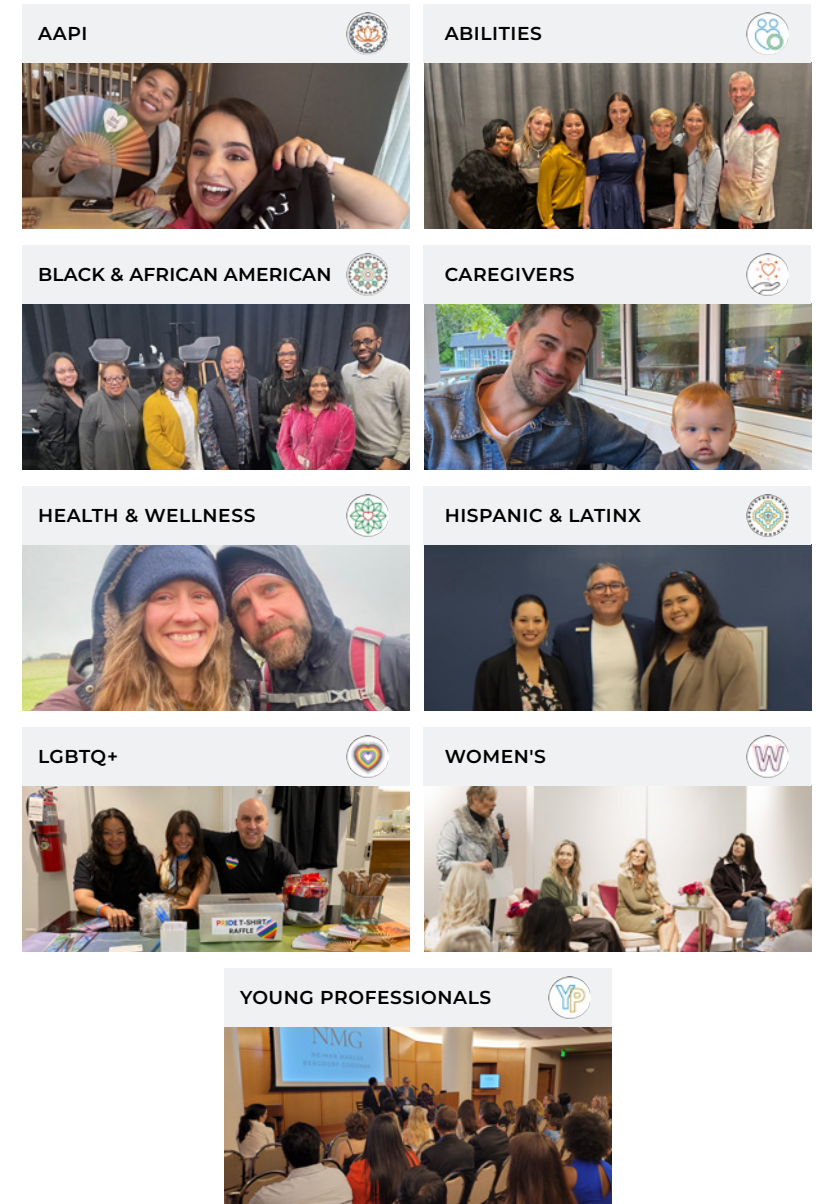
### DEVELOPING

Next, we continued to develop associates through programs like McKinsey Connected Leaders Academy, Fashion Your Future, and Better Up Coaching. During the last fiscal year we saw an increase in the number of diverse participants across all three programs, with the aim of providing more equitable paths to promotion. We successfully upheld the promotion rates for women and people of color, ensuring they remained consistent year-over-year at 69% and 39%, respectively.

### RETAINING

Finally, we engaged our diverse workforce. Our quarterly pulse surveys showed our workforce is largely satisfied with the NMG associate experience. NMG's Glint Engagement Index score, which replaced eNPS in FY23, was 73 for the enterprise and female associates and 74 for racially and ethnically diverse associates on a scale of 100. We believe our nine Associate Community Networks (ACNs) undoubtedly influenced these scores in our inaugural year and helped us retain top talent as we celebrated associates from diverse backgrounds, communities, experiences, and identities. As we strive to measure the effectiveness of our programs, we found those associates who choose to engage with our ACNs were retained at three times the rate of those associates who choose not to, speaking to the value cultivating a culture of Belonging can have on the overall associate experience.

## ASSOCIATE COMMUNITY NETWORKS





## ADVANCING WORKPLACE EQUITY

In FY23, we continued improving our labor practices in line with prominent external standards from the Human Rights Campaign's Corporate Equality Index and Bloomberg's Gender Equality Index Framework. This included launching a dedicated [LGBTQ+ benefits guide](#), establishing an all-gender restroom policy that allows individuals to use the facility that aligns with their gender identity and expression, and continuing to offer our industry-leading paid parental leave – ultimately supporting over 200 associates since the program launched in FY22.

