

2020 CORPORATE SOCIAL RESPONSIBILITY REPORT

SHARING OUR PROGRESS



NORDSTROM

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01

WHO WE ARE

Since 1901, when we first opened our doors, we've maintained a relentless focus and dedication to providing our customers the best possible service through a unique combination of convenience and connection. From our start as a small shoe store, Nordstrom has grown into a leading fashion retailer with global reach and impact that is dedicated to leaving the world better than we found it.



NORDSTROM AT A GLANCE



\$10.36
BILLION
2020
NET SALES



358
STORES
IN THE U.S.
AND CANADA

JWN

NYSE



58,000
FULL- AND PART-TIME
EMPLOYEES



11
DISTRIBUTION AND
FULFILLMENT
CENTERS



John W. Nordstrom at the original Wallin & Nordstrom store in Seattle. The Manhattan flagship store; a Nordstrom Local in Manhattan Beach, CA.

This Sharing Our Progress report represents our CSR work from February 2, 2020, to January 30, 2021, with the exception of our water, waste and restaurant data, which was reported for the 2020 calendar year. Relevant data, including reporting against all goals, has been verified by our Internal Audit team.

Visit [NordstromCares.com](https://www.nordstromcares.com) to learn more about our efforts in Social Responsibility and Diversity, Inclusion.

Read or download our 2020 10-K report [here](#).

Read or download our 2019 Sharing Our Progress report [here](#).

LETTER FROM OUR LEADERS

FROM ERIK AND PETE NORDSTROM

There's no question 2020 was an extraordinary year. What became clear more than ever last year is that our company can only be successful by making a positive difference for all our stakeholders. We're a company of people serving people. It's imperative for us to be connected to the values of our employees and customers in order to be a trusted brand where they want to work and shop. We've spent a lot of time this year reflecting as we confronted issues of race, inequality and division in the world around us.

While the past year was disruptive in many ways, it was also an opportunity for us to step back, ask ourselves tough questions and create change. We want to be deliberate as we think about the kind of company we want to be for our customers, employees and communities. We believe our purpose comes not just from what we do, but how we do it. We have commitments to inclusivity, equity, humanity and transparency. These aren't just words to us, they're beliefs and standards we hold ourselves to each day.

Knowing our impact extends well beyond the walls of our stores and online operations, we must continue to prioritize our corporate social responsibility efforts. In 2020, we updated our strategy and established a new set of five-year goals. These 2025 goals guide us as we work to address areas where we can have the most impact. Most notably we:

- Expanded our Sustainable Style category, launched a new beauty take-back and recycling program and donated more than \$425,000 to promote textile recycling and fight climate change.
- Revitalized our philanthropic giving and saw an outpouring of support from our customers and employees. Together we donated more than \$11 million to our communities.
- Enhanced support of women's empowerment programs in our supply chain and increased transparency around where and how our products were made.
- Reaffirmed our commitment to diversity, inclusion and belonging and established goals to help make us a better, more anti-racist company.

“ We're continually pushing ourselves to be a better company. Progress isn't possible without partnership, so we're collaborating with other retailers and brands in addition to relying on the support and contributions of our own people. Our hope is that we can work toward a promising future together, to leave the world better than we found it.




PETE NORDSTROM




ERIK NORDSTROM

OUR CORPORATE RESPONSIBILITY STRATEGY

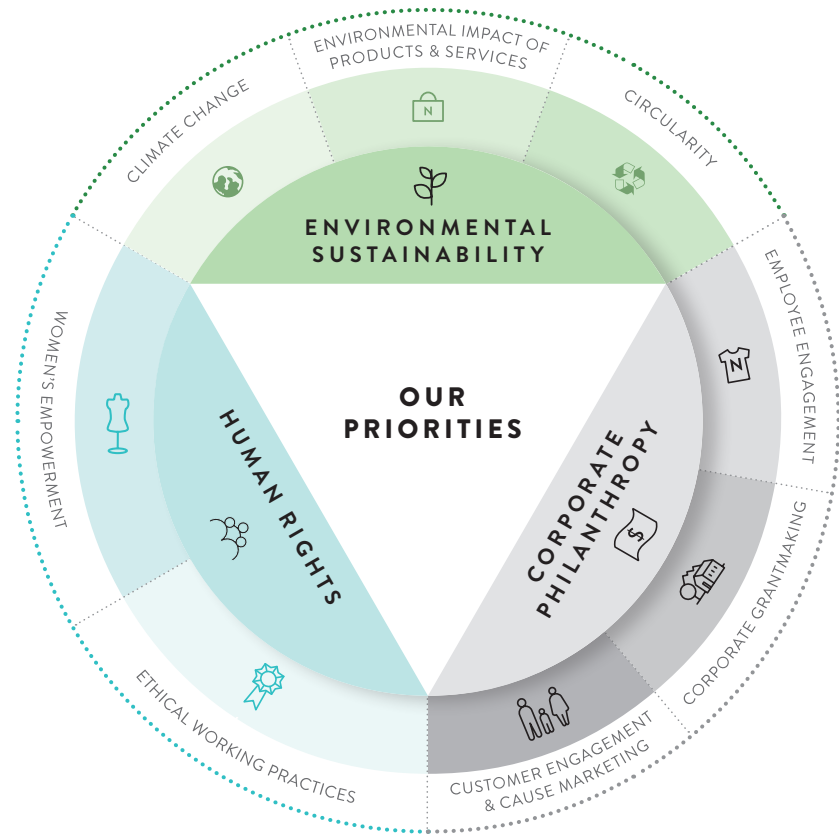
LEAVING IT BETTER THAN WE FOUND IT

Our ambition is to make meaningful, positive contributions in the communities where we operate and produce goods, take responsibility for the impacts of our business, and pursue innovation that raises the bar for social and environmental issues in fashion and retail.

The idea that we have a role to play in building and shaping a positive, inclusive and sustainable future is not new to us, but it has become more important than ever. We have three pillars that are the cornerstones of our work:

- **Environmental Sustainability:** Improving the sustainability of our operations and product value chains
- **Corporate Philanthropy:** Supporting organizations that help families thrive by providing basic necessities in the communities we serve and organizations that make our communities stronger
- **Human Rights:** Driving systemic change to ensure ethical labor practices and women’s empowerment

Within these priorities, we’ve identified impact areas and ambitious five-year goals that are integrated into the work of teams across our business.



2020 RESULTS

This 2020 Sharing Our Progress report includes progress made in the first year of our 2025 goals (see data on page 41). Please note, we revised or added to the language in three of our goals to better align with the goal intent and the latest industry trends and innovations.

These goals are:

- Use sustainably sourced materials for 50% of our key raw materials—primarily cotton, polyester and cellulose
- Help customers extend the life of 250 tons of clothing through donation, resale and refurbishment
- Increase customer awareness of our charitable investments over time



2020 HIGHLIGHTS



DONATED NEARLY

43,000

PAIRS OF SHOES THROUGH SHOES THAT FIT



#80

 ON BARRON'S 100 MOST SUSTAINABLE COMPANIES LIST

LAUNCHED **BEAUTYCYCLE** WITH GOAL TO RECYCLE **100 TONS** OF BEAUTY WASTE BY 2025

COMMITTED TO

\$500 MILLION

IN SALES FROM **BLACK AND LATINX BRANDS BY 2025**



NPG BRANDS **REDUCED SINGLE-USE PLASTICS** BY **13 MILLION UNITS**



DONATED

\$600,000

TO SUPPORT **HOMELESS YOUTH** THROUGH SALES OF TREASURE & BOND PRODUCTS

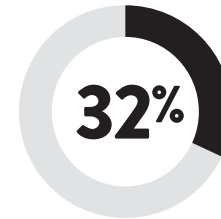
DONATED

\$3.5 MILLION

TO **3,615 CAUSES** THROUGH OUR **EMPLOYEE MATCHING GIFT PROGRAM**



BROUGHT TOGETHER DIVERSE LEADERS ACROSS THE COMPANY & BOARD OF DIRECTORS TO FORM OUR **DIVERSITY, INCLUSION & BELONGING ACTION COUNCIL**



OF NORDSTROM MADE PRODUCTS MANUFACTURED IN FACTORIES THAT **INVEST IN WOMEN'S EMPOWERMENT**, REACHING **40,000 WORKERS**



FORMED NEW PARTNERSHIPS WITH THE **NATIONAL URBAN LEAGUE** AND THE **HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY**



EXPANDED OUR **EMPLOYEE RESOURCE GROUPS** TO REPRESENT BLACK, LATINX, ASIAN PACIFIC-ISLANDER, LGBTQIA+, WOMEN, DISABLED AND MILITARY COMMUNITIES

ENVIRONMENTAL SUSTAINABILITY

Through our goals, partnerships and new initiatives, we're working hard to have a positive impact on environmental sustainability—with more ambition than ever before. Addressing climate change, reducing the impact of our products and services, and accelerating circularity are our key sustainability priorities.



CLIMATE CHANGE

Decrease greenhouse gas emissions in our operations and supply chain

Global climate change is a long-term crisis that affects us all, and we've set our 2025 goals to reduce our contribution to this emergency while also supporting systemic changes.

