

NORDSTROM

Dear Nordstrom Supplier,

We hope you, your families and teams are safe and well. Recently we made changes within our Merchandising organization to align many roles with end-to-end responsibilities for Full Price & Off Price. We believe this is the right way to deliver the best offer to our customer and effectively operate to grow the business with our brand partners.

Our objective is to execute with speed and flexibility as an end to end Nordstrom organization removing internal barriers to serve customers on their terms. This led us to the launch of a new initiative - Single Item Inventory Hierarchy (SIIH). The new hierarchy collapses two distinct and different product hierarchies (Full Price and Off Price) into one Nordstrom hierarchy representing a 50% reduction in department numbers. The result will be a more aligned and integrated Full Price and Off Price business.

The new Department Number Hierarchy sets up a strong customer-centric focus to build plans and report on our business. With our single JWN hierarchy we support increased standardization, reducing errors in item and PO setups. A single hierarchy enables us to eliminate the use of the Nordstrom UPC, which requires significant manual Supply Chain intervention and limits our ability to assess end to end performance and efficiently scale. The result will be greater inventory accuracy, improved compliance, and ultimately having what the customer wants, when and where they need it.

The **Department # structure** is changing to support a single department number for a category across Full Price & Off Price with consistency in classifications and end to end visibility. These changes are taking place now through the end of July by merchandising area. Please review the attached Supplier Guide to Department Changes to learn more about what these changes mean to you as a brand partner and how we operate together.

We thank you for your continued support and partnership and we look forward to improving our ability to deliver the very best product and experience to our customers.

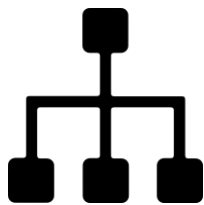
Nordstrom Merchandising Group

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SUPPLIER GUIDE TO DEPARTMENT CHANGES

CONVERSION DATES:

SHOES: COMPLETED 6/28 WOMENS: 7/7-7/12 MENS & KIDS : 7/13-7/16
 DESIGNER, BEAUTY, ACCESSORIES, HOME 7/17-7/18



DEPARTMENTS

- Full Price & Off Price use the **same** department numbers
- Most numbers and descriptions are new – department, class, and subclass
- There is now consistency in class and subclass within a product area
- Multiple buying teams may use a single department number



PURCHASE ORDERS

- Existing orders updated with new department numbers, but not re-transmitted
- Dropship orders automatically reflect new departments
- New orders will be issued where a single department is split into more than one
- Separate orders are still required for each selling channel and market



REPORTING

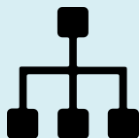
- All reporting will be updated with the new hierarchy
- Data reported "as is" in the new hierarchy – no data in the old departments
- Reports may be delayed while a division change is in process
- Channel and market identifiers remain as is: FLS, Rack, .com, US, Canada



EDI & ITEM SETUP

- Off Price uses the vendor UPC, eliminating wait time for it to be released
- Most Off Price orders will now transmit via EDI

SUGGESTED CHANGE READINESS ACTIONS



- ✓ Review the new department structure



- ✓ Verify internal indicators for Full Price & Off Price



- ✓ Check Supplier Reporting Portal for updates



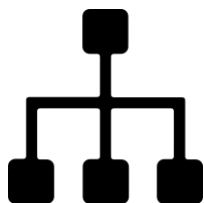
- ✓ Verify EDI setup is ready for the new departments

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SUPPLY CHAIN GUIDE TO DEPARTMENT CHANGES

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PURCHASE ORDER TYPES

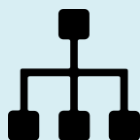
- PO Type may indicate whether an order is Full Price or Off Price
- Check the [PO Type list](#), also available on www.nordstromsupplier.com
- Separate orders are still required for each selling channel and market



ROUTING GUIDE & EDI

- Nordstrom Routing Guide will be updated when all new departments are live
- Most Off Price orders will now transmit via EDI

SUGGESTED CHANGE READINESS ACTIONS



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- ✓ Check Supplier Reporting Portal for updates



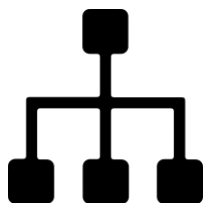
- ✓ Verify EDI & shipping setup are ready for the new departments

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REPORTING GUIDE TO DEPARTMENT CHANGES

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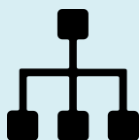
- All reporting will be updated with the new hierarchy
- Data reported "as is" in the new hierarchy – no data in the old departments
- Reports may be delayed while a division change is in process
- End to end Full Price & Off Price reporting will not be immediately available
- Reporting will continue to be split by:
 - Channel:
 - Full Price Stores, N.com
 - Off Price Stores, NRHL
 - Market:
 - US
 - Canada
 - Location:
 - Geographic Region
 - Store selling location



EDI SALES & OTHER PERFORMANCE DATA

- Over time, all EDI sales and other provisioned transmissions will include the vendor UPC for all channels and markets, making data more useful

SUGGESTED CHANGE READINESS ACTIONS



- ✓ Review the new department structure



- ✓ Verify internal indicators for Full Price & Off Price



- ✓ Check Supplier Reporting Portal for updates



- ✓ Verify EDI & shipping setup are ready for the new departments

RESOURCE LINKS

Shipment Compliance
www.nordstromsupplier.com

Department List & Reporting
www.partner.nordstrom.com