

Nordstrom, Inc. - Climate Change 2019

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Nordstrom, Inc., is a leading fashion specialty retailer based in the U.S. Founded in 1901 as a shoe store in Seattle, today Nordstrom operates 380 stores in 40 states, including 119 full-line stores in the United States, Canada and Puerto Rico; 247 Nordstrom Rack stores; three Jeffrey boutiques; two clearance stores; six Trunk Club clubhouses; and three Nordstrom Local service concepts. Additionally, customers are served online through Nordstrom.com, Nordstromrack.com, HauteLook and TrunkClub.com. Nordstrom, Inc.'s common stock is publicly traded on the NYSE under the symbol JWN.

We strive to be a responsible company where people want to work and shop, and we believe our corporate social responsibility efforts play an important role in that. Our CSR platform is built on two pillars: respecting the environment by doing what we can to reduce our carbon footprint, conserve resources and offer sustainable, responsible and healthy products; and taking care of our communities by creating a great workplace, giving back to our communities and supporting human rights.

We recognize that virtually every aspect of our business has an impact on the environment, and as our business has grown and evolved, we've been evolving our approach to CSR as well. For many years Nordstrom has invested in energy and water conservation, transportation efficiency and waste reduction and diversion, and we continue those efforts. In 2018, we exceeded our energy intensity goal, exceeded our paper reduction goal, expanded our clothing donation program and formalized our Human Rights Commitment. Measurement and reporting, like participating in this CDP Climate Change disclosure, allows us to review and assess our progress, and continue our commitment to transparency. We also publish an annual CSR report that includes our longer-term goals and targets on our CSR website, www.nordstromcares.com.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2018	December 31 2018	No	<Not Applicable>

C0.3

(C0.3) Select the countries/regions for which you will be supplying data.

- Canada
- United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our late co-President Blake Nordstrom provided information about our CSR status and progress, including environmental sustainability strategies related to climate change, through status updates to the Board, as requested, including to specific committees of the Board, and as requested based on subject matter.
Other, please specify	Our current and ongoing CSR progress, including the environmental sustainability strategies that are incorporated into and impact our business strategy, is overseen by our Board of Directors as well as our co-Presidents and the Executive Vice Presidents representing all of our business functions. The Internal Audit group reports top risks to the Nordstrom, Inc, Board of Directors, and CSR initiatives that address issues including climate change may be included. The Internal Audit group oversees the company's Enterprise Risk Management (ERM) committee, and our Legal Compliance team records the company's CSR goals and progress on a quarterly basis, on a dashboard, on behalf of the ERM Committee.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Sporadic - as important matters arise	Reviewing and guiding risk management policies Reviewing and guiding annual budgets Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	Climate-related topics such as capital expenditures for energy efficiency projects, acute physical risks to our assets, and inventory and sourcing topics are integrated into the plans and strategies that are overseen by the Board of Directors.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Marketing Officer)	Other, please specify (Sharing risks, opportunities and progress of CSR. Overseeing program development and management at the highest level.)	As important matters arise
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	Not reported to the board
Environment/ Sustainability manager	Both assessing and managing climate-related risks and opportunities	Not reported to the board

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Corporate Social Responsibility (CSR) Director is responsible for goal setting, strategy, internal and external partnerships, and communication of sustainability and corporate social responsibility efforts for Nordstrom, Inc. This role reports to the Vice President of Corporate Affairs, who reports to the Executive Vice President Chief Marketing Officer of Nordstrom, Inc., who is a member of the company's executive team. Our Corporate Social Responsibility team plays a critical role in driving collaboration across teams on climate related issues, including through the Corporate Responsibility committee. Oversight of the committee, trends, strategy, goals and metrics, tracking and internal and external communication of our CSR efforts is the responsibility of the Corporate Social Responsibility Manager, with direction from the CSR Director.

The Corporate Responsibility committee is made up of Vice Presidents, Directors and Managers from business areas including Risk, Procurement, Store Planning, Facilities, Supply Chain, Corporate Affairs, Restaurants, Logistics, Merchandising and Private Label Manufacturing. In partnership with the CSR team, these leaders and subject matter experts establish company-wide strategies and set goals that their functional areas are then responsible for implementing and managing. Together, this group has set short-, mid- and long-term CSR goals for applicable business units.

As an example, our Facilities team, led by the Vice President of Facilities and supported by a Program Manager for Facilities, is responsible for selecting and writing contracts with renewable energy providers. The CSR team serves as an adviser on decision-making, new opportunities and goal-setting, and the results are shared with the Corporate Responsibility committee as well as in annual reporting.

The process for monitoring climate related issues within this group is typically led by CSR, with leaders from business units speaking to the risks and opportunities within their respective areas. Issues are monitored over time, through conversations about trends, research and benchmarking undertaken when necessary, data gathered through formal stakeholder engagement processes, and opportunities presented when relevant. All information shared in the committee is made available to all group members using an online portal.

Though many of these strategic areas have direct owners, we also believe that social and environmental responsibility is part of everyone's jobs at Nordstrom. We regularly communicate about our efforts in these areas and encourage employees to learn more and become actively involved through a number of internal information sources. We also operate our business with an 'open door policy' and encourage employees at all levels of the company to bring forward ideas and suggestions to improve our program.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Who is entitled to benefit from these incentives?

Business unit manager

Types of incentives

Monetary reward

Activity incentivized

Energy reduction target

Comment

Within our Facilities team, we award incentives, in the form of bonuses, for successful efficiency projects and energy reductions versus plan.

Who is entitled to benefit from these incentives?

Facilities manager

Types of incentives

Monetary reward

Activity incentivized

Energy reduction target

Comment

Within our Facilities team, we award incentives, in the form of bonuses, for successful efficiency projects and energy reductions versus plan.