GREENHOUSE GAS EMISSIONS

Since 2015, we've publicly reported our energy use and Scope 1 and 2 emissions to [CDP Climate Change](#). As reported in our 2020 disclosure, within our owned and operated facilities our 2019 Scope 1 emissions were 46,521 metric tons CO₂e, and our 2019 Scope 2 emissions were 186,379 metric tons CO₂e. (Scope 1 emissions are direct emissions from sources we own or control. Scope 2 and 3 emissions are indirect emissions controlled by others or the products we design and manufacture.)

One of our 2025 goals is to establish a science-based target to help us reduce Scope 1, 2 and 3 emissions. To support this goal, we're partnering with [POINT380](#) to develop a comprehensive emissions inventory and roadmap for target achievement. This analysis is looking at greenhouse gas emissions from our upstream supply chain, business operations and downstream through transport and distribution, product usage and disposal.

Once we establish our Scope 3 targets, we plan to implement a supplier engagement program with tools and training to enable our suppliers to complete their own emissions inventories and ultimately set their own science-based targets. In the meantime, we're working to reduce emissions through efficient transportation—using intermodal transportation, energy-efficient tractors and compressed natural gas trucks.

ENERGY USE & RENEWABLE ENERGY

We've reduced the amount of energy we use per square foot in our facilities by doing things like installing more efficient LED lighting and using remote monitoring to further improve the efficiency of our lighting and HVAC systems and ensure they're only operating when needed. All of these things lower our energy usage per square foot. From 2015 to 2020, we reduced our energy use per square foot by 20.3%. We're also purchasing renewable energy. With over 85% of our energy coming from renewables from our deregulated energy contracts, 23% of the energy we use in our operations is renewable energy.

2025 GOALS



Establish a science-based target to reduce Scope 1, 2 and 3 emissions.



Contribute \$250,000 in corporate grants to help slow and prevent climate change.



Floor-to-ceiling windows in our NYC Women's store.

CORPORATE GRANTMAKING

While our own actions are important, we also need to work with partners who share our desire to innovate and drive change in the industry. As a result, we're focusing our corporate grantmaking efforts with more intention than ever before—to make thoughtful investments in sustainability and human rights.

One of our 2025 grantmaking goals is to contribute \$250,000 to help slow and prevent climate change. In 2020, we provided a \$200,000 grant to [Clean Air Task Force](#), a nonprofit that advocates for clean air measures and innovation in neglected low-carbon technologies.

“One of the highest-emitting sectors is the global marine shipping industry,” said Jonathan Lewis, Director of Transportation Decarbonization Programs at Clean Air Task Force.

“With Nordstrom’s support, we’re working with leading companies, researchers and other environmental advocates to establish the world’s first emissions-free transoceanic shipping routes, served by cargo ships that run on clean zero-carbon fuels.”

By demonstrating that these ships can carry goods around the world cleanly, safely and efficiently, we’re charting a course toward a fully decarbonized shipping sector. “Nordstrom’s support sends an important signal that sustainably minded businesses will be key partners in the transition to an emissions-free shipping industry,” said Lewis.



ENVIRONMENTAL IMPACT OF PRODUCTS & SERVICES

Decrease our impact by making better choices in procurement, manufacturing, packaging and design

By making better choices in every area of our business—what we buy, how we make products and how we operate—we can decrease the environmental impact of our products and services. Our goals for 2025 track progress toward more sustainable products and raw materials, and less single-use plastic.

MORE SUSTAINABLE PRODUCTS

We're committed to increasing the number of sustainably sourced and made products in our assortment to ensure that our offering meets our customers' expectations—and reduces the impact on the environment.

We first introduced [Sustainable Style](#) in 2019 as a shoppable category to help customers find products that are:

- Responsibly manufactured or packaged
- Made with sustainably sourced materials or ingredients
- Part of a give-back program

Since launch, customers have nearly doubled the number of searches for Sustainable Style on Nordstrom.com. And in 2020, we expanded our assortment to include beauty products—including Kiehl's, True Botanicals and MAC Cosmetics.

Today, we carry thousands of sustainable products across apparel, home and beauty from brands like Levi's®, Patagonia, Madewell, Everlane, Eileen Fisher and Girlfriend Collective as well as Nordstrom Made brands like Treasure & Bond, Zella and Halogen®. New sustainable items continue to be added, including our [Package Free Shop](#), Cool Planet by Steve Madden and a new line of baby clothes made from organic cotton called Nordstrom Grow with Me.

2025 GOALS



Reduce single-use plastic in our value chain by 50%.



Ensure 15% of our product assortment qualifies for Sustainable Style.



Use sustainably sourced raw materials for 50% of our key raw materials—primarily cotton, polyester and cellulose.



To make it easy for customers to find Sustainable Style products, later in 2021 we'll introduce icons on Nordstrom.com, comprehensive keyword searches, enhanced category filters and additional detail on our product pages. We also continue to add more sustainable brands to our Nordstrom Rack assortment.

In 2020, 1.8% of our total assortment was made up of more sustainable products that qualify for Sustainable Style—and our goal is 15% by 2025. To us, “more sustainable” means:

- Using sustainably sourced materials
- Making products in more socially and environmentally responsible factories
- Giving back to causes with every purchase
- Choosing minimal and recyclable packaging
- Using sustainably sourced ingredients

To help us meet our 15% goal, we're equipping our buyers with the tools they need to seek out more sustainable products—including training them on qualifying product criteria. We also continue to work closely with our brand partners to ensure products with sustainability attributes are included in our assortment offering. It was during one such connection that a new Sustainable Style category was identified—accessories—featuring handcrafted bags and fine jewelry made from recycled metals and lab-grown diamonds. We hope to launch this new category later in 2021.

RAW MATERIALS

We're increasing our use of responsibly farmed, recycled and manufactured materials in the design and production of our Nordstrom Made goods. Choosing more sustainable fabrics and materials helps minimize one of the most significant environmental impacts of a product.

In 2020, 4% of our Nordstrom Made products used sustainably sourced raw materials—primarily cotton, polyester and cellulosic fibers, including cashmere. By 2021, we expect to increase to 13% and by 2025, our goal is 50%.

We're working on sourcing more organic and GOTS certified cotton, recycled polyester (often made from used plastic water bottles) and fabrics like Tencel® and modal that are made from renewable raw material wood and manufactured in a responsible process.

Many of our brand partners are also using sustainably sourced materials like ECONYL®, recycled cashmere and Responsible Down Standard certified down.

SINGLE-USE PLASTIC

Our customers and employees have told us that plastic waste and plastic pollution are top environmental concerns, and we're aiming to make big changes to reduce single-use plastic across our business. However, the pandemic created a global surge in demand for plastic—for face shields, gloves, take-out food containers, bubble wrap for online shopping and more.

This affected Nordstrom, too: in 2020, we used 1,866 US tons of plastics from our operations, not including the operations of our private label Nordstrom Made brands, which was an increase from 2019. Despite these challenges, we're making a concerted effort to experiment with substitutes to polybags and mailers across our supply chain—and seeking to eliminate plastic shopping bags altogether. By 2025, our goal is to reduce our single-use plastic by 50%.

With half of our current plastic usage coming from the plastic shopping bags we offer to customers at Nordstrom Rack stores, we will introduce paper shopping bags in Rack stores later in 2021. This move will help us eliminate more than 450 tons of hard-to-recycle plastic annually.



REDUCING OUR ENVIRONMENTAL IMPACT ACROSS THE BUSINESS

We have teams working across our business to reduce the environmental impact of our products and services. Here are just a few examples:

- **Supply Chain & Transportation:** Reducing excess packaging materials; using a circular hanger solution to transport clothes; operating energy-efficient trucks.
- **Nordstrom Made Supply Chain:** Continually measuring and improving the environmental and social sustainability of the factories making our Nordstrom Made goods. In 2020, 64% of our product volume was made in factories using the Higg Index Facility Environmental Module and we expect 100% in 2021.
- **Chemicals:** Regularly testing products for banned or restricted substances; using low- and nontoxic cleaning products in our stores.
- **Food & Coffee:** Offering sustainably produced foods and beverages in our restaurants and coffee bars—including local and organic ingredients, as well as wild-caught salmon, 100% cage-free eggs and 100% ethically sourced coffee.
- **Waste Reduction:** Composting food waste; using more sustainable packaging and compostable to-go boxes, cups and straws.
- **Animal Welfare & Fur:** Offering cruelty-free beauty and skin care products; eliminating merchandise made with animal fur or exotic animal skins by the end of 2021.
- **Paper:** Continuing to reduce our paper usage, choose recycled paper content and encourage our customers to recycle.
- **Water:** Reducing water usage in our stores, offices and distribution facilities; conserving water with landscaping, regulated flow toilets and waterless urinals in our newer facilities and stores. In 2020, we used 240,381 kilogallons of water in our owned and operated facilities—a 30% reduction from 2019 (342,756 kilogallons).



CIRCULARITY

Decrease end-of-life waste through recycling, innovation and new business models

We believe that creating circularity for products, packaging and other materials is critical to a sustainable world, and we're committed to supporting progress in this area—both inside and outside of our business. We've set several 2025 goals to improve circularity in fashion.

EXTENDING THE LIFE OF CLOTHES

About 80 pounds of clothing per person is thrown away every year in the United States, according to the Environmental Protection Agency. Research from the Ellen MacArthur Foundation shows that one truckload of clothing ends up at a landfill every second.

Extending the life of clothes is an area that our customers care about. We want to help them use their clothes longer—whether through tailoring that keeps them in style and fitting well or offering advice on garment and shoe care—or encourage resale, recycling and donation when they're no longer using an item. By 2025, our goal is to help customers extend the life of 250 tons of clothing through donation, resale and refurbishment.