**GOAL:** ADVANCE WORKPLACE EQUITY IN LINE WITH PROMINENT EXTERNAL STANDARDS

**PROGRESS:**

FY21



BEST PLACES TO WORK FOR LGBTQ+ EQUALITY

FY22



BLOOMBERG GENDER EQUALITY INDEX REPORTING FRAMEWORK

FY23



DISABILITY EQUALITY INDEX

We also completed Disability:IN's Disability Equality Index for the first time – achieving a score of 90 out of 100 and earning Neiman Marcus Group recognition as a 2023 Best Place To Work For Disability Inclusion because of practices like our:

- Flexible and remote NMG WOW (Way of Working)
- Centralized accommodations fund for managers of associates with disabilities
- Comprehensive benefits with coverage for hearing aids, vision support, and mental health
- Partnership with ComPsych to provide financial advice counselors for associate needs like ABLE (Achieving a Better Life Experience) savings account plans or special needs trusts
- Dedicated Associate Community Network for associates with disabilities and their allies
- Supported employment partnership with placement firm James Emmett and Company
- Supplier diversity program that recognizes certified disability-owned businesses
- Executive leadership support for the disability community, including through non-profit board service like Lana Todorovich, President and Chief Merchandising Officer, Neiman Marcus, who serves on the Board of Runway of Dreams, a nonprofit working to empower people with disabilities to have confidence and self-expression through adaptive fashion

In FY24, we will aim to increase our Disability:IN DEI score by improving enterprise-wide digital accessibility and advance workplace equity by conducting our second self-identification survey to listen and respond to associate needs.



Bergdorf Goodman's inaugural *Bring Your Child To Work Day*

## CHAMPIONING MARKETPLACE INCLUSION

**GOAL:** **100.0%**  
OF NMG ASSOCIATES TRAINED IN BELONGING

**PROGRESS:** **IN PROGRESS**

**GOAL:** **INCREASE SPEND**  
WITH QUALIFIED DIVERSE-OWNED BUSINESSES BY 2025

**PROGRESS IN FY23:** **\$49.2M**  
SPENT WITH DIVERSE-OWNED QUALIFIED BRANDS AND BUSINESSES BY 2025

Ultimately, our social efforts across our supply chain and direct operations come together to create an inclusive marketplace where customers feel welcome at Neiman Marcus and Bergdorf Goodman and can see themselves reflected in the brands and products we sell. To develop and enhance this environment, we've committed to training 100% of our associates on Belonging and increasing spend with qualified diverse-owned brands and businesses by 2025.

In FY23, we launched a new [supplier diversity landing page](#) for brands and businesses wishing to learn more about NMG's supplier diversity goals, requirements, and benefits, including our certification reimbursement program with the [National Minority Supplier Diversity Council \(NMSDC\)](#). Through this partnership, NMG has provided a grant to cover NMSDC certification fees for potential and existing NMG suppliers who are qualified and diverse-owned but not yet certified – a common occurrence in the fashion industry.

In FY24, we aim to certify 25 qualified diverse-owned suppliers through this NMSDC grant program and complement it with new and additional program benefits. For instance, we will allocate marketing content production to sustainable and ethical products in our *Fashioned For Change* and *Conscious Curation* edits, including those from qualified diverse-owned brands. We will also finalize our Belonging curriculum and begin its implementation across our corporate, store, and supply chain associates.

**HISPANIC HERITAGE MONTH SPOTLIGHT ON NM APP HELPED CUSTOMERS SHOP QUALIFIED DIVERSE-OWNED BRANDS AND CHAMPION CULTURE THROUGH STYLE**





# PHILANTHROPY & CORPORATE CITIZENSHIP

**GOAL:** **\$3,000,000**  
RAISED FOR CHARITY IN PARTNERSHIP WITH CUSTOMERS THROUGH THE HEART OF NEIMAN MARCUS FOUNDATION AND BERGDORF GOODNESS FOUNDATION

**PROGRESS SINCE FY20:** **\$2,281,680**  
IN POINT-OF-SALE DONATIONS

**GOAL:** **7,500**  
HOURS OF ASSOCIATE VOLUNTEERISM IN NMG'S ALL HEART PROGRAM BY 2025

**PROGRESS SINCE FY21:** **6,906**  
HOURS OF ASSOCIATE VOLUNTEERISM

At NMG, we Lead With Love in our communities through corporate grantmaking, associate engagement, and point-of-sale fundraising. We have partnered with customers to raise \$2,281,680 for The Heart of Neiman Marcus Foundation and Bergdorf Goodness Foundation charities since FY20, and nearly doubled annual associate volunteerism hours for the second year in row. In FY23, we continued to refine our list of grantees in order to prioritize and invest more deeply in select nonprofit organizations – raising our average grant value, maximizing our impact, and engaging associates in NMG's philanthropic efforts in increasingly meaningful ways.