C2. Risks and opportunities

C2.1

(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3	5	

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	3 to 6 years	Given the pace of change in our industry, our time horizon for identifying and assessing most risks, including climate related risks to our physical assets, is primarily one year. At a high level, we monitor risks related to climate change within a five-year view. Within the longer-term view, we consider topics like renewable energy, regulatory changes, and changing customer demands. We also consider reputation risk and opportunity related to our management of climate risk within this longer term window.

C2.2b

(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.

We identify and assess climate-related risks through their integration into our overall strategy and planning processes, which include reviewing budgets and business performance, and undertaking goal-setting activities, typically with a one to five-year view.

At the company level, all regulatory, physical, reputation, consumer behavior, inventory, and financial risks are identified, evaluated and categorized according to total risk impact to the comprehensive business, as well as at the individual unit levels. When risks are identified, the severity of the impact is assessed, taking into account several factors including the scale and value of assets at stake, the proportion and type of business units affected, and the likelihood and scale of negative reputation impacts.

At the asset level, we assess risks primarily focused on severe weather such as floods, blizzards, wild fires, drought, hurricanes, typhoons, cyclones, etc. We evaluate these risks as part of an annual deep dive with business owners of functions and operations to identify, assess and prioritize risk, as well as determine mitigation activities for top priority risks when the residual risk is deemed too high, based on the scale of financial impact and effect on business continuity.

The roll-up of risks is reviewed quarterly by the Enterprise Risk Management (ERM) committee, which is supported by our Internal Audit group that reports into the Nordstrom, Inc. Board of Directors. In past reviews, climate change and other CSR subject risks have been discussed. The business units that have the highest impact to our company (categorized as business critical) are monitored. The Chief Financial Officer reports risk management results to the Board of Directors on a quarterly basis through the Audit Committee.

C2.2c

(C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
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	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	We are committed to complying with all laws and regulations in the communities where we do business. The risks we have evaluated include government-enforced GHG emissions caps, trading programs and reporting requirements. We have evaluated these risks based on the scope of our business. Since we do not control any operations that are currently subject to government enforced GHG emissions caps, trading program or reporting requirements, we do not see significant or substantive risk to our company. Additionally, the store properties/structures that we own/control are not large users of energy or considered under any government enforcement. We are well below the minimum threshold of proposed emissions regulation. If there is regulation imposed upon heavy emitters, then we also realize the impact will be recognized indirectly through our supply chain over time. As such, we continue to keep informed of activities related to changes in regulations such as carbon taxes, cap and trade schemes, emission reporting standards and protocol, air pollution/contaminant limits, taxes relating to fuel and energy, regulations around fuel/energy/products and their labeling and the general environment. Looking at the short-, mid- and long-term we have not identified any regulations that would be significant or substantive to our business operations, revenue or expenditures in the markets where we do business. We, like many other specialty retailers, could see slight indirect impact from regulations in our operational costs due to some of the following: rising fuel prices could impact the brand suppliers in the manufacturing and shipment of raw materials and finished products; cap and trade schemes could raise energy costs, affecting the manufacturing costs; future reporting requirements could cause in increase in administrative costs for compliance. Despite the fact that we are below the minimum threshold for direct emission regulation, Nordstrom will continue our commitment to reducing our use of natural resources through projects and improvements in our stores, distribution and fulfillment centers and office buildings. And regardless of whether the risk is significant or not, we recognize the need to reduce our carbon footprint and perform conservation activities throughout our value chain.
Emerging regulation	Relevant, always included	We are committed to complying with all laws and regulations in the communities where we do business. The risks we have evaluated include government-enforced GHG emissions caps, trading programs and reporting requirements. We have evaluated these risks based on the scope of our business. Since we do not control any operations that are currently subject to government enforced GHG emissions caps, trading program or reporting requirements, we do not see significant or substantive risk to our company. Additionally, the store properties/structures that we own/control are not large users of energy or considered under any government enforcement. We are well below the minimum threshold of proposed emissions regulation. If there is regulation imposed upon heavy emitters, then we also realize the impact will be recognized indirectly through our supply chain over time. As such, we continue to keep informed of activities related to changes in regulations such as carbon taxes, cap and trade schemes, emission reporting standards and protocol, air pollution/contaminant limits, taxes relating to fuel and energy, regulations around fuel/energy/products and their labeling and the general environment. Looking at the short-, mid- and long-term we have not identified any regulations that would be significant or substantive to our business operations, revenue or expenditures in the markets where we do business. We, like many other specialty retailers, could see slight indirect impact from regulations in our operational costs due to some of the following: rising fuel prices could impact the brand suppliers in the manufacturing and shipment of raw materials and finished products; cap and trade schemes could raise energy costs, affecting the manufacturing costs; future reporting requirements could cause in increase in administrative costs for compliance. Despite the fact that we are below the minimum threshold for direct emission regulation, Nordstrom will continue our commitment to reducing our use of natural resources through projects and improvements in our stores, distribution and fulfillment centers and office buildings. And regardless of whether the risk is significant or not, we recognize the need to reduce our carbon footprint and perform conservation activities throughout our value chain.t
Technology	Not relevant, explanation provided	As a multiline fashion retailer, we are not aware of technology related to climate change (such as the development of lower carbon energy sources) that would pose a risk for our business.
Legal	Not relevant, included	While we always consider all legal risks in our planning, as a multiline fashion retailer, we are not aware of legal issues related to climate change (such as climate litigation claims) that pose a risk to our business.
Market	Relevant, always included	Changing customer expectations for business operations and the manufacturing of goods, including apparel, could pose a risk for Nordstrom. We regularly seek feedback from our customers regarding their perceptions of our company and their expectations regarding products that are produced with a smaller carbon footprint, and we work to make strategic decisions to meet our customers' expectations in these areas. At the company level, all consumer behavior risks are evaluated and categorized in total risk impact to the comprehensive business, as well as at the individual unit levels. When risks are identified, the severity of the impact is assessed, taking into account several factors including the scale and value of assets at stake.
Reputation	Relevant, always included	Our commitment to CSR, including efforts related to climate change, is driven by our customers' feedback. They have told us that environmental efforts are important to them - specifically energy usage, recycling, and reducing packaging. We look for opportunities to meet their needs while also reducing our footprint by improving our energy management, fuel efficiency and waste diversion from landfill (areas where we typically impact climate change), and increasing transparency around our progress. At the company level, all reputational risks are evaluated and categorized in total risk impact to the comprehensive business, as well as at the individual unit levels. When risks are identified, the severity of the impact is assessed, taking into account several factors including the scale and value of assets at stake.
Acute physical	Relevant, always included	At the asset level, as part of our ongoing risk mitigation activity, the Corporate Emergency Response team oversees emergency response and preparation programs, working with our stores' facility teams to ensure preparation for and response to events, including those that could be related to climate change such as severe weather. Regional Risk Control and Loss Prevention Managers are responsible for monitoring and escalating issues and potential risks. The risks we have evaluated include those associated with severe weather such as floods, blizzards, wild fires, droughts, hurricanes, typhoons, cyclones, etc. We have evaluated these risks as part of an annual deep dive with business owners of functions and operations to identify, assess and prioritize risk, as well as determine mitigation activities for top priority risks when the residual risk is deemed too high. We have established business continuity plans to manage disruptions in our daily business, including contingency plans for potential acute physical impacts that could be the result of climate change. Our business continuity plans allow us to work through various incidents such as black outs/loss of power, snow and ice storms, and blizzards without major business disruptions. During major events, we have plans in place that enable us to focus on keeping our employees, customers and inventories safe.