In January 2020 we entered the resale market with [See You Tomorrow](#), a recommerce experience featuring an online marketplace and an in-store resale shop in our Nordstrom NYC flagship store. Customers sold their gently used items and purchased a curated assortment of pre-loved apparel and accessories from highly coveted brands. While the pilot was cut short because of the pandemic, customers engaged immediately, selling more than 1,500 items in six weeks (with an average price per item of \$100). We're excited to keep exploring resale ideas.

We continued to offer a service called Nordstrom to You, with three-hour closet consultations for customers (in-person or virtual). Our personal stylists and fitters review the customer's wardrobe, helping them determine which pieces to keep, hold or toss—often helping them rediscover items that can then be tailored to improve the fit or made more current.

Since we launched our [clothing donation program](#) in 2017, customers have donated more than 44 tons of clothing, shoes and accessories by mail and in selected stores—including just over 14 tons in 2020. While that number is lower than we would like, it's higher than expected given the pandemic-related store and donation facility closures of 2020.

2025 GOALS



Help customers extend the life of 250 tons of clothing through donation, resale and refurbishment.



Take back 100 tons of beauty packaging to ensure it is recycled.



Establish an internal working group to support the development of circular Nordstrom Made products.



Contribute \$1 million in corporate grants to support industry innovation for textile recycling.

“ We wanted to provide a unique and elevated resale shopping experience that encouraged a sense of discovery and provided access to the brands our customers know and love, while giving them a convenient opportunity to participate in the circular fashion economy. We want our customers to feel good not only about what they’re buying, but how they’re buying it.

OLIVIA KIM

Vice President of Creative Projects & Home

CIRCULAR PRODUCT DEVELOPMENT

Extending the life of clothes is only a small part of the solution when it comes to the environmental impact of fashion. Last year, we joined the [Make Fashion Circular](#) initiative, led by the Ellen MacArthur Foundation, to collaborate with others in the fashion industry.

Another way we’re taking a leadership role is by establishing an internal working group to support the development of circular Nordstrom Made products—one of our 2025 goals. The working group—which includes leaders from reverse supply chain, merchandising, store operations, business strategy and CSR—is exploring how to operationalize the design and manufacture of circular Nordstrom Made products.

RECYCLING & COMPOSTING

Supporting recycling is part of our contribution to the circular economy—whether it’s shoe boxes, beauty packaging, coffee grounds or office paper.

By participating in municipally supported recycling programs, we hope to keep usable materials out of landfills through recycling. Where available, our restaurants and Ebars also participate in municipal composting programs.

In 2020, we recycled 54.85% of our waste, or 18,887 tons. We composted 11% of our waste, or 3,762 tons. By including recycled content in our paper and plastic materials and packaging, we aim to support the recycling industry, which has been challenged in recent years.



In 2020, Nordstrom launched See You Tomorrow, a temporary recommerce experience that offered customers both an online resale site and an in-store shopping experience in the Nordstrom NYC flagship store.



Nordstrom started its clothing donation program in 2017 and customers have donated more than 44 tons of clothing, shoes and accessories by mail and in select stores.

BEAUTYCYCLE

The global cosmetics industry produces more than 120 billion units of plastic packaging each year, according to TerraCycle, a world leader in collecting and repurposing hard-to-recycle waste. And only 9% of all plastic waste ever produced has been recycled, according to the UN.

In October 2020, we teamed up with TerraCycle to launch a new program called BEAUTYCYCLE. It's our first beauty take-back and recycling program, which accepts all brands of beauty packaging waste—materials that can't typically be placed in curbside recycling bins.

Customers can bring their empty beauty products to all 94 U.S. Nordstrom stores, six Nordstrom stores in Canada, and seven U.S. Nordstrom Locals. Despite the reduction in foot traffic in our stores during the pandemic, we collected more than 1,700 units (or .16 tons) in the first three months of the launch.

"We're hopeful that by making it easier for customers to recycle their beauty products, more plastic and packaging from the industry will be recycled," said Gemma Lionello, executive vice president and general merchandise manager for accessories and beauty at Nordstrom.

Through the BEAUTYCYCLE program, we aim to take back 100 tons of hard-to-recycle beauty packaging by 2025 to ensure it is recycled.

"It's incredible what can be made from our recycled beauty products," added Lionello. "One example that I find interesting is that recycled plastics, like those from a shampoo bottle, are often used to make park benches and picnic tables."

PHILANTHROPIC SUPPORT

Recycling clothing and other textiles is a growing sector, made up of innovative companies and organizations supporting all steps in the process—from collection to sorting, to chemically and mechanically recycling the materials.

We want to see these important efforts grow and scale, whether through public-private partnerships or industry collaboration. By 2025, we aim to contribute \$1 million in corporate grants to support industry innovation for textile recycling.



In 2020, Nordstrom launched BEAUTYCYCLE, the first beauty take-back and recycling program accepting all brands of beauty packaging at a major retailer.

In 2020, we provided two grants to organizations at the intersection of racial and environmental justice:

- \$125,000 to [FABSCRAP](#), a New York City-based textile reuse and recycling resource
- \$100,000 to [Homeboy Industries](#), a Los Angeles-based social enterprise and the world's largest gang rehabilitation and re-entry program



“The support from Nordstrom allows us to improve the way we share textile waste diversion data with every partner and with the public, helps us scale to meet demand as we open another location (Philadelphia), and introduces FABSCRAP’s work and mission to all their online consumers,” said Jessica Schreiber, chief executive officer at FABSCRAP.

“Partnerships like this are significant in illustrating the industry’s buy-in for sustainability, and the investment needed to make it happen,” she added. “We still aren’t able to scale fast enough to meet the demand for service and the demand for fabric—so this is a call to action that we hope more companies will match, support or follow.”

The grant to Homeboy Industries will help it expand from electronics recycling to textiles recycling—and create more jobs for people facing barriers to employment. Funds will go toward the purchase of equipment and training of staff in collecting, sorting, grading, reselling and recycling clothing. “We hope to use the data from these initial efforts to identify the gaps in the market that we are best positioned to fill,” said Chris Zwicke, chief operating officer at Homeboy Industries.

“Recycling is an increasingly challenging business for most material streams,” he added. “Instead of just shipping things offshore to be recycled with minimal transparency and oversight, we are building a local solution that creates quality jobs in our community.”

Our Environmental Recognition and Affiliations



Nordstrom ranked #80 on Barron’s list of [100 most sustainable companies](#), following an analysis by Calvert Research and Management of the 1,000 largest U.S. publicly held companies.



For the fifth year in a row, in 2020 we received a positive B rating on our [CDP Climate Change disclosure](#).



Nordstrom is a founding member of the [Sustainable Apparel Coalition](#), and we are making improvements in our Nordstrom Made supply chain and across our business by using the Higg Index Facility Environmental Module and the Higg Index Brand and Retail Module.



As a member of RILA, we participate in its [Sustainability Committee](#), which allows us to collaborate on complex sustainability concerns with retail peers.



We are a signatory member of [The Fashion Pact](#), a global coalition of companies in the fashion and textile industry committed to stopping global warming, restoring biodiversity and protecting the oceans.



We offset 100% of the carbon emissions of all stores in the Puget Sound region by planting and maintaining tree restoration sites through Forterra’s [Evergreen Carbon Capture](#) program.



For the third consecutive year, Nordstrom received the [2020 SmartWay Excellence Award](#) for Shippers and Logistics for our work to reduce emissions within our fleet.

CORPORATE PHILANTHROPY

Corporate philanthropy is rooted in our history. We give millions of dollars back to the communities we serve every year—and 2020 was no exception. In fact, 2020 was the most successful charitable giving year in our company’s history.

We decided very early on in the pandemic that we would stay true to our commitments and support nonprofits that were providing basic services and necessities to families during this very critical moment. We’re proud that we fulfilled all of our grant commitments during the course of 2020 and increased our total giving through brand and product give-backs as well as direct product donations. Our customers and employees increased their charitable giving as well, and we supported our grantees as they found creative and innovative ways to deliver on their missions during this unprecedented year.



CUSTOMER ENGAGEMENT & CAUSE MARKETING

Invite customers to join us in ensuring families have what they need to thrive

We focus on supporting families and children in our communities, and we invite our customers to join us. By 2025, our goal is to raise \$5 million from cause-marketing campaigns—and an additional \$5 million from our give-back brand, Treasure & Bond.

SHOES THAT FIT

Children make up one-third of those living in poverty, according to the [U.S. Census Bureau](#). And nearly 73% of children living in poverty are children of color, according to the [Children’s Defense Fund](#).

For the past 10 years, Nordstrom has partnered with [Shoes That Fit](#), a nonprofit that donates new pairs of shoes to kids in need. Given our heritage as a shoe store, [the partnership](#) was a natural fit. When customers purchase a \$10 giving card during the back-to-school season, they help provide a pair of new, properly fitting athletic shoes to a child at a local elementary school.

This small gesture means more than just a pair of shoes—and its positive impact extends beyond the kids in need to our employees as well.

“I came to the U.S. from Mexico when I was six years old, and we didn’t have anything,” said Griselda Casillas, store manager of Nordstrom Rack Downtown Seattle. “I vividly remember my first day of kindergarten because my parents saved up to buy me a new pair of shoes. I didn’t speak English and didn’t know anyone at school, but those shoes gave me confidence. It was a sacrifice by my parents to save for me to get a new pair of shoes, which is why I’m so touched that Nordstrom does this for others. New shoes change a child’s perspective and give them confidence in such an important way, and that’s what they did for me.”