## PARTNERSHIP HIGHLIGHTS

### BOYS & GIRLS CLUBS OF AMERICA (BGCA)

During the fiscal year, we began funding the implementation of the National Retail Federation Foundation's RISE UP training curriculum on skills for retail careers at a local Boys & Girls Clubs chapter in greater Dallas. Throughout the program, the Club's high school members were able to visit our Neiman Marcus NorthPark store and local distribution center to tour the operations, hear from associates in various roles, and learn what NMG typically looks for in candidate applications. Students particularly enjoyed hearing from Anthony Suggs, NMG's VP of Supply Chain Operations and a BGCA Alum, who spoke to the group about his role and path at NMG.



[WATCH NRF & BGCA PARTNERSHIP VIDEO](#)

## FASHION SCHOLARSHIP FUND

We also supported our first cohort of 10 Neiman Marcus Group x Fashion Scholarship Fund recipients on their career journeys in sustainable and ethical fashion. In addition to a \$10,000 scholarship, each collegiate scholar received mentorship from an NMG executive, exclusive access to store programming, industry events, and career support. Scholar Mia DeMeola, Fordham Gabelli School of Business graduate, secured an entry-level role at Bergdorf Goodman upon graduation.

In FY24, we expect to meet our 2025 goal to raise \$3,000,000 for our Foundation grantees through point-of-sale fundraising campaigns. As we do, we'll continue empowering our All Heart Ambassadors comprised of representatives across our corporate, stores, and supply chain organizations, to host volunteer activities, bringing our national partnerships to life at a local level. We also will invest in our second cohort of NMG x FSF scholars and begin promoting seasonal hiring opportunities to BGCA youth that are 18 years and older. We aspire to help several young people secure roles with NMG or its brand partners over the next year.

*“The experience and support that I received as an NMG x Fashion Scholarship Fund scholarship recipient have been instrumental in reinforcing my passion to revolutionize the fashion industry for a more sustainable future. I am honored to work for an organization that is determined to make a positive impact.”*

**MIA DEMEOLA**  
CLIENT ENGAGEMENT  
PROJECT COORDINATOR, BG





## TRANSFORMING THE POWER OF ONE

At NMG, we harness the power of working together through our “Power of One” people strategy, which combines our individual talents into a collective strength and remains grounded in the voice of our associates. We continue to see engagement driven by the four areas our associates say matter most: flexibility, career development, total rewards, an impact-oriented culture that enables them to contribute to the company’s progress on sustainability, Belonging, and philanthropy.

We continue to measure and benchmark associate sentiment on these drivers to inform our progress. In FY23, we changed from Employee Net Promoter Score (eNPS) to Employee Satisfaction (eSat) to measure and better understand overall associate engagement and loyalty. We established an overall baseline score of 73 out of 100 that we will measure against going forward. This commitment fueled the company’s ability to increase retention 4% and improve time to hire by 10% while operating in a volatile business environment.

In FY23, our investments in our Way of Working, NMG WOW, included the official opening of two state-of-the-art Corporate Hubs in New York and Dallas to support our remote-first hybrid teams with equitable collaboration opportunities that suit a variety of working styles. These Hubs serve as a “magnet, not a mandate” and provide opportunities to build connections among associates, brand partners, and the communities where we operate. The four pillars of NMG WOW are: I Work Smarter, I Am Present, I Integrate Life & Work, and I Empower... And Am Empowered. In FY24, we will dive deeper into these pillars and provide associates with the tools needed to further integrate these habits into their everyday lives, no matter their role or location.

And we are still listening. We conduct quarterly engagement surveys and thorough analysis to inform our decisions as we continue cultivating a culture of Belonging where each associate is accepted, valued, and empowered to achieve their personal best.





# 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. Our success relies on an effective governance framework, a diverse set of perspectives, and a tech-enabled workforce. Nearly three years into our ESG journey, we are proud of our quantitative year-over-year progress, as well as the qualitative examples of how we've leveraged brand advocacy to revolutionize impact beyond our direct operations. By releasing this report closer to fiscal year earnings, we hope to empower stakeholders to draw more meaningful connections between NMG's ESG and financial performance.

