DIVERSITY & INCLUSION

RETAINING DIVERSE EMPLOYEES IN THE CORPORATE WORKPLACE

DECEMBER 2020

OVER THE PAST 20 YEARS, OUR DIVERSITY AND INCLUSION STRATEGY HAS EVOLVED FROM REACTIVE TO BEING EMBEDDED INTO HOW WE THINK, ACT AND OPERATE

Early 2000s

Business Case for Diversity

- Focused on **compliance & representation**
- Managed **brand reputation** through relationships with influential community leaders
- Established **Security Monitor role to mitigate risk**
- Launched **Customer Bill of Rights in NY**

Mid-Late 2000s

Launched Workshop at Macy's

- Established **retail & nonretail supplier diversity offices**
- Launched **Workshop @ Macy's** designed to educate Women and Minority owned brands to do business at scale
- Understood the **meaningful change in demographics** across the US & spending power
- Developed **merchandising strategies** to address emerging Markets

2018 – 2019

Introduced Diversity & Inclusion as Company Priority

- Launched holistic, **enterprise-wide diversity & inclusion vision and mission**
- Defined clear **goals and KPIs** leveraging global benchmarking
- Reinstated **Diversity & Inclusion Business Council** (DIBC) to drive accountability
- **Published goals externally** to increase transparency

2020

Racial Injustice & Need for Systemic Change

- Refocus diversity & inclusion Strategy to **address current climate**
- **Drive change** through five focus areas:
  - **Colleague**
  - **Customer**
  - **Supplier**
  - **Community**
  - **Marketing**

2021

Accelerate Progress on Diversity & Inclusion

- Drive **change and accountability** of diversity & inclusion five focus areas:
  - **Colleague**
  - **Customer**
  - **Supplier**
  - **Community**
  - **Marketing**
- **Deliver** on published diversity & inclusion goals

IN 2018, WE ESTABLISHED DIVERSITY AND INCLUSION AS A COMPANY PRIORITY WITH AN ENTERPRISE-WIDE VISION, MISSION, AND GOALS

VISION:
Be a beacon of diversity & inclusion for our colleagues, customers and communities

MISSION:
Embed diversity & inclusion into how we think, act and operate

COLLEAGUE: Reflect the full spectrum of diversity at all levels of our workforce

CUSTOMER: Welcome, accept, and respect every one of our customers

SUPPLIERS: Drive growth with underrepresented suppliers

COMMUNITY: Drive impact through community relationships that reflect our goals and values

MARKETING: Consistently and genuinely reflect all our customers

BASED ON CONSUMER RESEARCH, DIVERSITY AND INCLUSION HAS A POSITIVE FINANCIAL IMPACT ON THE BUSINESS

53% believe brands have a responsibility to get involved in at least 1 social issue

70% link purchasing to trust in companies

95% want large companies to promote an economy that serves all Americans

60% believe how a company reacts on topics (e.g., systemic racism) will permanently affect their purchase decisions

71% feel companies are responsible for helping during a pandemic and use their power and influence to demand action from government
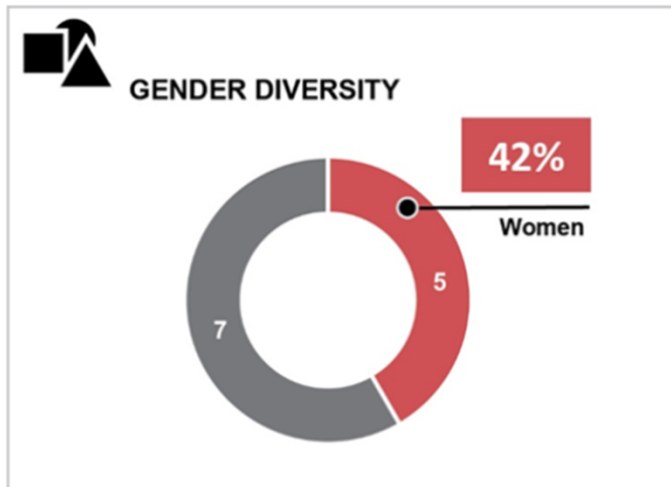
OUR BOARD OF DIRECTORS PROVIDE AN EFFECTIVE MIX OF EXPERIENCE AND FRESH IDEAS, AS WELL AS GENDER AND ETHNIC DIVERSITY