Despite the challenges of 2020—and the fact that our stores were largely closed due to the pandemic—our customers showed up in a powerful way.

2025 GOALS



Raise \$5 million from cause-marketing campaigns for core partners who support families.



Raise \$5 million from our give-back brand, Treasure & Bond.



Increase customer awareness of our charitable investments over time.

“ We raised a record \$847,712 for Shoes That Fit, making our 10th anniversary the biggest year ever. We donated nearly 43,000 pairs of shoes for kids in our local communities across the U.S., bringing our total donation to more than 230,000 pairs of shoes since 2010.

What’s more, we found a creative way to deliver the program during a pandemic. Employees participated in outdoor shoe drop-off events at three schools—Bailey Gatzert Elementary in Seattle, Franklin D. Roosevelt School in New York and Randolph Elementary School in Chicago. We partnered with families and school staff to deliver shoes to every child during a celebratory “Stuff the Bus” event that included a DJ and grab-and-go swag bags. This allowed us to offer a fun, yet safe, experience for the kids with our employees wearing masks and maintaining social distancing.

“With the pandemic, our teams wondered if we could raise as much as we have in the past for Shoes That Fit. I told them it’s all about mindset, so they believed in themselves and surpassed our goal,” said Casillas. “Organizations like Shoes That Fit serve as a reminder that it’s not just about us—it’s about everyone else.”

HOLIDAY GIVING CAMPAIGNS

We’re proud of all our charitable efforts throughout the year, but the holidays are an important time to support those in need—especially during these unprecedented times. This past holiday season, our customers and store teams worked together to raise more than \$680,000 for our charitable partners across the U.S. and Canada—a record-breaking amount.

Our Nordstrom Rack stores held their second holiday campaign with our partners at [Big Brothers Big Sisters of America](#) and [Big Brothers Big Sisters of Canada](#), raising more than \$230,000 to support Big/Little mentor matches across North America.

In our Nordstrom stores and online, we donated a portion of sales from our Nordstrom Made Bliss plush throw to [Operation Warm](#), a nonprofit that provides new winter coats to kids in need. We raised nearly \$440,000, the equivalent of 22,000 new winter coats for kids in need across the U.S. and Canada.

TREASURE & BOND

More than four million young people are currently experiencing homelessness, according to the [National Conference of State Legislatures](#). For the first time ever, we laser-focused our support on a specific cause and built a cohort of five nonprofits in five different regions in the U.S. and Canada to make a difference through our give-back brand, [Treasure & Bond](#), where we donate 2.5% of net sales. Since 2014, we’ve raised \$6.7M for youth in need through Treasure & Bond and in 2020 we donated \$1.1M to our partners at WE Charities and the Homeless Youth Cohort.



2020 marked our 10th year of partnership with Shoes That Fit. In that time, we’ve donated more than 200,000 pairs of shoes.



During the 2020 holiday shopping season, Nordstrom donated a portion of proceeds from sales of the Bliss plush throw to Operation Warm, a nonprofit that provides new winter coats to kids in need in its communities.

“Our new strategy of partnering with localized organizations in specific regions allows us to connect with the communities where we do business in an impactful way and also create opportunity for employees to engage as volunteers and donors with causes they know and trust,” said Jennifer Jackson Brown, executive vice president and president of Nordstrom Product Group. “Treasure & Bond’s give-back promise remains at the heart of the brand, and we’re excited to show our customers another way Nordstrom is working to leave the world better than we found it.”

Our new give-back partners provide housing, mental health services and job training for young people experiencing homelessness:

- **The Ali Forney Center** (New York, NY) provides LGBTQ young people with housing and support in a safe, dignified and nurturing environment. They are the largest such agency in the U.S.
- **Covenant House** (Toronto, ON) provides life-changing care with unconditional love and respect to youth experiencing homelessness and survivors of sex trafficking.
- **The Night Ministry** (Chicago, IL) provides housing, health care and human connection to members of the community struggling with poverty or homelessness.
- **YouthCare** (Seattle, WA) works to end youth homelessness and help young people achieve long-term stability.
- **Youth Emerging Stronger** (Los Angeles, CA) provides runaway, homeless and foster youth with safety, stability and housing.

Mark Supper, president and chief executive officer of Youth Emerging Stronger, added: “We are very proud to be a part of the Nordstrom Treasure & Bond charitable giving initiative. Programs like this remind us that there are internationally recognized corporations who truly care about local communities and are out there helping organizations like ours make positive changes for the betterment of humanity.”

“ With Nordstrom’s support, we can continue to help youth who are homeless, trafficked or at-risk take back control of their lives and build a brighter future.

JOSIE DO REGO

Director of Development and Communications at Covenant House



Nordstrom announced new nonprofit partners for Treasure & Bond, the company’s give-back brand that donates 2.5% of net sales.

BE PROUD BY BP

We're honored to maintain our long-standing support of the LGBTQIA community through charitable grants, activities for our employees and external recognition. For 15 years in a row, Nordstrom has scored a perfect 100% on the Human Rights Campaign's (HRC) annual [Corporate Equality Index \(CEI\) survey](#).

And now, we're especially proud of our [first gender-inclusive collection](#), [Be Proud](#), which launched during Pride Month 2020. Be Proud by BP features a range of silhouettes for people of all gender identities.

The lead designer for this collection is queer, and we partnered with members from the LGBTQIA community to provide insight on what they see as missing from the current apparel landscape. We worked with them to ensure fit and styling were reflective of what they'd like to see—and we'll continue to refine the collection based on their feedback.

In 2020, we donated 10% of sales from Be Proud by BP (over \$43,000) to [True Colors United](#), an organization serving the unique needs of LGBTQIA youth experiencing homelessness.

CORPORATE PRODUCT DONATIONS

As part of our charitable giving efforts, each year we donate clothing and other products to those in need.

In 2020, in partnership with our Nordstrom Veterans Employee Resource Group, we donated nearly 1,200 wedding gowns, as well as veils, accessories and shoes (valued at more than \$4.6 million) to [Brides Across America](#), a nonprofit that provides wedding gowns to military and first responder brides.

In addition, we donated more than 146,000 items (valued at more than \$1.2 million) to [Good+Foundation](#), which pairs essential goods with innovative services to help under-resourced families in New York and Los Angeles. We donated tens of thousands of men's dress shirts, shoes and civilian masks to families in need. One Good+ mom was reluctant to take her toddler to the doctor for his well-visits during the height of the pandemic. When she received size-appropriate masks for herself and her son, she finally felt confident booking the appointment.

"Thank you @nordstrom for these bright and colorful masks! Having the right-sized face protection goes a long way to helping keep families not only safe, but providing a sense of reassurance during these difficult times," she said. Her son has since received a clean bill of health.



CORPORATE GRANTMAKING

Develop a best-in-class grantmaking program to support nonprofits in our communities

We're committed to giving back to the diverse communities where we live and work across the U.S. and Canada. Through our corporate grantmaking efforts, we're supporting nonprofits focused on providing necessities to kids and families—including housing, food, access to health care and education. We've set several 2025 goals designed to improve the impact of our grantmaking.

Our giving is focused on organizations that help families reach their full potential, and many of the nonprofits we support are focused on underrepresented or marginalized communities, such as Rainier Scholars, Thurgood Marshall College Fund, the YWCA, the Posse Foundation and the American Indian College Fund.

In 2020, our corporate giving totaled \$8.3 million, benefitting more than 300 organizations located in every community where we do business. By 2025, our goal is to invest more than \$50 million in grants in our communities.

Our grantmaking is driven by our annual Gift Cards That Give program, through which we donate 1% of all our [Gift Card sales](#), including amounts added to existing Gift Cards, to qualified nonprofit organizations in the communities we serve. These funds also support our Employee Charitable Match and Volunteer Program.

REPORTING & TRANSPARENCY

Developing and implementing program-wide impact reporting is one of our 2025 Corporate Grantmaking goals.

We introduced an impact survey which asked grantees to assess the scope and impact of our community investments. The survey also asked grant applicants about their commitments to racial and social justice in their programs and operations. Going forward, we will modify and enhance this impact reporting to align with our strategic focus on families.

Another one of our 2025 goals is to increase grantee perception of program transparency. In 2020, we conducted a baseline assessment to measure grantee perception. A total of 65% said our process was transparent, and we plan to conduct annual surveys to collect grantee feedback, identify future opportunities and continually improve our process.

2025 GOALS



Invest more than \$50 million in communities where we operate.



Develop and implement program-wide impact reporting.



Increase grantee perceptions of program transparency.



Double our charitable giving to nonprofit organizations that promote anti-racism, to \$1 million per year.

“ Ultimately, we want to ensure that grantees are having a positive experience working with Nordstrom—and connect their work to our local market employees and customers.

INVESTING IN ANTI-RACIST ORGANIZATIONS

Our values are centered on the belief of creating a place where every customer and employee is welcome, respected, appreciated and able to be themselves.

The acts of violence and racism that our nation experienced in 2020—including the unnecessary and unjust killings of George Floyd, Breonna Taylor, Ahmaud Arbery and others—strengthened our commitment to investing in and partnering with nonprofits focused on supporting underrepresented or marginalized communities.