## IN THIS SECTION

- ESG Oversight
- Board Diversity
- Technology & Innovation
- Brand Advocacy
- Data Security & Consumer Privacy

## HIGHLIGHTS



SECURED LIMITED ASSURANCE FOR CALENDAR YEAR 2022 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

Our governance framework outlines the way NMG's ESG team engages the parent Board of Directors, the Group Leadership Team, a cross-functional ESG Steering Committee, and ESG action teams across the business. Engagement in all of these constituencies helps to ensure issues identified in NMG's first ESG materiality assessment are effectively integrated into associate responsibilities, pyramid budgets, enterprise risk management, and strategic planning processes, where appropriate.

It starts with our Board of Directors, which receives periodic ESG updates and has delegated ESG oversight to its Audit Committee. The Audit Committee reviews various ESG risks, opportunities, and disclosures on a quarterly basis and oversees the effectiveness of NMG's biannual Enterprise Risk Management process. While the Committee may advise when an ESG issue or investment requires the full Board's attention, it is well-equipped to handle its ESG responsibilities directly since 100% of its members have completed formal training in ESG oversight with Ceres and UC Berkeley School of Law.

The Board oversees NMG's CEO, who in turn manages our Group Leadership Team (GLT). Within the GLT, NMG's Chief People, ESG, & Belonging Officer is the highest-level executive responsible for ESG and works directly with peers to keep the CEO updated on ESG progress within each business pyramid. GLT members delegate implementation of their pyramid-specific goals to one or more Officers on their team selected to serve on NMG's ESG Steering Committee. The GLT approves the ESG Steering Committee's strategic recommendations on an as-needed basis.

Ultimately, the ESG Steering Committee is the key driver behind our strategy. This cross-functional group of Officers meets monthly and serves as the liaison between the GLT and ESG action teams in each pyramid. They lead their respective action teams to develop ESG goals, budgets, workplans, and progress reports that are specific to their part of the business and roll up into NMG's enterprise ESG strategy.

ESG action team leads are frequently asked to dual report into the centralized ESG team to ensure adequate alignment and support.

### Ultimately, the ESG team works to:

- Identify NMG's material ESG issues
- Improve performance through technical guidance and partnerships
- Disclose results through reporting that aligns with standardized external frameworks

*“Being a member of the ESG Steering Committee has been an honor, and it's inspiring to witness our cross-functional teamwork in action. In this pivotal moment for our industry, we are not just prioritizing, but amplifying our leadership position to drive progress in sustainable and ethical fashion, both internally and through our brand partners.”*

**ZACH MUNOZ**  
VICE PRESIDENT,  
MERCHANDISE PLANNING, NM



## ESG GOVERNANCE TEAM

### BOARD OF DIRECTORS' AUDIT COMMITTEE

Meets quarterly



### CROSS-FUNCTIONAL ESG STEERING COMMITTEE

Meets monthly

#### Members include officers (VP+) from:

Legal	Stores	People Services
Finance	Merchandising	Marketing
Technology	Supply Chain	Procurement



### 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.



# BOARD DIVERSITY

NMG's parent Board is composed of directors who are 71.4% independent, 14.3% Black, 14.3% LGBTQ+, and span multiple nationalities and religions.

Our Board's gender diversity is a particularly notable element of our governance framework. Women hold 57.1% of NMG's Board positions – nearly double the 28.9% of Board seats held by women at Russell 3000 companies as of March 2023, according to 50/50 Women On Boards. Women also chair all of the parent Board's committees – the Audit Committee and the Compensation and Talent Management Committee (CTMC) – making their leadership critical to the Board's success.

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

 COMPLETED ESG OVERSIGHT TRAINING FROM CERES

*“We hold NMG to the highest standards in every capacity, including our ESG strategy. As we begin to meet some of our initial goals, the diversity of our Board becomes even more crucial in optimizing independent decision-making and ultimately revolutionizing the company's impact.”*

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



# TECHNOLOGY & INNOVATION

Technology and innovation help us deliver and scale a personalized experience – for our associates and our customers. In FY23, this included digitizing performance management and talent reviews with Weekly10 and launching our tech-enabled Hubs.

At NMG, the same principles that drive our customer engagement also power our associate engagement strategies. This modern approach helps us tailor associates' workplace experience and career path to suit their unique needs. Our new partnership with Weekly10 is part of this effort. This technology platform makes it easy for associates and people managers to have frequent and meaningful performance conversations – building trust and allowing issues to be resolved quickly as they arise. Easy-to-read dashboards provide engagement, performance, and talent mapping insights at the team and enterprise levels so leaders can make decisions based on facts instead of intuition – creating a more efficient and effective workforce.

Our new Corporate Hubs empower our associates to work wherever, however, and whenever works best for them. Our new space in Dallas is outfitted with state-of-the-art technology that facilitates collaborative decision-making across the business.

In FY24, we'll continue leveraging data and technology like AllVoices – a digital ethics reporting and employee relations platform – to improve the associate experience.