	Relevance & inclusion	Please explain
Chronic physical	Relevant, sometimes included	Because many of our products are produced outside of the U.S., some products may be manufactured in regions that could be impacted by climate change, such as drought, human migration, rising sea levels, and more. At the asset level, all physical risks are evaluated and categorized in total risk impact to the comprehensive business, as well as at the individual unit levels. When risks are identified, the severity of the impact is assessed, taking into account several factors including the scale and value of assets at stake. Though we do not believe climate change is a significant or substantive risk to us as a retailer, we recognize that there are potential risks to our company in an indirect manner. Because climate change is a large-scale issue with many outcomes, we know that the increase in severity and frequency of severe weather could affect not only on our direct business but also that of our suppliers in the mid- and long-term. We believe these risks are relatively low for Nordstrom because of our geographical spread (40 states and three provinces throughout the North American continent), and because of our business model, which is minimally impacted by and sensitive to climate change compared to other more significant risks.
Upstream	Not evaluated	
Downstream	Not evaluated	

C2.2d

(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

As an example of how we are managing a transition risk, we are pursuing alternative and renewable energy alongside carbon offsets: In 2016 we set our first renewable energy goal, By 2020, in deregulated markets where we do business, we intend to source at least 90 percent of our energy from renewable sources, or in ways that support increased renewable energy availability. Today we are sourcing about 82% of our energy from renewable sources in deregulated markets where we operate. To support growth in renewable energy availability, we're also partnering with our landlords at several Rack stores to support the landlords' renewable energy efforts through solar installations on our roofs. And through our partnership with the nonprofit Forterra, we now offset 100% of the carbon emissions from our Western Washington stores by purchasing offsets and planting hundreds of trees in the Puget Sound region. This program also allows us to educate employees on actions they can take to mitigate climate change risks. We are planning for and managing this potential transition risk over a longer-term horizon, up to five years.

As an example of how we are managing physical risks, we actively plan for, including budgeting for, emergency response and store, employee and revenue impacts due to extreme weather events. We typically plan for these risks and impacts in the short term, over one or two years. The Corporate Emergency Response team oversees emergency response and preparation programs, working with our stores' facility teams to ensure preparation for and response to events, including those that could be related to climate change such as severe weather. Regional Risk Control and Loss Prevention Managers are responsible for monitoring and escalating issues and potential risks.

Overall, to manage risks and opportunities that could contribute to climate change, our CSR division engages all business units in setting short and long-term standards, and delivering annual improvements. The CSR division manages corporate goals for energy reduction, fuel use, waste diversion and recycling, and decreased packaging. It also provides trend analysis on how these issues impact corporate reputation, identifies regulatory concerns and risks, and provides visibility to the Legal Compliance team.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

No

C2.3b

(C2.3b) Why do you not consider your organization to be exposed to climate-related risks with the potential to have a substantive financial or strategic impact on your business?

	Primary reason	Please explain
Row 1	Risks exist, but none with potential to have a substantive financial or strategic impact on business	At the company level, all regulatory, physical, reputational, consumer behavior, inventory, and financial risks are evaluated and categorized in total risk impact to the comprehensive business, as well as at the individual unit levels. When risks are identified, the severity of the impact is assessed, taking into account several factors including the scale and value of assets at stake, the proportion and type of business units affected, and the likelihood and scale of negative reputational impacts. The regulatory risks we have evaluated include government-enforced GHG emissions caps, trading programs and reporting requirements. We evaluate these risks based on the scope of our business. The reputational risks we have evaluated include those associated with reputation and changing consumer behavior, which impact our customers' desire to shop with us. We continually monitor these topics as a function of our communications and marketing activities, including through materiality assessment, which helps us understand our customers' and employees' priorities as they relate to climate change. We are taking action to provide the programs our customers and other stakeholders expect of us. The physical risks we have evaluated include those associated with severe weather such as floods, blizzards, wild fires, droughts, hurricanes, typhoons, cyclones, etc. We have evaluated these risks as part of an annual deep dive with business owners of functions and operations to identify, assess and prioritize risk, as well as determine mitigation activities for top priority risks when the residual risk is deemed too high. In each case, given the nature of our business as a multiline fashion retailer, we do not see significant or substantive risk for our company based on the factors described above. Nonetheless, Nordstrom will continue our commitment to reducing our carbon footprint, conserving natural resources and offering more sustainable products. We will continue to monitor any emerging or growing risks in these areas and others. Regardless of whether the risk is significant, we recognize the need to reduce our carbon footprint and perform conservation activities throughout our value chain.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