As a result, in May 2020 we added a new 2025 goal under our Corporate Philanthropy pillar—to double our charitable giving to nonprofit organizations that promote anti-racism, bringing that total to approximately \$1 million per year.

We made several grants in 2020 in support of this goal—\$100,000 each to the [NAACP Legal Defense and Educational Fund](#) and the [Black Lives Matter Global Network Foundation](#), as well as \$50,000 to the [Posse Foundation](#). We encouraged our employees to join us by matching their donations.



In addition, we announced a \$225,000 grant and a longer-term strategic partnership with the [National Urban League](#), a historic civil rights organization dedicated to economic empowerment, equality and social justice. Our first engagement focused on voter education and activation. In partnership with BET, we supported National Black Voter Day on September 18, 2020, as a way to galvanize voter registration across the U.S.

Additionally, we partnered with the National Urban League and the nonprofit When We All Vote to draw upon their deep understanding of the barriers that communities of color have historically faced when it comes to voting. Together we launched [Make Your Voice Heard](#), a nationwide nonpartisan voter participation initiative. We featured an exclusive collection of Nordstrom Made “vote” apparel, with a portion of the proceeds donated to the National Urban League and When We All Vote.

Through both campaigns, we used our platform to encourage our employees and customers to make their voice heard—by responding to the 2020 Census and by voting in 2020 primaries and elections. To make getting to the polls easier for our U.S. employees, we made November 3rd a paid holiday.



EMPLOYEE ENGAGEMENT

Enhance ways for employees to give back to causes that are most important to them

Our employees are generous, supporting thousands of causes with their money and time. To help support the causes that matter most to them, our Employee Charitable Match and Volunteer program matches, dollar for dollar, their donations of cash and volunteer time—up to \$5,000 per year, starting on day one of employment.

While in-person volunteering was put on hold due to the pandemic, our employees still found a way to step up and give—like making more than one million masks for healthcare workers, volunteering virtually, contributing to the causes that mattered most to them, and more.

Throughout the course of 2020, our employees volunteered more than 21,600 hours—and gave \$1.9 million. As a company, we matched \$1.5 million to more than 3,500 total organizations. By 2025, our goal is to increase employee volunteer hours to 250,000 hours annually—and increase employee participation in our charitable match and volunteer program to 20%.

NEW EMPLOYEE GIVING PLATFORM

To make it easier for our employees to give back, we streamlined the process with the launch of a new [employee giving platform](#) in 2020.

From the convenience of their mobile device, employees can use the Benevity app to immediately donate funds or submit their volunteer hours (at \$15 per hour)—and have their donations automatically processed and matched. Employees can also search for charities and browse volunteering opportunities on the app.

LEADERSHIP ENGAGEMENT

Another one of our 2025 goals is to engage our executives to support our philanthropic partners through board participation or service programs. In 2020, we placed two executives on the boards of core partner organizations. In addition, we're working with our philanthropic partners to assess their needs to match them with the appropriate executive talent to help further the impact of their missions.

2025 GOALS



Increase employee participation in our charitable match program to 20% annually.



Increase employee volunteer hours to 250,000 hours annually.



Engage our executives to support our philanthropic partners through board participation or service programs.



Nordstrom partnered with Providence Health & Services, Kaas Tailored and Ascension to have our alterations teams in Illinois, Washington D.C., Florida, New York, New Jersey, Washington, Oregon, Texas and California sew nearly 1 million masks for healthcare workers in the Providence and Ascension network of hospitals.

HUMAN RIGHTS

The impacts of our business extend well beyond the walls of our stores. We have an essential responsibility to create safe, healthy and fair workplaces for the people who make our products. We have rigorous standards to protect human rights throughout our global supply chain (as outlined in our [Human Rights Commitment](#) and our [Partnership Guidelines](#)) and seek to partner with suppliers that share our commitment.

Supporting ethical working practices and women's empowerment are our human rights priorities.



ETHICAL WORKING PRACTICES

Drive systemic change through ethical standards and practices

Our [Nordstrom Partnership Guidelines](#) represent the foundational standards we've set for all of our suppliers and business partners—including the requirements we have for workers' rights, environmental standards and ethical business practices.

Our Nordstrom Made social responsibility program is rooted in transparency and continuous improvement. We work closely with factories that make our Nordstrom Made brands to ensure they're meeting our guidelines to create a safe, healthy and fair workplace.

To help achieve our 2025 goal of full adherence by all brands and suppliers to these guidelines, we established a cross-functional working group this year to operationalize the Partnership Guidelines, improve vendor communications and drive vendor accountability.

In 2020, we hosted virtual sessions with all Nordstrom Made strategic factories to review our Partnership Guidelines and Factory Guidelines—in addition to providing eLearning courses on topics like excessive working hours, worker engagement, supply chain management and wages and benefits. Our entire Nordstrom Made team (employees in all roles) underwent comprehensive training that included all aspects of our Partnership Guidelines.

We work to foster candid, collaborative and ongoing partnerships to help our suppliers improve their processes, policies and standards over time. By maintaining an open dialogue with our suppliers, we receive more accurate information about the working state of factories, which enables us to offer more relevant training and support for sustainable improvements.

“ We’ve made great progress toward one of our 2025 goals—disclose traceability to the factory for 90% of Nordstrom Made products—and are on track to exceed our goal.

2025 GOALS



Disclose traceability to the factory for 90% of Nordstrom Made products.

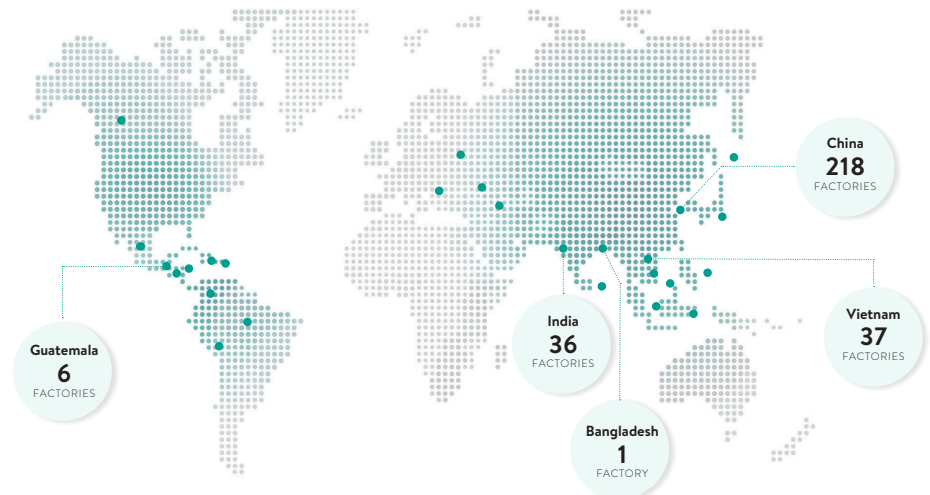


Ensure all suppliers and business partners adhere to Nordstrom Partnership Guidelines.



Ensure that 100% of Nordstrom Made strategic suppliers pay a living wage.

In 2020, our Nordstrom Made products were manufactured in 373 factories across 25 countries. The top five countries (by volume) were:



FACTORY TRANSPARENCY

As part of our commitment to transparency, we disclose the names and locations of our Nordstrom Made [factory list](#), which was most recently updated in December 2020. We've made great progress toward one of our 2025 goals—disclose traceability to the factory for 90% of Nordstrom Made products—and are on track to exceed our goal.

In 2020, we had 377 strategic factories that were publicly disclosed to our customers, representing 60% of our Nordstrom Made volume. In 2021, we plan to add next-level suppliers to the public list, disclosing 90% of our factory base to our customers.

NORDSTROM MADE FACTORY AUDITS & REMEDIATION

We regularly audit our Nordstrom Made factories to confirm they meet our ethical standards, including our zero-tolerance policy regarding the use of forced labor. These audits include an in-person, full factory inspection, including dormitories if offered, and worker interviews.

When issues are found during an audit, our team works with the factory to implement a remediation plan, along with a timeline for change. Most issues found in audits are minor health and safety issues, which can be remedied quickly. For example, if the auditor finds that boxes are blocking an aisle, this issue can be resolved within 24 hours.

In those rare instances when an audit may reveal more critical issues, we immediately stop production with the factory. Depending on the violation, we may resume production once the situation is resolved—or discontinue working with the factory. However, in all cases, we support the factory through remediation of the issue and provide them with resources to support sustainable changes.

In a typical year, we audit all factories. 2020 was a difficult year for a regular, in-person audit cadence. Due to the impacts of COVID, sometimes audits were delayed and/or virtual or peer audits were accepted.

In 2021, we will resume all in-person audits for Tier 1 factories and plan to begin auditing our top mills for the same strict requirements we expect from our factories.



Our factory audits are designed to create meaningful, sustainable workplace improvements. During every audit, factory employees are invited to give confidential feedback about their working conditions.

RESPONSIBLE RECRUITMENT

In 2018, we signed the [Commitment to Responsible Recruitment](#), an industry effort to address potential forced labor risks for migrant workers in the global supply chain.

Nordstrom is committed to working with our global supply chain partners to create conditions that ensure:

- No workers pay for their job
- Workers retain custody and control of their travel documents and have full freedom of movement
- All workers are informed of the basic terms of their employment prior to leaving home

RISK ASSESSMENT & MANAGEMENT

We work across our business and partner with external experts to identify and prioritize risks and opportunities related to our social responsibility and environmental sustainability impacts in our operations and supply chain.