*“The flexibility of the NMG WOW philosophy makes it possible to have talented team members located across the U.S. The modern technology and collaboration tools in our Hub Network enable my teams to work efficiently and still feel deeply connected through purposeful interactions.”*

**MARY FU**  
VICE PRESIDENT OF CORPORATE  
STRATEGY, NMG





# BRAND ADVOCACY

We continue to revolutionize impact beyond our direct operations by supporting public policies that align with our values and impact our key stakeholders – a practice we call brand advocacy.

While the majority of NMG's influence is exerted through trade associations like the Retail Industry Leaders Association (RILA) and the National Retail Federation (NRF), we do leverage our name more directly through select engagements with nonprofit organizations, like the Human Rights Campaign. For example, during the last fiscal year, we signed *The Human Rights Campaign's Count Us In* pledge to stand alongside other large U.S. corporations in reaffirming our institutional support for full LGBTQ+ inclusion and equity. Since our founding, we've operated with the belief that discrimination has no place in society, and as a result, we continue to stand up for the rights, safety, and well-being of our associates and customers in all spaces they occupy today.

Looking ahead, we plan to continue examining new nonprofit partnerships that can help us leverage our brand voice to advocate for meaningful social and environmental public policy.

## KEY PARTNERS



# DATA SECURITY & CONSUMER PRIVACY

We regularly and 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 Payment Card Industry Data Security Standard (PCI DSS), the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), and a set of Sarbanes-Oxley (SOX) IT General Controls (ITGC). Internally, a robust risk management process allows for routine testing of the cybersecurity program, including utilization of a tool to log all significant issues and monitor remediation progress. Additionally, the program covers several crucial areas such as ongoing security testing on in-house developed applications and systems, vulnerability scanning, penetration testing by third parties, termination reviews, and system access reviews for sensitive data.





# APPENDIX

## IN THIS SECTION

- SASB Index
- TCFD Index
- Bloomberg Gender Equality Index
- EY Limited Assurance



# SASB INDEX

The Sustainability Accounting Standards Board (SASB) Standards guide the disclosure of financially material sustainability information by companies to their investors. As of August 2022, the International Sustainability Standards Board (ISSB) of the IFRS Foundation assumed responsibility for the SASB Standards. The ISSB encourages preparers and investors to continue to provide full support for and to use the SASB Standards until IFRS Sustainability Disclosure Standards replace SASB Standards.

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 2023 unless otherwise noted and have been reviewed by NMG's internal auditing team.

Code	Disclosure Topic	Accounting Metric	FY23 Response	FY21	FY22	FY23
CG-MR-130a.1	Energy Management in Retail & Distribution	(1) Total energy consumed,		486,269 GJ	515,690 GJ	465,678 GJ
		(2) percentage grid electricity,		100%	84.0%	90.0%
		(3) percentage renewable		0.0%	19.9%	57.0%
CG-MR-230a.1	Data Security	Description of approach to identifying and addressing data security risks	NMG's Chief Information Security Officer (CISO) reports data security performance to the Board of Directors' Audit Committee on a regular basis. Risks are assessed through a mix of routine internal reviews; penetration testing by third parties; and independent external audits against industry standards like the Payment Card Industry Data Security Standard (PCI DSS), the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), and Sarbanes-Oxley (SOX) IT General Controls (ITGC). 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. NMG also offers annual training to permanent employees to help them identify and address data security risks.			
CG-MR-230a.2	Data Security	(1) Number of data breaches,		In September 2021, we became aware of one data breach that occurred in May 2020.	–	–
		(2) percentage involving personally identifiable information (PII),		This breach did involve personally identifiable information.	–	–
		(3) number of customers affected		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.	–	–