Our customers have told us they're interested in products with smaller environmental footprints, including smaller carbon footprints related to raw materials inputs and efficient, responsible manufacturing. We're committed to offering products like this, as well as making the products easy to find and making their environmental impacts easier to understand. As public awareness of climate impacts continues to grow, our customers may increase their interest in more sustainable products. Through Nordstrom Made brands, we offer products that use recycled polyester and organic cotton, for example. Through our brand partners, we offer products using materials like Tencel and recycled nylon, and fabrics and products that are Fair Trade and bluesign certified. All of these choices have an opportunity to create carbon emissions reductions in our upstream supply chain.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are evaluating the full opportunity of shifting consumer preferences related to sustainably made products. We see potential shifts in consumer purchasing of more sustainable products including related to more sustainable raw materials, manufacturing processes, and through rental and resold products. We are testing and learning through this program, which will contribute to its financial impact over time.

Strategy to realize opportunity

In 2018 we began building a platform on Nordstrom.com to feature more sustainable products. The product category, called Sustainable Style, later launched in 2019. Starting in 2018 and on an ongoing basis, we are working closely with our brand partners to identify product data that will enable us to include specific products in this category. Increasing our marketing and digital merchandising support of Sustainable Style, will also help us realize the opportunity, in addition to supporting the effort with internal and external communications.

Cost to realize opportunity

0

Comment

Our management approach of identifying and merchandising products into a category where customers can more easily find and buy them does not have inherent costs. Using materials and manufacturing processes that meet higher environmental standards may incur direct and indirect costs for our Nordstrom Made brands as well as for our external brand partners. We hope that by making these products easier to find on Nordstrom.com, we will over time demonstrate customer demand for more sustainable products, which will in turn contribute to decreasing prices for more sustainable upstream inputs.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Customer

Opportunity type

Products and services

Primary climate-related opportunity driver

Shift in consumer preferences

Type of financial impact

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company-specific description

Our customers have told us they're interested in products with smaller environmental footprints, including products that are shared or rented, and products that are resold. As public awareness of climate impacts continues to grow, our customers' interest in participating in the circular economy may increase. We are exploring apparel rental and resale opportunities, including through partnerships with third party companies.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We are aware of customers' increasing awareness of and participation in the circular economy. It is likely that the composition of our customers' closets are changing. For these reasons, we believe our participation in the circular economy through business models such as clothing and accessory rental and resale could have a medium-high magnitude of impact, based on the proportion of business units affected, the size of the impact on those business units, and particularly the potential for shareholder or customer response.

Strategy to realize opportunity

We are exploring various approaches to realize this opportunity, including testing and learning and short term partnerships.

Cost to realize opportunity

1

Comment

We are exploring various approaches to realize this opportunity, including testing and learning and short term partnerships. Because this strategy is still in development, we are unable to share an estimated cost. Costs associated with partnerships with third-parties will vary significantly from costs that could come from shifting internal business models or expanding internal business functions.

C2.5

(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	We are aware of an opportunity that may exist as customer demand grows for products with sustainable attributes, including related to materials, manufacturing and resale or rental. We believe this is growing as customers become more aware of the impacts of climate change. We continue to evaluate the magnitude of these opportunities and we are committed to meeting our customers' expectations.
Supply chain and/or value chain	Not yet impacted	As a retailer and a private label producer with manufacturing occurring in numerous countries, we are aware of potential climate related risks that could impact our supply chain over time, through things like increasing costs of raw materials, social disruptions due to human migration, or physical disruptions due to extreme weather events. Given the flexible nature of our supply chain, we do not expect to experience these impacts within the next five years.
Adaptation and mitigation activities	Impacted for some suppliers, facilities, or product lines	We are taking advantage of the opportunity to purchase affordable renewable energy in deregulated markets where we do business, and have set a measurable goal on this topic. The magnitude of impact for this opportunity is not substantive at this time, but it is an important way for us to operate as a responsible business.
Investment in R&D	Not evaluated	As a multi-line fashion retailer, Nordstrom does not invest in R and D.
Operations	Impacted for some suppliers, facilities, or product lines	We are taking advantage of the opportunity for cost savings that has grown in the area of energy efficiency within our operations, and have set a measurable goal on this topic. The financial impact (cost savings) of this opportunity has primarily been realized at this time, through work done over the past five years. This continues to be an important way for us to operate as a responsible business. and we are continuing to evaluate reputation opportunity related to further increasing our use of renewable energy.
Other, please specify	Not evaluated	

C2.6

(C2.6) Describe where and how the identified risks and opportunities have been factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	We regularly monitor regulatory, reputational and physical risks and opportunities that could impact our revenue, including physical damage to our stores and changing customer demands. We are currently evaluating opportunities that may exist due to shifting consumer preferences.
Operating costs	Impacted for some suppliers, facilities, or product lines	We are realizing savings in our operating costs due to efficiency projects, including lighting upgrades to LED lightbulbs in our stores, DCs and FCs. For this reason, we incorporate climate related risks and opportunities in some of our financial planning processes. The magnitude of this opportunity is not substantive.
Capital expenditures / capital allocation	Impacted for some suppliers, facilities, or product lines	Over time, we have incorporated capital expenditures when savings opportunities have been identified related to efficiency projects in our operations. For this reason, we incorporate climate related risks and opportunities in some of our financial planning processes. The magnitude of this impact is not substantive.
Acquisitions and divestments	We have not identified any risks or opportunities	We have not made any acquisition or divestment decisions based on climate related risks or opportunities, so we do not consider this as a factor in our financial planning processes.
Access to capital	We have not identified any risks or opportunities	Our access to capital has not been impacted by climate related risks or opportunities, so we do not consider this as a factor in our financial planning processes.
Assets	Impacted for some suppliers, facilities, or product lines	We have realized financial impacts from severe weather events, including store closures. For this reason, acute climate related impacts to our assets are part of our annual financial planning process. While this risk is not substantive at this time, it is a topic we monitor closely in our planning processes.
Liabilities	We have not identified any risks or opportunities	Our liabilities have not been impacted by climate related risks or opportunities, so we do not consider this as a factor in our financial planning processes.
Other	Not evaluated	

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?

Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?

Yes, qualitative and quantitative

C3.1c

(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.

Several aspects of climate change that have influenced our strategy include customer and employee demand; opportunities to decrease the emissions that cause climate change while also decreasing our costs; and opportunities to reduce risk and reach customers through a strong reputation.

Our short term strategy in response to addressing climate change has been influenced by opportunities to reduce our carbon footprint while also finding opportunities for financial savings for the long-term benefit of our business through operational changes. With the success of some of these programs, capital expenditures for climate related and/or impacting projects have been approved in a faster manner than previous years. It is also customer-centric because our customers have told us that environmental efforts are

important to them - specifically energy usage, recycling, and reducing packaging. We look for opportunities to meet their needs while also reducing our footprint by improving our energy management, fuel efficiency and waste diversion from landfill (areas where we typically impact climate change), and increasing transparency around our progress.

Our long term strategy in response to climate change has included internal goal setting processes, which influence our short term strategy. Through 2014 and 2015, we engaged in an extensive internal process to determine long term, forward-facing goals related to sustainability, and specifically climate change solutions for the long term. This work included consultant interviews with our executive leaders and business unit leaders, as well as a comprehensive materiality assessment that incorporated feedback from an all-employee survey and a customer survey conducted in tandem. This process supported a working group that has set our long term strategy, more specifically our 2020 goals - all of which received executive leadership approval. As always, our goals and progress are shared publicly each year in our annual CSR "Sharing Our Progress" report, which is posted on our Nordstrom Cares website.

We are continuing to work toward these goals, while also undertaking stakeholder engagement processes to set new goals beyond 2020. In 2018, we began a new materiality assessment process to again evaluate the issues that are more relevant to internal and external stakeholders.

We believe these efforts and strategies offer advantages within our industry by reducing our operating costs, improving adaptability to climate change and reducing risk. Reductions leading to a lower energy-per-square footage can increase revenue-per-square foot. Planning for, and mitigating against climate change helps safeguard against reputation and supply chain risks, reassuring stakeholders that Nordstrom is taking action to reduce our contribution to global greenhouse gas emissions.

One of our most substantial business decisions in 2016 was to set a goal for increasing our use of renewable energy by 2020. This will help us reduce our emissions, which contribute to climate change, in numerous markets where we operate.

Several examples of the how our business strategy has changed due to the reality of climate change include:

- 1. Reducing energy consumption through more efficient technologies, elimination of excess energy use, creation of streamlined processes and researching alternative energy sources:** To decrease costs around energy usage and become more efficient, reduce our impact on the environment and address climate change, we have continued projects such as lighting upgrades, installation of motion detectors and energy monitoring programs, as well as participated in demand response and load shedding programs. These have helped us to continue to achieve reductions in energy used per store square foot and cost savings for the company. Our System Engineer role allows us to better monitor the energy management systems that exist in our stores and educate and support our store teams on best practices for energy savings. Through these efforts, we've reduced our energy intensity per square foot by more than 17% since 2014.
- 2. Reducing carbon dioxide (CO₂) emissions through improved fleet fuel economy, and reduced air freight:** Our focus on increasing miles per gallon (MPG), cases per gallon and intermodal (combination of truck and rail) transportation has helped us with our goal to reduce both the cost and emissions per gallon of fuel. We regularly replace older equipment with new, more fuel-efficient options. In 2018 we were recognized by EPA SmartWay for our leadership efforts in this area.
- 3. Reducing total waste sent to landfills and/or incinerators by recycling plastic, glass, metal, paper, corrugated cardboard and organic waste:** As part of our company's broad goal to reduce and divert as much of our waste from landfills as possible (to ultimately lessen our impact on the environment and help address climate change), we diverted the majority of all of our total waste in 2018 and continued with organics recycling in all facilities where composting is supported by the local municipality.
- 4. Pursuing alternative and renewable energy alongside carbon offsets:** In 2016 we set our first renewable energy goal, By 2020, in deregulated markets where we do business, we intend to source at least 90 percent of our energy from renewable sources, or in ways that support increased renewable energy availability. We're partnering with our landlords at several Rack stores to support our landlords' renewable energy efforts through solar installations on our roofs. And through our partnership with the nonprofit Forterra, we offset 100% of the carbon emissions from our Western Washington stores by purchasing offsets and planting hundreds of trees in the Puget Sound region. This program also allows us to educate employees on actions they can take to mitigate climate change risks.
- 5. Engaging our customers in reducing textile waste:** We operate a clothing take-back program to reduce textile waste at the end of our value chain. We are pleased that our customers are eager to extend the life of their clothes and reduce their environmental impact.

C3.1d

(C3.1d) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios	Details
2DS	We used scenario planning to create our strategy for GHG reductions. Our GHG reduction targets have been set and are being measured to ensure we are in accordance with the 2 Degree pathway. The portions of our business that were considered in this evaluation were those within our operational control, most significantly our store, DC and FC operations, and our transportation activities. In conducting this analysis, we considered our current emissions levels, projected company growth and emissions impact, and emissions reductions activities that could be or would be implemented. We measure and report our energy and emissions on an annual basis and within the five-years that make up our 2020 goal. Our short- and long-term planning horizons are also one and five years. The results of this analysis inform our strategies related to energy efficiency efforts in our operations, our procurement of renewable energy, and our continued investment in efficient transportation. We also used this evaluation to help us set our 2020 goals.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Scope

Scope 1+2 (location-based)

% emissions in Scope

100

Targeted % reduction from base year

20

Metric

Other, please specify (Tonnes of CO2 per '000 gross profit)

Base year

2014

Start year

2015

Normalized base year emissions covered by target (metric tons CO2e)

0.0656

Target year

2020

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science Based Targets initiative

% of target achieved

100

Target status

Achieved

Please explain

In 2017, we exceeded our 2020 goal of a 20% reduction from our baseline, by reaching 116% of our goal. Our target intensity is 0.053 tCO2e/\$ gross profit. We've achieved 0.048 tCO2e/\$ gross profit in 2018. Nordstrom's intensity target covers company-wide scope 1 and scope 2 emissions, as defined by the GHG protocol Corporate Standard. The target includes all relevant GHGs as required per the GHG Protocol Corporate Standard. The target equates to a 3.65% annual reduction over the 7-year target mainframe, and was modeled using a method approved by the Science Based Targets initiative. Nordstrom reports our company-wide GHG emissions inventory and progress against this target on an annual basis.