We conduct regular materiality assessments, with input from human rights and sustainability experts, customers, employees and other stakeholders. We assess new risks and opportunities as circumstances arise—and as we continue to learn more about the global impact of our business and our industry.

Our employees, customers, suppliers, agents and communities have access to our [anonymous ethics hotline](#), which is accessible in more than 80 languages.

LIVING WAGE

One of our new 2025 goals is to ensure that 100% of Nordstrom Made strategic suppliers pay a living wage.

To build this framework, in 2020 we created a roadmap and began gathering best practices and exploring partnerships. An important part of this work includes researching current wage levels for workers in a particular area—and defining what a “living wage” means.

BRANDED VENDORS & INDUSTRYWIDE INITIATIVES

We work with our branded vendor partners to ensure they’re producing their items in responsible and sustainable ways, in accordance with our [Partnership Guidelines](#). Nordstrom Made is focused on partnering with other brands and retailers working in the same factories to reduce audit fatigue and drive consistent policy.

Some of our industrywide partnerships and programs include:



American Apparel & Footwear Association, which enables a collaborative forum to promote best practices and innovation between apparel and footwear brands, suppliers and customers.



ILO Better Work, a collaborative program focused on improving worker-management cooperation, working conditions and dialogue among the factory, Better Work and buyers.



BSR (Business for Social Responsibility) We’ve collaborated with BSR since 1998 to improve conditions in factories, create sustainable environmental practices and develop long-term solutions that exceed basic compliance monitoring, including HERproject worker empowerment programs.



Sustainable Apparel Coalition (SAC) We’re a founding member of SAC, which works to reduce the social and environmental impacts of apparel and footwear products. SAC also created the Higg Index, a tool to measure the social and environmental performance of factories over time.



In 2019, we joined **Nirapon** to continue developing worker support and building safety initiatives that began through the Alliance for Bangladesh Worker Safety.

WOMEN'S EMPOWERMENT

Support women who work in the global fashion supply chain

Women make up nearly 70% of Nordstrom employees, as well as the majority of our customers and people working in our global supply chain. Supporting women's empowerment is not only the right thing to do—it's a business imperative.

When women are healthier, their children and families are healthier. And when women have an income, they tend to invest in their children and families, creating benefits that reach far beyond themselves.

We aim to drive positive change by producing more of our products in factories where women have resources to learn, grow and lead. We're also dedicating a portion of our corporate grant-making to this topic for the first time.

BSR HERPROJECT™

By 2025, 90% of Nordstrom Made products will be sourced from factories that support women's empowerment.

Since 2007, we've partnered with BSR's [HERproject](#) to implement HERproject programs in 44 factories, supporting women workers' access to education on health (including reproductive health) and financial literacy (including personal finance, banking and budgeting), as well as gender equality and preventing violence against women.

We currently have HERproject programs at factories in China, India, Bangladesh, Vietnam and Indonesia, reaching tens of thousands of workers. Products made in these factories can be found in our [Sustainable Style](#) category because they meet our criteria for responsible manufacturing.

In 2020, 32% of Nordstrom Made product volume was made in HERproject factories that invested in women's empowerment. Thanks to new affiliations and partnerships that are under way, next year we expect that number to grow to 60%—reaching 55,000 workers. We expect to meet or exceed our 2025 goal of 90% of Nordstrom Made products made in factories that invest in women's empowerment.

2025 GOALS



Produce 90% of Nordstrom Made products in factories that invest in women's empowerment.



Contribute \$250,000 in corporate grants to organizations that support women's empowerment to create trainings and resources within our global supply chain.



HERproject peer educators teach topics relating to health, financial literacy, communication and leadership skills. Photo: BSR.

BETTER WORK

Separately, Nordstrom is also partnering with [Better Work](#), which brings together a diverse group of stakeholders—governments, global brands, factory owners, unions and workers—to improve working conditions in the garment industry, to provide assessments, training, advocacy and research for factory worker wellness with a focus on gender equality.

This work, which is embedded throughout our business practices, is designed to help shift production to factories that have implemented worker empowerment programs focused on supporting women.

We are committed to rewarding the factories that share our commitment by funding programs at the factory that help to train peer educators, who in turn, continue this training biannually within their own factories. Ultimately, this increases employee loyalty and engagement, while reducing turnover within the factory.

PHILANTHROPIC SUPPORT

By finding new ways to support women, we aim to help break the cycle of poverty and create new opportunities for dignified work. One of our 2025 goals is to contribute \$250,000 in corporate grants to organizations that support women's empowerment to create trainings and resources within our global supply chain.

In 2020, we began expanding the scope of our commitment to women by making a \$50,000 grant to [CARE](#), the global nonprofit fighting poverty and social injustice by empowering women and girls. We also donated \$25,000 to [Fashion Makes Change](#), a coalition of brands, nonprofits and consumers dedicated to educating and empowering women working within the global fashion supply chain.



FASHION
MAKES
CHANGE.



DIVERSITY, INCLUSION & BELONGING

At Nordstrom, we've long believed that we're all made better by the diversity that exists within our communities. Our values are centered on the notion of creating a place where every customer and employee is welcome, respected, appreciated—and able to be themselves.

Our diversity, inclusion and belonging (DIB) strategy is focused on four pillars—Talent, Culture, Marketplace and Leadership—and exemplifies our commitment to change. Over the past several years, we've amplified our DIB efforts. Recent events of racial injustice and inequality in 2020 have shone a light on the dark history of the systemic racism our country desperately needs to change moving forward. These events have only accelerated our steadfast commitments to become a more diverse, inclusive and anti-racist company.

To lead this work and drive accountability, we created the Nordstrom Diversity, Inclusion and Belonging Action Council in 2020. This new forum, co-chaired by Pete Nordstrom, Erik Nordstrom and our Chief Human Resources Officer, is made up of a diverse mix of leaders from across our company and our board of directors. The Council will develop, implement and measure companywide programs that drive our strategy.



TALENT

Increase demographic diversity in our corporate office and all leadership positions to better reflect the North American

As a fashion retailer, our brand is our people—and we will accomplish our goals when our employees reflect the greater population and all voices are represented. When we create a more inclusive and supportive environment for employees, we in turn create a better experience for our customers.

INCREASING REPRESENTATION

We are committed to attracting new talent, building our talent bench and pipeline and promoting diverse talent into people manager roles. In addition to placing an emphasis on inclusive hiring overall, our Early In Career program focuses on reaching qualified candidates coming into the workforce with at least 50% of program participants from underrepresented populations by 2025.

“ By the end of 2025, we will increase representation of Black and Latinx populations in people manager roles by at least 50%.

To accomplish this, we are leveraging conferences and programs like:

- Grace Hopper and Afrotech conferences
- Inclusive Hiring and Early In Career programs
- HBCUs and HSIs
- Black and Latinx internship opportunities through diverse partnerships with organizations like Black Girls Code, National Society of Black Engineers, Society of Hispanic Professional Engineers, TheDream.US and more

We will continue working with colleges and universities and other professional partners to attract and hire diverse talent. We'll also continue to revisit our practices and the training resources we offer for all customer-facing roles to ensure they include anti-racism and anti-bias content—including Conscious Inclusion training in 2021.



CULTURE

Strengthen belonging and address favoritism through greater consistency, collaboration, communication and connection

Every Nordstrom employee needs to feel they can bring their whole self to work, and that Nordstrom can provide them with the opportunity to build a rewarding career. Our annual employee engagement survey will be our benchmark for success in this area.

To accomplish that, we need to create space and opportunity for employees to connect, share their stories and come together in ways that create a stronger sense of community and connection to the organization.

EMPLOYEE RESOURCE GROUPS

We're aware of the need for employees to not just feel included, but to feel they belong. One of the ways we've nurtured a sense of belonging is with our Employee Resource Groups.

Our ERGs are employee-led, Nordstrom-sponsored groups that represent a variety of seen and unseen identities that exist across our employees. In 2020, we expanded the number of ERGs from 5 to 8, which include:

- Black Employee Network
- NordstromPLUS (LGBTQIA+)
- Nordstrom Veterans Group*
- Women in Nordstrom
- AsPIRE (Asian Pacific-Islander Resources for Employees)
- ¡Hola! (Latinx)
- Parents @Nordstrom*
- Thrive (Diverse Ability)*

ERGs offer a sense of community, connectivity and shared experiences. This connection was particularly critical in 2020, given the instances of civil unrest and injustice that occurred during a year of social isolation when many of our employees were working remotely.

New this year, we plan to expand our Employee Resource Groups beyond the Seattle area and outside of our corporate locations so all employees can participate.

*Added in 2020.



“ By 2025, we aim to increase our Inclusion and Belonging Index score by 8 points and decrease our Favoritism Index score by 6 points.

COURAGEOUS CONVERSATIONS

Our employees, particularly through our ERGs, are critical voices as we have conversations about racial injustice and inequality. In order for us to be part of this much-needed change, we know we need to come together to address systemic racism and other issues impacting our communities of color—especially our family, friends and fellow employees in the Black, Latinx and Asian communities.

As a way to listen—and learn—from our employees’ lived experiences, we hosted a series of “Courageous Conversation” forums—video calls that were open to all employees. One topic focused on the issue of voter suppression—with Marc Morial, President and CEO of Nordstrom’s strategic partner, the [National Urban League](#)—along with a companywide voter participation initiative leading up to the 2020 election.