Code	Disclosure Topic	Accounting Metric	FY23 Response	FY21	FY22	FY23																																																
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><b>(1) Average hourly wage for Neiman Marcus in-store commissioned Associates:</b></p> <table border="1"> <tr> <td>Central:</td> <td>\$39.04</td> <td>\$43.14</td> <td>\$44.69</td> </tr> <tr> <td>East:</td> <td>\$37.84</td> <td>\$43.12</td> <td>\$44.25</td> </tr> <tr> <td>West:</td> <td>\$39.10</td> <td>\$47.38</td> <td>\$ 49.23</td> </tr> </table> <p><b>Average hourly wage for Neiman Marcus in-store non-commissionable Associates:</b></p> <table border="1"> <tr> <td>Central:</td> <td>\$21.39</td> <td>\$21.72</td> <td>\$21.51</td> </tr> <tr> <td>East:</td> <td>\$22.26</td> <td>\$22.05</td> <td>\$22.59</td> </tr> <tr> <td>West:</td> <td>\$23.32</td> <td>\$23.92</td> <td>\$24.25</td> </tr> <tr> <td>Average hourly wage for Bergdorf Goodman in-store commissioned Associates:</td> <td>\$49.02</td> <td>\$73.45</td> <td>\$73.82</td> </tr> <tr> <td>Average hourly wage for Bergdorf Goodman in-store non-commissionable Associates:</td> <td>\$22.19</td> <td>\$23.07</td> <td>\$23.66</td> </tr> </table> <p><b>(2) Percentage of non-exempt, in-store employees earning minimum wage, by region:</b></p> <table border="1"> <tr> <td>Central:</td> <td>23.7%</td> <td>18.5%</td> <td>24.7%</td> </tr> <tr> <td>East:</td> <td>19.7%</td> <td>24.1%</td> <td>27.6%</td> </tr> <tr> <td>West:</td> <td>15.5%</td> <td>18.9%</td> <td>26.5%</td> </tr> <tr> <td>Bergdorf Goodman:</td> <td>26.5%</td> <td>21.5%</td> <td>20.0%</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	\$44.69	East:	\$37.84	\$43.12	\$44.25	West:	\$39.10	\$47.38	\$ 49.23	Central:	\$21.39	\$21.72	\$21.51	East:	\$22.26	\$22.05	\$22.59	West:	\$23.32	\$23.92	\$24.25	Average hourly wage for Bergdorf Goodman in-store commissioned Associates:	\$49.02	\$73.45	\$73.82	Average hourly wage for Bergdorf Goodman in-store non-commissionable Associates:	\$22.19	\$23.07	\$23.66	Central:	23.7%	18.5%	24.7%	East:	19.7%	24.1%	27.6%	West:	15.5%	18.9%	26.5%	Bergdorf Goodman:	26.5%	21.5%	20.0%			
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Code	Disclosure Topic	Accounting Metric	FY23 Response	FY21	FY22	FY23
CG-MR-310a.2	Labor Practices	(1) Voluntary and	Voluntary turnover rate for in-store Associates	16.9%	31.3%	23.3%
		(2) involuntary turnover rate for in-store employees	Involuntary turnover rate for in-store Associates	29.8%	3.9%	9.1%
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:			
			<b>Total Workforce Diversity</b>			
			Female	68.0%	67.6%	67.2%
			Male	32.0%	32.4%	32.8%
			White	47.0%	43.0%	42.0%
			Black or African American	17.0%	18.5%	17.2%
			Hispanic or Latino	23.0%	22.9%	24.4%
			Asian	10.0%	10.2%	9.9%
			Native Hawaiian or other Pacific Islander	0.0%	0.3%	0.4%
			American Indian or Alaska Native	1.0%	2.7%	3.2%
			Two or more races	2.0%	2.6%	2.9%
Not provided	0.0%	0.2%	0.0%			
			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.			



Code	Disclosure Topic	Accounting Metric	FY23 Response	FY21	FY22	FY23
			We are currently working to improve racial/ethnic diversity among management:			
			<b>Officers (VP+)</b>			
			Female	59.0%	58.6%	61.2%
			Male	41.0%	41.4%	38.8%
			White	82.0%	80.2%	78.6%
			Black or African American	2.0%	1.7%	2.9%
			Hispanic or Latino	3.0%	2.6%	1.9%
			Asian	13.0%	13.8%	14.7%
			American Indian or Alaska Native	0.0%	1.7%	1.9%
			<b>Director</b>			
			Female	54.0%	54.7%	55.2%
			Male	46.0%	45.3%	44.8%
			White	77.0%	79.1%	77.6%
			Black or African American	3.0%	3.1%	4.3%
			Hispanic or Latino	6.0%	5.3%	5.7%
			Asian	12.0%	10.8%	9.5%
			American Indian or Alaska Native	1.0%	0.9%	1.9%
			Two or more races	1.0%	0.9%	1.0%
			<b>Manager</b>			
			Female	61.0%	62.1%	61.8%
			Male	39.0%	37.9%	38.2%
			White	67.0%	64.6%	59.3%
			Black or African American	9.0%	8.9%	11.0%
			Hispanic or Latino	14.0%	14.2%	14.9%
			Asian	8.0%	8.8%	9.1%
			Native Hawaiian or other Pacific Islander	0.0%	0.5%	0.4%
			American Indian or Alaska Native	1.0%	1.7%	3.0%
			Two or more races	1.0%	1.7%	2.3%
			Not provided	0.0%	0.1%	0.0%