% change anticipated in absolute Scope 1+2 emissions

25.5

% change anticipated in absolute Scope 3 emissions

0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.

Target

Renewable electricity consumption

KPI – Metric numerator

Percent of energy from or supporting renewable sources, in deregulated markets where we operate

KPI – Metric denominator (intensity targets only)

Per total energy sourced, in deregulated markets where we operate.

Base year

2014

Start year

2016

Target year

2020

KPI in baseline year

20

KPI in target year

90

% achieved in reporting year

82

Target Status

Underway

Please explain

This baseline represents our energy use in deregulated markets where we operated in 2014. Our goal, by 2020, is to purchase at least 90% of our energy from renewable sources or in ways that support renewable energy, in the deregulated markets where we operate.

Part of emissions target

Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	400
To be implemented*	0	0
Implementation commenced*	1	300
Implemented*	1	1442
Not to be implemented	0	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative type

Energy efficiency: Building services

Description of initiative

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

1442

Scope

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

2555000

Investment required (unit currency – as specified in C0.4)

6300000

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

70 stores in California reduced annual electricity consumption by 7 million kWh through lighting retrofits.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	We pilot projects that have lower usage and maintenance costs. And we run the dollars through our financial models.
Dedicated budget for energy efficiency	We put together business cases for energy efficiency projects. Energy efficiency is respected by management and employees at Nordstrom.
Internal finance mechanisms	We pilot projects that have lower usage and maintenance costs. And we run the dollars through our financial models.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

45339

Comment

Scope 2 (location-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

263670

Comment

Scope 2 (market-based)

Base year start

January 1 2014

Base year end

December 31 2014

Base year emissions (metric tons CO2e)

263670

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Defra Voluntary 2017 Reporting Guidelines

IPCC Guidelines for National Greenhouse Gas Inventories, 2006

The Climate Registry: General Reporting Protocol

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Climate Leaders: Direct Emissions from Municipal Solid Waste Landfilling

US EPA Climate Leaders: Direct HFC and PFC Emissions from Manufacturing Refrigeration and Air Conditioning Equipment

US EPA Climate Leaders: Indirect Emissions from Purchases/ Sales of Electricity and Steam

US EPA Climate Leaders: Direct Emissions from Stationary Combustion

US EPA Climate Leaders: Direct Emissions from Mobile Combustion Sources

Other, please specify (US EIA, 2016 CBECS Survey Data)

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

US EIA, 2016 CBECS Survey Data

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

51024

Start date

January 1 2018

End date

December 31 2018

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

204888

Scope 2, market-based (if applicable)

172175

Start date

January 1 2018

End date

December 31 2018

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Capital goods

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

9103

Emissions calculation methodology

The corporate travel department collects the air travel mileage data (for long, medium and short haul flights) from our centralized corporate travel vendor. Emissions were calculated according to the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, using emissions factors from the United Kingdom DEFRA/DECC 2018 – business travel air – GHG Guidelines. Air emission factors selected do not incorporate radiative forcing impact and used 100-year GWPs from the IPCC's Second Assessment Report.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Explanation

Employee commuting

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Nordstrom does not operate leased assets, aside from a transportation and distribution fleet which is accounted for in Scope 1.

Downstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

As a retailer, we do not process intermediate products. Our sold goods are final products that are consumed by the end user in their current form without further processing, transformation, or inclusion in another product.

Use of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Downstream leased assets

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Nordstrom does not operate any franchises.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Nordstrom is not an investor and does not provide financial services.

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Explanation

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000014

Metric numerator (Gross global combined Scope 1 and 2 emissions)

223199

Metric denominator

unit total revenue

Metric denominator: Unit total

15860000000

Scope 2 figure used

Market-based

% change from previous year

14.9

Direction of change

Decreased

Reason for change

This decrease is primarily due to a combination of our emissions reduction activities and the increase in total revenue. Our emissions reduction initiatives focused on LED lighting retrofits which helped reduce the scope 1 and 2 emissions by 12.84% and our total revenue increased by 2.47%. Furthermore, we have purchased additional renewable energy credits (RECs) in 2018.

Intensity figure

3.883075

Metric numerator (Gross global combined Scope 1 and 2 emissions)

223199

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

57480

Scope 2 figure used

Market-based

% change from previous year

11.8

Direction of change

Decreased

Reason for change

The change was primarily due to our emissions reduction activities including LED lighting retrofit projects which helped reduce the scope 1 and 2 emissions by 12.84%. The number of FTE has also decreased by 1.14% YoY.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	49519	IPCC Second Assessment Report (SAR - 100 year)
CH4	50	IPCC Second Assessment Report (SAR - 100 year)
N2O	421	IPCC Second Assessment Report (SAR - 100 year)
HFCs	1034	IPCC Second Assessment Report (SAR - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	49998
Canada	1026

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Natural Gas	19022
Refrigerants	1034
Propane	114
Diesel Generators	297
OTR Trucking and Distribution	27926
Corporate Fleet	303
Corporate Jet	2315
Tarmac Tug	1
Propane (forklifts)	12