These productive and insightful conversations are an important way of strengthening our culture of diversity, inclusion and belonging at Nordstrom—by authentically connecting our strategy to the relationships with our people and our values as an organization.

MARKETPLACE

Serve customers on their terms, through a lens of anti-racism, identity and equity at every touchpoint

INVESTING IN DIVERSE BRANDS

We know we need to improve the diversity of the brands we partner with across our business. We’re committed to doing it the right way—finding brands our customers love and working in collaboration with our suppliers to deliver the right products for the communities we serve.

We’re working to make it easier for customers to find these brands and are excited by the launch of our new [Black-founded category online](#). We’re proud of the progress we’ve made to increase the level of diversity among our brands and are continually adding new brands to our offering, including the launch of a new Latinx category in 2021.



INCLUSIVE BEAUTY

Another example is [Inclusive Beauty](#), a new category featuring a curated assortment of beauty products for everyone—regardless of skin or hair type, tone, complexion or texture. The collection launched last fall and is available in select stores and online.

The assortment recently expanded with the addition of 12 new Black-founded beauty brands—with the goal of building a more inclusive retail environment and experience for our customers.

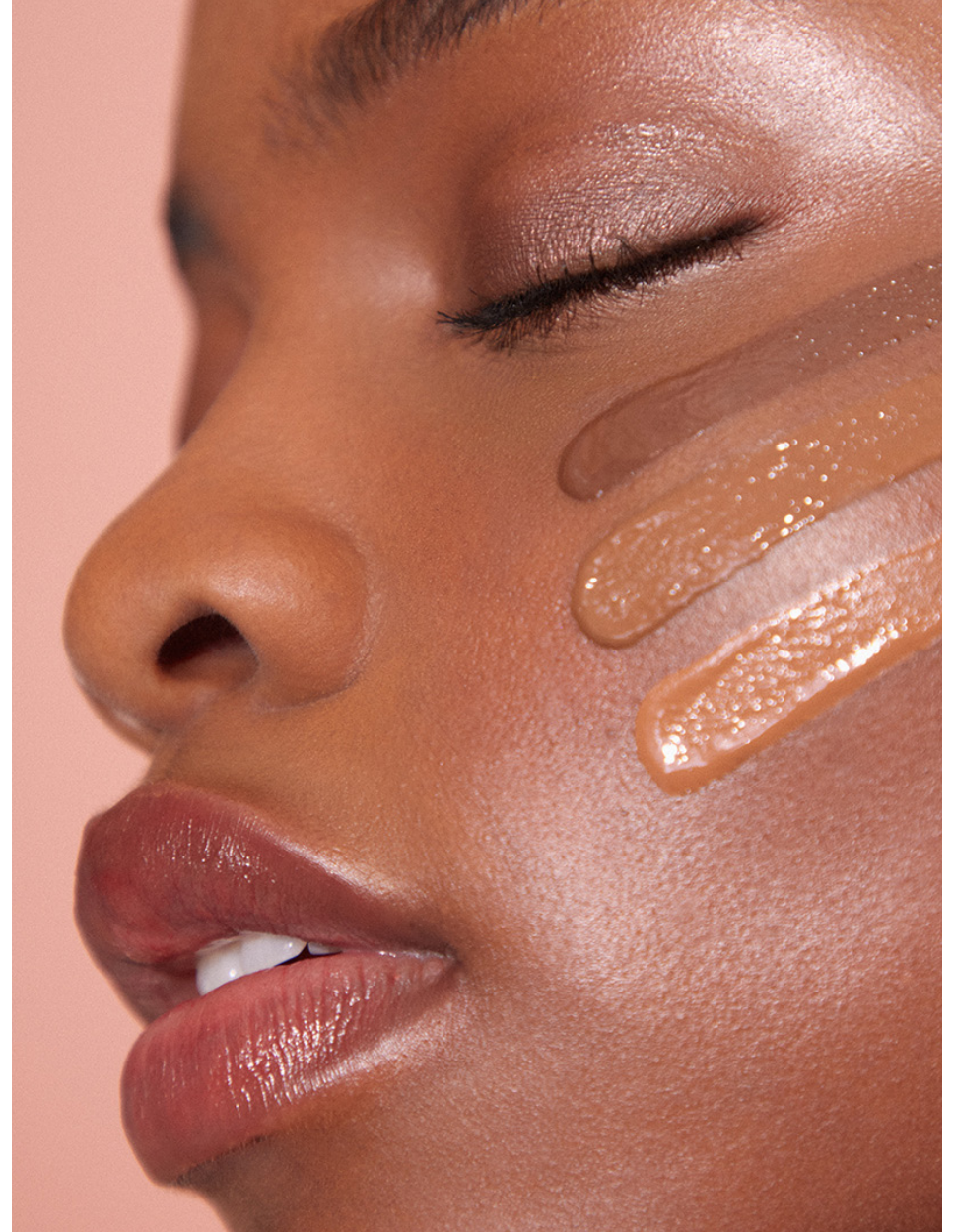
To help make this work possible, we also partnered with Fayetteville Road, a female- and Black-owned consulting agency focusing on retail technology integration and experiential detail. Together, Nordstrom and Fayetteville Road have worked to expand our Inclusive Beauty category and build and strengthen authentic relationships with Black-founded brands in the industry.

“ We set a goal to deliver \$500 million in sales of brands that are owned, founded or designed by Black and/or Latinx individuals by 2025.

DIVERSITY IN MARKETING

More than half of our casting features people who represent a range of races, colors, ages, sizes and abilities, exceeding the level of diversity seen in North America. We want to extend this diversity to our styling, music, copy and ongoing social media conversations as well—including vastly improving representation in our influencer and blogger partnerships.

We recognize we and the rest of the industry still have work to do, but we’re proud of the progress we’ve made on our journey. In 2020 we increased the amount of diversity we included in our campaigns and in our store activations, like the work we did with Long Gallery Harlem and our NYC in-store art exhibit, Black Expression, Rebellion and Joy Through Fashion, that focused on celebrating the exploration of style within Black culture.



Nordstrom launched its Inclusive Beauty offering featuring a curated assortment of products for everyone—regardless of skin or hair type, tone, complexion or texture.

LEADERSHIP

Declare and commit to compelling, future-oriented leadership expectations and shared culture that will drive our business ambition

As a retail company, our goal is to deliver fashion authority and the best customer experience. This takes people, which means we need to use a holistic approach to embed diversity across the organization and incorporate it into our overall business strategy.

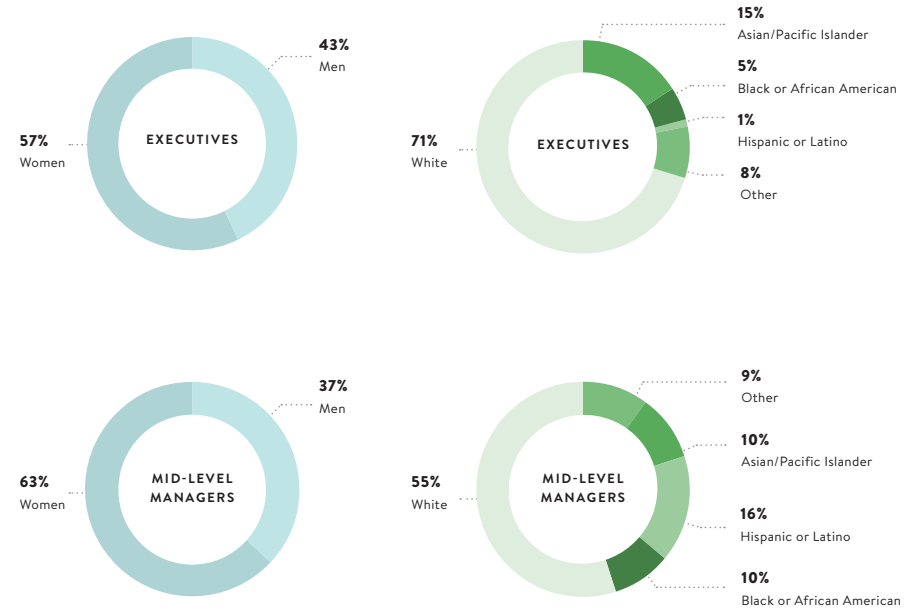
If we want to make systemic and sustainable change, our commitment to diversity, inclusion and belonging needs to be felt across all levels and aspects of our company—starting with our leaders.

We've improved diversity throughout the company, where women make up 60% of leadership and 45% of our Board of Directors — nearly 30% of whom are people of color. To show our continued focus on maintaining and increasing diversity at this most senior level of leadership, and to encourage other companies to do the same, we've joined [The Board Challenge](#) and [Board Diversity Action Alliance](#). We've also partnered with NAACP Legal Defense and Education Fund, HACR (Hispanic Association on Corporate Responsibility), Black Lives Matter Global Network Foundation and the National Urban League, among others.