Code	Disclosure Topic	Accounting Metric	FY23 Response	FY21	FY22	FY23
			<b>Individual Contributors</b>			
			Female	70.0%	68.7%	68.1%
			Male	30.0%	31.3%	31.9%
			White	44.0%	39.4%	38.9%
			Black or African American	18.0%	20.1%	18.3%
			Hispanic or Latino	24.0%	24.5%	26.2%
			Asian	10.0%	10.3%	9.9%
			Native Hawaiian or other Pacific Islander	0.0%	0.3%	0.4%
			American Indian or Alaska Native	1.0%	2.8%	3.2%
			Two or more races	2.0%	2.7%	3.1%
			Not provided	0.0%	0.2%	0.0%
CG-MR-410a.1	Product Sourcing, Packaging & Marketing	Revenue from products third-party certified to environmental and/or social sustainability standards	Sales from sustainable and ethical products across Neiman Marcus, Bergdorf Goodman, and Last Call banners. For more details, see <a href="#">Sustainable &amp; Ethical Products</a> .	Not tracked	5.1%	7.4%
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 Terms & Conditions shift control, management, and liability for risks and hazards associated with chemicals in products to the supplier producing the goods.  Within our private label, NMG's Responsible Sourcing program assesses and manages these risks directly by monitoring compliance with our Supplier Code of Conduct, which specifies that 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).  NMG also incentivizes the adoption of product-level certifications, such as OEKO TEX and Bluesign, that include chemical testing and improvement by highlighting them for customers in Neiman Marcus and Bergdorf Goodman's Fashioned For Change and Conscious Curation edits.			



Code	Disclosure Topic	Accounting Metric	FY23 Response	FY21	FY22	FY23
CG-MR-410a.3	Product Sourcing, Packaging & Marketing	Discussion of strategies to reduce the environmental impact of packaging	<p>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:</p> <ul style="list-style-type: none"> <li>• Reduce and right-size corrugated packaging and dunnage</li> <li>• Ensure packaging is made from recycled and/or FSC-certified materials</li> <li>• Engage customers in reusing or recycling corrugated packaging with Give Back Box</li> <li>• Audit packaging ecosystem to identify and eliminate single-use plastic (including polybags)</li> </ul>			
CG-MR-000.Aa	Activity Metrics	Number of retail locations		44	43	43
CG-MR-000.Ab	Activity Metrics	Number of distribution centers		6	5	4
CG-MR-000.Ba	Activity Metrics	Total area of retail space (square meters, m <sup>2</sup> )		519,048	509,480	509,480
CG-MR-000.Bb	Activity Metrics	Total area of distribution centers (square meters, m <sup>2</sup> )		201,673	218,787	178,240

# 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	FY23 Response
<b>GOVERNANCE</b>	
Describe the board's oversight of climate-related risks and opportunities.	<p>The Board's Audit Committee oversees climate-related risks and opportunities as part of its oversight of ESG, generally, during each of its quarterly meetings, as well as through its oversight of the company's Enterprise Risk Management process.</p> <p><a href="#">Governance</a>  <a href="#">Board Audit Committee Charter</a></p>
Describe management's role in assessing and managing climate-related risks and opportunities.	<p><a href="#">ESG YoY Performance</a>  <a href="#">Environment</a></p>
<b>STRATEGY</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long-term.	<p><a href="#">ESG YoY Performance</a>  <a href="#">Environment</a></p>
Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.	<p><a href="#">Environment</a></p> <p>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 &amp; logistics.</p>



Metrics	FY23 Response
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Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2C 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.

[ESG YoY Performance](#)  
[Environment](#)  
[Governance](#)

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

[ESG YoY Performance](#)  
[Environment](#)

# BLOOMBERG GENDER EQUALITY INDEX

Bloomberg Gender Equality Index framework is the leading benchmark for public companies advancing workplace equity for women. While private companies completing the framework aren't scored for index inclusion, NMG began benchmarking in 2022 and revealed several areas where the company outpaces its public company peers.

Category	KPI	FY23
Leadership	Number of women on board	57.1%
Leadership	Woman board chair	No
Leadership	Number of committees chaired by women	100%
Leadership	Woman CEO	No
Leadership	Woman CFO	Yes
Leadership	Number of women executive officers	72.7%
Leadership	Chief diversity officer	Yes
Talent Pipeline	Number of women in total management	61%
Talent Pipeline	Number of women in senior management	61%
Talent Pipeline	Number of women in middle management	62%
Talent Pipeline	Number of women in non-managerial roles	68%
Talent Pipeline	Number of women in total workforce	67%
Talent Pipeline	Number of women promotions	69%
Talent Pipeline	Number of women IT/engineering	41%

Category	KPI	FY23
Talent Pipeline	Number of women new hires	62%
Talent Pipeline	Number of women attrition	64%
Pay	Executive compensation linked to DEI	No
Inclusive Culture	Number of weeks of fully paid primary parental leave offered	16 Weeks
Inclusive Culture	Number of weeks of fully paid secondary parental leave offered	16 Weeks
Inclusive Culture	Parental leave retention rate	82%
Inclusive Culture	Back-up family care services or subsidies through the company	No
Inclusive Culture	Flexible working policy	Yes
Inclusive Culture	Employee resource groups for women	Yes
Inclusive Culture	Unconscious bias training	No
Inclusive Culture	Annual anti-sexual harassment training	Yes

Certain data has been rounded to the nearest whole percentage on this page for consistency of presentation.