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
United States of America	202542	169830	456219	108826
Canada	2345	2345	16721	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Purchased Electricity	204237	171524
Purchased Chilled Water	205	205
Purchased Steam	446	446

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	22008	Decreased	8.59	Nordstrom's gross scope 1 and 2 emissions decreased due to 'a change in renewable energy consumption' implemented in the 2018 reporting year. This change reflects additional REC procurement made in 2018. In total, 59,890 additional MWh of RECs were procured in 2018, resulting in an additional 22,008 MTCO2e reduction compared to the REC quantity purchased in the previous year. Total market-based scope 1 and 2 emissions in the previous year was 256,084 MTCO2e, therefore we arrived at 8.59% through $(22008/256084)*100=8.59\%$.
Other emissions reduction activities	1442	Decreased	0.56	Nordstrom's gross scope 1 and 2 emissions decreased due to 'other emissions reduction activities' implemented in the 2018 reporting year. This change reflects LED lighting retrofits implemented in California in 2018. Approximately, 7 million kWh of electricity was saved, resulting in a 1,442 MTCO2e reduction. Total market-based scope 1 and 2 emissions in the previous year was 256,084 MTCO2e, therefore we arrived at 0.56% through $(1442/256084)*100=0.56\%$.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output	2350	Increased	0.92	We increased our overall revenues by 2.4% year over year. Higher sales resulted in increased fleet trucking and other transportation and distribution fuel consumption. We estimate the increased fleet fuel consumption resulted in an additional 2,350 MTCO2e emissions. Total Scope 1 and 2 emissions in the previous year was 256,084 MTCO2e, therefore we arrived at 0.92% by $(2350/256084)*100 = 0.92\%$
Change in methodology	2440	Decreased	0.95	For the 2018 inventory, a number of emissions factor updates impacted the Scope 1 and 2 emissions including changes in the supplier-specific emission factors and residual mix factors in the United States (PJM and ISO-New England). Net impact was calculated by applying 2017 emission factors to 2018 activity data to determine the difference in emissions from emission factor updates. In total, emissions factor updates decreased emissions by 2,440 MTCO2e. The total scope 1 and 2 emissions in the previous year was 256,084 MTCO2e, therefore we arrived at 0.95% through $(2440/256084)*100=0.95\%$.
Change in boundary		<Not Applicable>		
Change in physical operating conditions	4146	Decreased	1.62	We experienced an increase in emissions due to steam and chilled water consumption while emissions from natural gas, propane, refrigerants and electricity decreased in 2018. We attribute the majority of this change to variability in weather conditions. The impact was calculated by finding the year over year change in the sum of emissions from these service types. This was calculated as an overall increase of 4,146 MTCO2e. Total Scope 1 and 2 emissions in the previous year was 256,084 MTCO2e, therefore the percent change in emissions was calculated as $(4146/256084)*100 = 1.62\%$.
Unidentified		<Not Applicable>		
Other	5199	Decreased	2.03	Nordstrom's gross scope 1 and 2 emissions decreased due to 'Other' activities which includes small-scaled miscellaneous emissions reductions activities implemented in 2018 that were not quantified in the 'Other emissions reduction activity' row. This change reflects any emissions reductions other than the LED lighting retrofits and 5,199 MTCO2e were reduced in 2018. Total market-based scope 1 and 2 emissions in the previous year was 256,084 MTCO2e, therefore we arrived at 2.03% through $(5199/256084)*100=2.03\%$.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	226961	226961
Consumption of purchased or acquired electricity	<Not Applicable>	108826	469835	578661
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	1968	1968
Consumption of purchased or acquired cooling	<Not Applicable>	0	1139	1139
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	108826	699903	808729

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

104757

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

111105

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Motor Gasoline

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

1205

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Jet Kerosene

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

9302

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

Fuels (excluding feedstocks)

Propane Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

592

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

Diesel

Emission factor

22.55161

Unit

lb CO₂e per gallon

Emission factor source

2018 Climate Registry Default Emission Factors (May 2018)

Comment

This emission factor is the US national average factor

Jet Kerosene

Emission factor

21.70693

Unit

lb CO₂e per gallon

Emission factor source

2018 Climate Registry Default Emission Factors (May 2018) (Table 13.1; Table 13.7 US Default CH₄ and N₂O Emission Factors for Non-Highway Vehicles)

Comment

This emission factor is the US national average factor

Motor Gasoline

Emission factor

19.63279

Unit

lb CO₂e per gallon

Emission factor source

2018 Climate Registry Default Emission Factors (May 2018)

Comment

This emission factor is the US national average factor

Natural Gasoline

Emission factor

12.22996

Unit

lb CO₂e per 1000 cubic ft³

Emission factor source

2018 Climate Registry Default Emission Factors (May 2018)

Comment

This emissions factor is an average of the US national average factor and Canadian provincial factors

Propane Gas

Emission factor

12.55818

Unit

lb CO₂e per gallon

Emission factor source

2018 Climate Registry Default Emission Factors (May 2018)

Comment

This emission factor is the US national average factor

C8.2f

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

Basis for applying a low-carbon emission factor

Energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Other low-carbon technology, please specify (Wind and Solar)

Region of consumption of low-carbon electricity, heat, steam or cooling

North America

MWh consumed associated with low-carbon electricity, heat, steam or cooling

108826

Emission factor (in units of metric tons CO₂e per MWh)

0

Comment

Nordstrom purchased RECs from several of our suppliers through load following supply contracts in deregulated markets.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

Scope

Scope 1

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

GHGVerificationStatement Nordstrom 2018_FINAL.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

GHGVerificationStatement Nordstrom 2018_FINAL.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

GHGVerificationStatement Nordstrom 2018_FINAL.pdf

Page/ section reference

Page 1

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope

Scope 3- at least one applicable category

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Attach the statement

GHGVerificationStatement Nordstrom 2018_FINAL.pdf

Page/section reference

Page 1

Relevant standard

ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase

Credit purchase

Project type

Forests

Project identification

Nordstrom participates in Forterra's Evergreen Carbon Capture Program, which restores forests in our local area. While the Evergreen Carbon Capture Program is providing carbon mitigation services, it does not provide certified offset credits.

