

RETAIL

Neiman Marcus Group neared double-digit carbon reductions in 2023

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At the end of 2023, NMG found itself over 80 percent of the way towards its emission reduction goals. Image credit: NMG

By ZACH JAMES

U.S. retail group NMG is closing in on its social and sustainability targets, as shown in a new publication.

Released Jan. 10, the company's third ESG report, titled "[Our Journey to Revolutionize Impact](#)," reveals that multiple goals were met or exceeded during its 2023 fiscal year, which ended July 29 last year. As consumers demand more accountability from luxury environmental or otherwise NMG is making many strides in environmental areas while working to further diversity and workplace culture.

"I am proud of the meaningful progress we've made in the areas of sustainability and advancing workplace equity, as we continue [Our Journey to Revolutionize Impact](#)," said Geoffroy van Raemdonck, CEO of NMG, in a statement.

"These achievements are a direct result of leading with love in everything we do to [Make Life Extraordinary](#) for our customers, associates, brand partners, and communities," Mr. van Raemdonck said. "As one of the premier luxury fashion retailers, our deep relationships with the U.S. luxury customer and the world's most desired brands allow us to further influence positive change on the industry."

"We know that empowering others to join us in our efforts amplifies our collective impact."

Forward progress

At the end of FY2023, NMG has found itself over 80 percent of the way towards its emission reduction goals.

On a 2019 baseline, the group has lowered its scope one and two carbon emissions by 42 percent. The double-digit cut comes close to its 50 percent cut target for 2025.

The company has also limited its consumption from nonrenewable electric sources, as 57 percent of its electric usage was procured from renewable sources last year, jumping from only 19.9 percent usage in FY22. NMG is over halfway to its 2030 total renewable electric procurement goal.

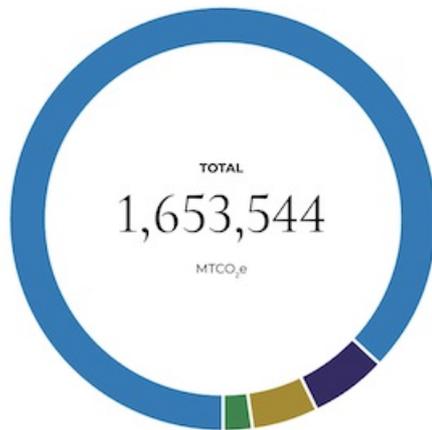
This attitude towards sustainability is also applied to the company's products, having "extended the useful life" of more than 1.1 million luxury items through circular services such as alterations, restoration, resale and donation surpassing its "1 million good goal" for 2025 two years before the deadline.

At the same time, NMG is making sure the suppliers are following its code of conduct and sourcing program, implemented in 2021, said to “protect human rights and the environment.” In 2022, the corporation signed all of its imported private label vendors to the documents, with 80 percent of its domestic providers signing on as of 2023; the goal is for 100 percent supplier participation by 2025.

“To make the greatest impact, we work cross-functionally to ensure all teams are held accountable across the business,” said Eric Severson, chief people, ESG and belonging officer at NMG, in the report.

“Over the past year, we’ve prioritized investing in key roles, systems, and infrastructure to drive progress as we continue integrating ESG into our direct operations.”

SCOPE 3 EMISSIONS



87%

PURCHASED GOODS & SERVICES

5%

DOWNSTREAM TRANSPORTATION & DISTRIBUTION

6%

REMAINING SCOPE 3 CATEGORIES

2%

UPSTREAM TRANSPORTATION & DISTRIBUTION

Reduction updates were not provided concerning Scope 3 emissions. Image credit: NMG

NMG is also making strides to improve its internal culture, adding more varied voices to its staff and executive suite.

Since launching its first-ever People Report in June 2023 (see story), the company has been steadfast in adhering to its goals of increasing racial and ethnic diversity at the vice president level and above, among several others. Workplace equity is viewed as extremely important, as it has met or exceeded the standards set in the Human Rights Campaign’s Corporate Equality Index in 2021, *Bloomberg’s* Gender Equality Index Framework in 2022 and, in 2023, has done the same with the Disability:IN’s Disability Equality Index.

The group met its goal of reaching 21 percent of its VP-level staff being denoted as “racially or ethnically diverse,” a target originally set for 2025. A 28 percent objective has now been set for 2030.

NMG U.S. WORKFORCE BY ETHNICITY²



¹ Includes International and U.S. data. ² Includes U.S. employee data only.

Of the company's U.S.-based workforce, nearly a quarter identifies as Latino. Image credit: NMG

The company is nearing completion of plans to raise a combined \$3 million for The Heart of Neiman Marcus Foundation and Bergdorf Goodness Foundation by 2025, having collected just under \$2.3 million. Volunteer hours among its associates in 2023 nearly doubled compared to the time spent in 2021 and 2022 combined, from 3,586 to 6,906, nearing the 7,500-hour total goal set for 2025.

"We hold NMG to the highest standards in every capacity, including our ESG strategy," said Pamela Edwards, chair of the audit committee within the board of directors at NMG, in the report.

"As we begin to meet some of our initial goals, the diversity of our Board becomes even more crucial in optimizing independent decision-making and ultimately revolutionizing the company's impact."

Industry-wide application

NMG is far from the only brand in luxury upping its game in the environmental, social and governance arena.

Since mid-2023, numerous names including French luxury conglomerate LVMH ([see story](#)), luxury cruise line Silversea ([see story](#)) and Swiss watchmaker Breitling ([see story](#)) have either renewed or launched public targets or reports covering ESG progress.



Due to a heavy reliance on raw materials, luxury fashion stands at a particularly high risk of losses in the face of the climate crisis. Image credit: Cornell University

According to Positive Luxury, actions like these are necessary on the part of maisons ([see story](#)), for their consumer bases which demand it, for the greater good of the planet and for their own respective bottom lines ([see story](#)).

As the effects of climate change continue to impact global communities, experts argue that a heightened level of accountability on behalf of governments and individual companies will be required.

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