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## Independent Accountants' Review Report

To the Management of NMG Holding Company, Inc.

We have reviewed NMG Holding Company, Inc.'s ("Neiman Marcus Group") accompanying Schedule of Greenhouse Gas Emissions (the "Subject Matter") included in Appendix A for the year ended December 31, 2022 in accordance with the criteria also set forth in Appendix A (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.

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.

The information included in Neiman Marcus Group's 2023 CDP response and 2023 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.

Based on our review, we are not aware of any material modifications that should be made to the Schedule of Greenhouse Gas Emissions for the year ended December 31, 2022 in order for it to be in accordance with the Criteria.

*Ernst + Young LLP*

July 26, 2023



## Appendix A - Neiman Marcus Group's Schedule of Greenhouse Gas Emissions

Schedule of Greenhouse Gas (GHG) emissions  
for the Year Ended December 31, 2022

Metric	Reported Value	Unit of Measure	Criteria	Reporting Boundary
Scope 1 Greenhouse Gas (GHG) Emissions	3,493	Metric tonnes of carbon dioxide equivalent ("MT CO <sub>2</sub> 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) and the GHG Protocol and WRI WBCSD GHG Protocol Scope 2	Neiman Marcus Group selected an organizational reporting boundary based on the company's operational control. All direct and indirect emissions from owned and leased stores, offices, distribution centers, service centers, data centers, and storage facilities, are included in the Scope 1 and 2 GHG emissions reported, as well as emissions from owned and leased fleet vehicles.
Scope 2 GHG Emissions, location-based method (LBM)	45,817	MT CO <sub>2</sub> e	Guidance: An Amendment to the GHG Protocol Corporate Standard WRI/WBCSD GHG Protocol	
Scope 2 GHG Emissions, market-based method (MBM) <sup>1</sup>	41,130	MT CO <sub>2</sub> e		

### Note 1: Basis of Presentation:

Scope 1 emissions include natural gas, refrigerants, and motor gasoline. Scope 2 emissions include purchased electricity, chilled water, and purchased steam. The following GHGs are included as part of the Company's scope 1 and 2 inventory: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, and HFCs used in refrigerants. The Company does not present all of these gases separately, and instead converts all emissions to CO<sub>2</sub>e for reporting. 2,390 MT CO<sub>2</sub>e or 68% of Scope 1 emissions are attributable to CO<sub>2</sub>, 307 MTCO<sub>2</sub>e or 9% are attributable to HFCs used in refrigerants, and 792 MTCO<sub>2</sub>e or 23% are attributable to R22 used in refrigerants. The remaining GHGs make up less than 1% of Scope 1 emissions. The vast majority of Scope 2 LBM and MBM emissions are attributable to CO<sub>2</sub>. Emissions are calculated based on actual utility and purchase data where available. Where actual data cannot be obtained, data is estimated using historical data or extrapolated using spend and/or square footage data.

<sup>1</sup>Scope 2 market-based method emissions utilize various environmental attributes from RECs purchased through an energy service provider. The accounting for these contractual instruments is in alignment with the GHG Protocol Scope 2 Guidance Quality Criteria.

**Note on Sources of emissions factors and global warming potentials:**

Metric	Sources of Emissions Factors	Global warming potentials
Scope 1 GHG Emissions	2023 EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories 2008 EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories California Air Resources Board	2014 IPCC Fifth Assessment Report
Scope 2 GHG Emissions, LBM	2020 eGRID emission factors (published in January 2022) 2022 International Energy Agency (IEA) Emission Factors (2020 Data Year) 2023 EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories	
Scope 2 GHG Emissions, MBM	2020 Green-e residual mix emission factors (published in January 2022) <sup>2</sup> 2022 International Energy Agency (IEA) Emission Factors (2020 Data Year) 2023 EPA Center for Corporate Climate Leadership Emission Factors for Greenhouse Gas Inventories	

**Note 2 on Non-financial reporting:**

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.

<sup>2</sup> The emission factors applied to electricity consumption in the U.S. is the Green-e residual mix emission factors, which is an adjusted green-average emission factors that accounts for all unique Green-e Energy certified sales. A complete adjusted emission factor (i.e., residual mix that counts for all voluntary renewable energy climate is not available for the U.S. at this time).

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.