Verified to which standard

Not yet verified

Number of credits (metric tonnes CO2e)

1430.06

Number of credits (metric tonnes CO2e): Risk adjusted volume

1430.06

Credits cancelled

Not relevant

Purpose, e.g. compliance

Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

12.52

% total procurement spend (direct and indirect)

40.83

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

In 2018, 12.52% of our factory suppliers were part of this engagement, which covered 41.62% of our total volume of private label products. This made up 40.83% of our cost of goods sold, for private label products.

Impact of engagement, including measures of success

As a member of the Sustainable Apparel Coalition, we are gathering environmental and climate change information from factories where our private-label products are produced, through the SAC's Higg Index Facility Environmental Module. The Higg FEM measures environmental management systems, energy use and greenhouse gas emissions, water use, wastewater, emissions to air (if applicable), waste management, chemical use and management. We are increasing our engagement and supplier use of this tool over time. We are currently measuring our success by the number (percentage) of suppliers that are disclosing their environmental performance through this tool.

Comment

Type of engagement

Innovation & collaboration (changing markets)

Details of engagement

Other, please specify (We informally engage our external brand partners in Shoes to encourage them to reduce product packaging, which is typically made from paper and plastic.)

% of suppliers by number

% total procurement spend (direct and indirect)

% Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We identified an opportunity to support our Merchandising and Store Ready Compliance teams by providing a shoe packaging guidelines document that helps educate brands and factories. Reducing paper and plastic packaging has an impact on our emissions by conserving natural resources and preventing materials from entering our supply chain that will later become waste.

Impact of engagement, including measures of success

We created a set of guidelines in 2016 to support shoe packaging reductions for our private label products and our external brand partners, including paper and plastic elements commonly found as packaging in shoe boxes. Our Merchandising team continues to use this resource in market with our brand partners. Our private label group, through our factory partners, continues to package shoes to these standards.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number

100

% Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

To engage our customers, we publicly and voluntarily share information about our GHG emissions and climate change strategies, including through reporting, corporate blog posts, and social media posts. Our customers have told us that this information is important to them. We work to explain our climate change efforts and strategies in terms that are accessible and compelling for our customers. We also personally respond to emails sent to CSR@Nordstrom.com. These engagement efforts are open and ongoing to our millions of customers.

Impact of engagement, including measures of success

The impact of this engagement supports our reputation and at times drives actions, such as participating in our clothing donation program or making purchases of more sustainable products. Because these are engagement efforts, we measure success through metrics such as engagement with marketing emails and through social media channels such as Instagram, Facebook, Twitter and LinkedIn (views, shares, clicks). We also measure levels of engagement and customer expectations through regular consumer insights data collection, like customer surveys with questions related to our environmental impacts.

C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

To engage our employees as value chain partners, we offer a subsidized public transportation benefit to all eligible U.S. employees, which encourages them to consider transportation options that are less fuel intensive.

We also host a volunteering opportunity each year with our nonprofit partner Forterra, through whom we purchase offsets that now account for 100% of the emissions of our western Washington stores. This event gives us a unique opportunity for employee education. Our offset increased to 100% in 2018, up from 50% in 2017.

We prioritize these engagements by identifying benefits and opportunities that are meaningful to our customers and employees, including through materiality assessment. Our measures of success vary by type of engagement, but include number of employees who choose a public transportation option, and number of employees who volunteer with our carbon offsets partner.

To engage our customers as value chain partners, we regularly respond to customer questions and feedback regarding our sustainability efforts, via phone, email, chat and social media. We also report our CSR activities, including efforts related to climate change, online at NordstromCares.com and in our annual CSR report. We measure engagement in a number of ways, including media coverage (number of stories, reach of publication, tone of article), our performance on industry lists and rankings, and feedback on our social channels and sent directly to our public-facing CSR inbox.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Trade associations
 - Funding research organizations
-

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?

Yes

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

As part of our commitment to corporate social responsibility, we focus on efforts within our business that align with our commitment to respect the environment. As a company we generally do not get involved in policy debates on issues. However, we do look for opportunities to partner with organizations that share common viewpoints with us, and as noted, some trade associations that may engage in discussion on sustainability issues that impact our industry.

When we do engage (on a limited basis), we follow our typical review process, which includes thorough research and understanding of the organization's directives (through in-person or telephone conversations) and other reviews of the organization. Further activity would be approved at the Executive team level. If a corporate contribution were given to any organization, its review would be part of our annual giving review process, which is handled by our CSR team, with oversight of our Charitable Giving, and includes a more in-depth look at the organization's structure, including where funds are allocated.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

Sharing Our Progress 2017.pdf

Page/Section reference

Pages 6-8, 19-21, 27

Content elements

Strategy

Risks & opportunities

Other metrics

Other, please specify (Our participation in CDP Climate Change is included and linked on Page 21.)

Comment

Our goals are set based on energy intensity and renewable energy use within our overall energy use. Our energy intensity has a direct impact on our emissions. The attached document reflects our work in 2017. Our 2018 CSR report is underway and will again include mention of our energy use, emissions impact on climate change, and our participation with and prioritization of CDP Climate Change.

Publication

In voluntary communications

Status

Complete

Attach the document

CDP inclusion on nordstromcares.JPG

Page/Section reference

1

Content elements

Strategy

Risks & opportunities

Other, please specify (Content about our commitment to reducing our energy use and emissions.)

Comment

We share information with customers year-round on our CSR website NordstromCares.com, including linking directly to CDP's site where customers can view our CDP Climate Change disclosure. The attached document is a screen grab of our site, which at the time of submission can be viewed here: <https://shop.nordstrom.com/content/nordstrom-cares-water-energy-emissions>

C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Director of Corporate Social Responsibility	Business unit manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

Please confirm below

I have read and accept the applicable Terms