GENDER DIVERSITY

42%
Women

7

5

ETHNIC DIVERSITY

33%
Ethnically Diverse

8

4

1 Hispanic
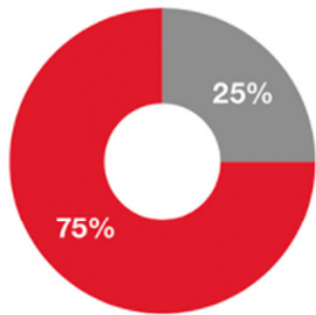
3 African American
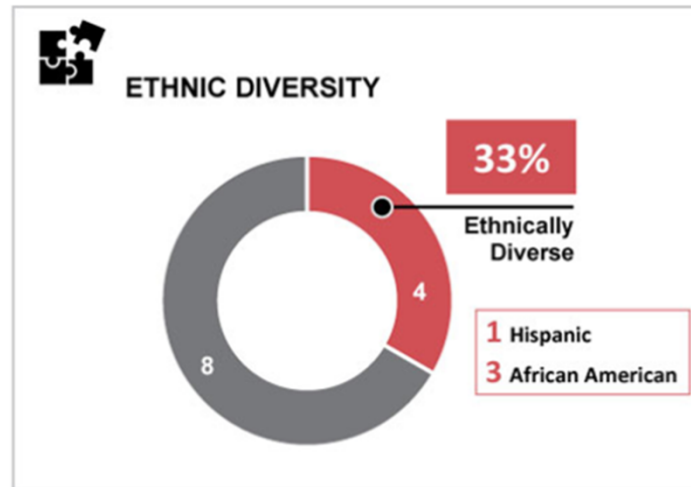
BOARD REFRESHMENT

- Over the last five years, **6 new directors** have joined our Board, bringing our board size to 12

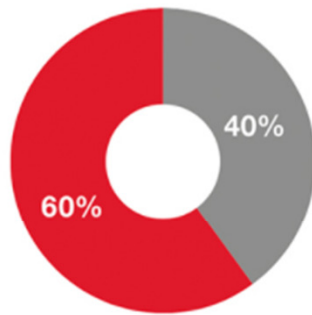# WE HAVE AN OPPORTUNITY TO BETTER ALIGN THE DIVERSITY OF OUR LEADERS WITH THAT OF OUR CUSTOMERS
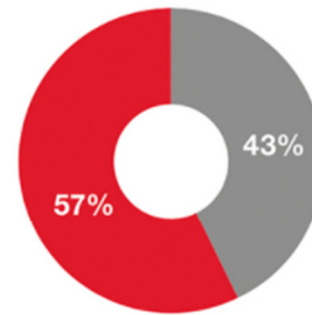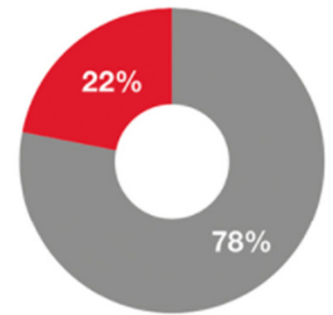
Colleagues

Leadership
(Senior Director and above)

25%
75%

40%
60%

43%
57%

22%
78%

- Men
- Women

- Non-Ethnically Diverse
- Ethnically Diverse

- Men
- Women

- Non-Ethnically Diverse
- Ethnically Diverse

*Figures as of FY2018.

COMPANIES ACHIEVE BETTER BUSINESS OUTCOMES WHEN DEMOGRAPHICS OF LEADERSHIP REFLECT THOSE OF THE CUSTOMER*

RETAINING DIVERSE EMPLOYEES IN THE CORPORATE WORKPLACE

ACCELERATE THE ETHNIC DIVERSITY OF OUR LEADERSHIP
- Established a goal to **achieve 30% ethnic diversity by 2025**
- Maintaining focus on **hiring, developing and retaining ethnically diverse talent** is key for improvement

STEM MID-CAREER ATTRITION OF ETHNICALLY DIVERSE TALENT
- MOSAIC, launched in 2019, is Macy's, Inc. development program, designed to **accelerate the professional development** of top talent, Manager and Director-level colleagues, who self-identify as Black, Latinx and/or Asian.

EXPAND AWARENESS AND ENGAGEMENT
- Expanded opportunities for colleagues to experience connection, **achieve belonging, and build community**
- **Open dialogue** around systemic racism and belonging

THANK YOU!