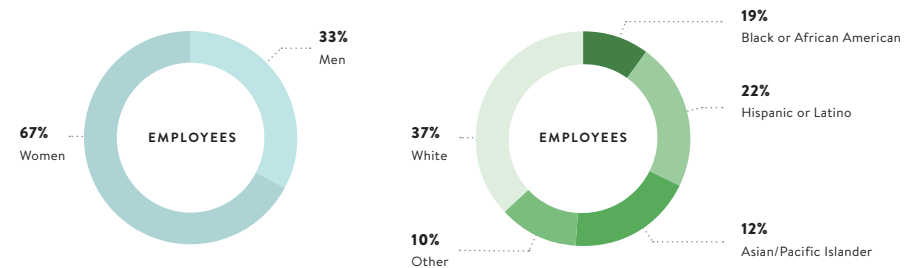
Our leaders play an essential part in bringing an inclusive culture to life. We will build diversity and inclusion into our leadership expectations and will measure our leaders on their performance in this area through the Inclusion Index and feedback from their teams and coworkers. To enable this framework, we are creating and fostering an inclusive culture, building diverse teams that can thrive and delivering solutions like training, tools and resources to help employees have inclusive conversations and lead during challenging times.

“ At Nordstrom, we’ve long believed that we’re all made better by having an employee base that is representative of the diversity that exists within our communities we serve. We will continue doing our part to bring about meaningful change.

Leadership



All Employees



TAKING CARE OF EMPLOYEES DURING A PANDEMIC

We believe creating an outstanding customer experience begins with providing an environment that supports all employees.

Our company has faced many challenges in its 120-year history, but 2020 was unprecedented. The pandemic reaffirmed our profound responsibility to protect the health and wellbeing of our people—and ensure equity as we navigated the financial impacts of the crisis.

While our business was interrupted and stores were closed, we continued to provide pay and benefits to impacted store employees for several weeks, as well as benefits to furloughed corporate and supply chain employees. We worked to ensure our supply chain employees—those on the front lines of the pandemic—were supported with the safest possible work environments and enhanced pay and wellness resources.

During this time, the Nordstrom Executive Leadership Group chose to forgo a portion of their salary, Pete and Erik Nordstrom declined their salary, and all members of our Board of Directors went without cash compensation for six months.

Based on employee feedback, we expanded our flexible work solutions and added new caregiving benefits and mental health resources for employees to help them balance the competing demands of work and personal life.

Flex-work solutions included “no meeting” blocks, core work hours, reduced/part-time hours and job sharing. We also enhanced our Leave of Absence options and introduced new benefits for caregivers—including back-up childcare options, elder care resources, academic support and other family care support.

“Throughout the pandemic, we’ve all had to navigate uncharted waters,” said Farrell Redwine, Senior Vice President of Human Resources. “We’re proud of the dedication and resilience of our people in adapting to the ‘new normal’—while taking care of our customers, our business and one another.”



OUR CSR DATA

Our Corporate Social Responsibility goals help us measure and share our progress and challenges year over year.

In 2020, we set a baseline against an ambitious set of new five-year goals that we aim to achieve by 2025.



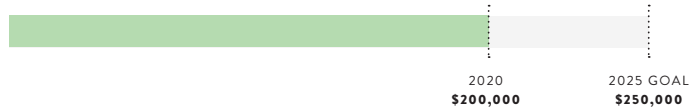
PROGRESS TOWARD OUR 2025 COMMITMENTS & GOALS

See quantitative data below. Qualitative goals are in *italics*, with relevant updates incorporated in the respective sections of the narrative on the preceding pages.

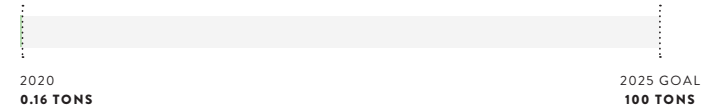
ENVIRONMENTAL SUSTAINABILITY



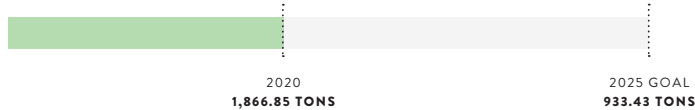
Contribute \$250,000 in corporate grants to help slow and prevent climate change.



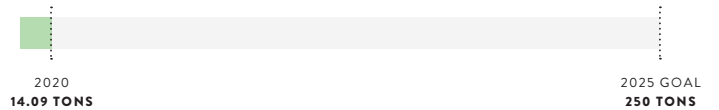
Take back 100 tons of beauty packaging to ensure it is recycled.



Reduce single-use plastic in our value chain by 50%.



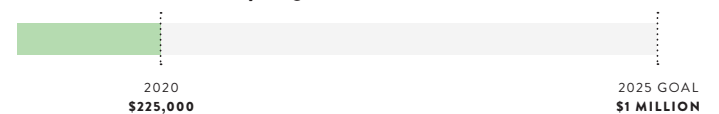
Help customers extend the life of 250 tons of clothing through donation, resale and refurbishment.



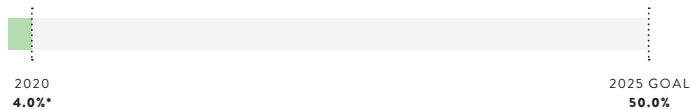
Ensure 15% of our product assortment qualifies for Sustainable Style.



Contribute \$1 million in corporate grants to support industry innovation for textile recycling.



Use sustainably sourced raw materials for 50% of our key raw materials—primarily cotton, polyester and cellulose.



Establish a science-based target to reduce Scope 1, 2 and 3 emissions.



Establish an internal working group to support the development of circular Nordstrom Made products.

*This percentage includes cashmere.

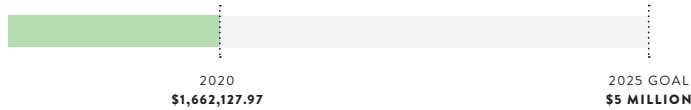
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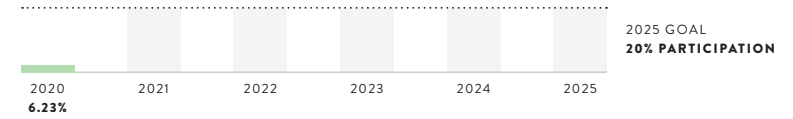
CORPORATE PHILANTHROPY



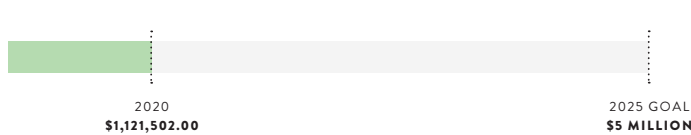
Raise \$5 million from cause-marketing campaigns for core partners who support families.



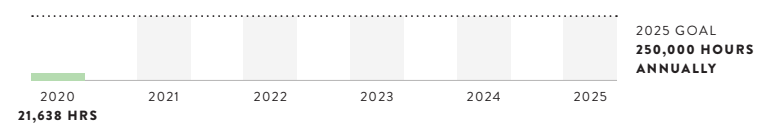
Increase employee participation in our charitable match program to 20% annually.



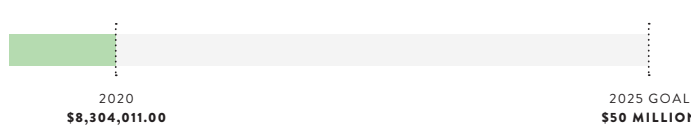
Raise \$5 million from our give-back brand, Treasure & Bond.



Increase employee volunteer hours to 250,000 hours annually.



Invest more than \$50 million in communities where we operate.



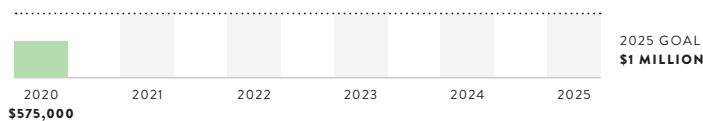
Increase customer awareness of our charitable investments over time.



Develop and implement program-wide impact reporting.



Double our charitable giving to nonprofit organizations that promote anti-racism, to \$1 million per year.



Increase grantee perceptions of program transparency.



Engage our executives to support our philanthropic partners through board participation or service programs.

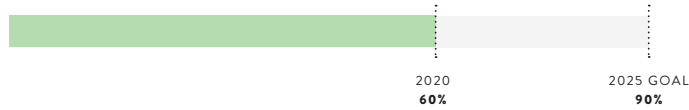
PROGRESS TOWARD OUR 2025 COMMITMENTS & GOALS

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HUMAN RIGHTS



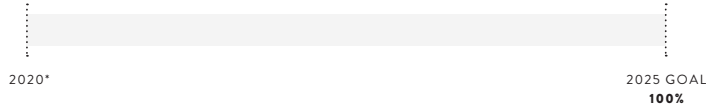
Disclose traceability to the factory for 90% of Nordstrom Made products.



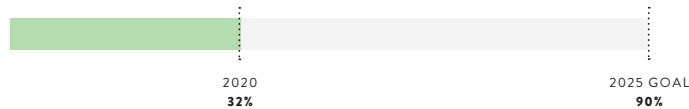
Ensure all suppliers and business partners adhere to Nordstrom Partnership Guidelines.



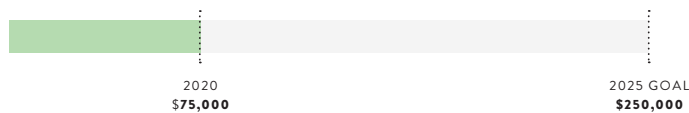
Ensure that 100% of Nordstrom Made strategic suppliers pay a living wage.*



Produce 90% of Nordstrom Made products in factories that invest in women's empowerment.



Contribute \$250,000 in corporate grants to organizations that support women's empowerment to create trainings and resources within our global supply chain.



*In 2020, we began working to establish a living wage in our strategic supplier countries. supplier countries.