

# NEIMAN MARCUS GROUP / BERGDORF GOODMAN

CUSTOMER STORY



## Challenge

The Neiman Marcus Group (NMG) has been revolutionizing luxury retail since Carrie Marcus Neiman, her brother Herbert Marcus, Sr., and her husband A.L. Neiman founded the Neiman Marcus retail establishment in Dallas, Texas in 1907. Today, they honor this legacy with the recent launch of their first-ever Environmental, Social, Governance report, "Our Journey to Revolutionize Impact." Within the report, NMG outlines goals to reduce Scope 1 and Scope 2 emissions<sup>1</sup> by 50% from a 2019 baseline by 2025 and to transition to 100% renewable energy use by 2030. In keeping with the revolutionary nature inherent in the iconic brand, NMG set out to chart a new course with confidence and determination.

Understanding that buildings account for nearly 40% of greenhouse gas (GHG) emissions<sup>2</sup>, NMG looked to its own iconic New York City storefront—which represents 20% of the energy usage in its fleet of stores—as a starting point. The 94-year-old Bergdorf Goodman building, which sits at the intersection of 57th Street and Fifth Avenue, in the heart of Manhattan, is known for its elegant architecture and unique slanted mansard-style rooflines, as well as its rich history. To fully transition to renewable energy at the Bergdorf Goodman Women's Store, NMG first needed to eliminate all direct natural gas use associated with its chillers. The ability to significantly decarbonize their operations with one single installation at a legendary site was a huge step toward their goals. The significant infrastructure upgrade would take place in the heart of bustling Midtown Manhattan without disruption to the day-to-day operations of the Bergdorf Goodman Store. This project puts NMG at the forefront of energy innovation and sets an example for buildings across New York City in paving the way toward a net-zero future.

1. Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use. Source: <https://www.epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance>

2. Source: U.S. Green Building Council

## Neiman Marcus Group / Bergdorf Goodman New York, NY

### PROJECT HIGHLIGHTS



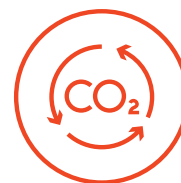
#### Renewable Energy

Eliminated the use of natural gas—progress toward full electrification



#### Building Performance

Compliance with New York City's Local Law 97



#### Carbon Reduction

Annual reduction of 642 metric tons of carbon



#### Total Savings

Savings of \$61,000 in annual energy costs

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## Solution

NMG looked to Trane—by Trane Technologies, a global climate innovator—its long-term HVAC solutions provider to bring its vision to life. Initial assessments determined the current functionality of the building, which informed the development of several viable concepts that addressed the infrastructure needs. Weighing the options against key performance indicators of NMG and Bergdorf Goodman, plans for the project emerged.

Trane provided a roadmap to help NMG achieve a net-zero future by replacing the building's outdated, inefficient absorption chillers with two (2) 500-ton water-cooled, energy-efficient Trane electric chillers. The project improves the building's performance and puts it in compliance with New York City's Local Law 97, one of the most ambitious plans for eliminating emissions in the nation. An installation of this size and scale required seamless coordination between the two organizations and other key players such as the Department of Buildings, the Department of Transportation, Landmarks, and others.

The environmentally friendly makeover of the historic, 94-year-old building relied on innovative, energy-efficient, decarbonizing technology from Trane, helping to enable Bergdorf Goodman to 1) eliminate the use of natural gas, 2) progress toward full electrification and 3) transition to renewable energy use to significantly reduce its carbon footprint. The next-generation, low-global-warming-potential refrigerant chillers offer more efficiencies and capacities and sets a new standard for buildings in New York City.

The Bergdorf Goodman building was also upgraded with Trane controls, optimizing the chiller plant to better manage the system's run time, and helping to ensure optimal comfort for their customers at all times. The installation of the chillers and controls is expected to result in an annual reduction of 642 metric tons of carbon—the equivalent of GHG emissions from 138 gasoline-powered passenger vehicles driven for one year. As a direct result, it is anticipated that NMG will realize a savings of \$61,000 in annual energy costs.

Trane has a proven track record of assisting companies in reducing energy costs and their carbon footprint. This installation marks another milestone in Trane's 100+ years of making buildings better.

## Dream Big and Deliver Bigger

The partnership between NMG, a luxury retailer visionary, and Trane, demonstrates the power of collaboration and shared values around renewable energy and decarbonization. This carefully orchestrated and thoughtfully executed infrastructure project is a significant milestone for the future of historic buildings around the globe and supports New York City's goal of reaching net-zero GHG emissions by 2050. NMG's transition to renewable energy also marks the beginning of their net-zero future and supports Trane Technologies' goal of reducing a gigaton of carbon emissions from customers' footprints by 2030. This installation is part of an enterprise-wide decarbonization roadmap—developed in collaboration with Trane—to begin fulfilling NMG's corporate ambition. Additional efforts include Deep Decarbonization Assessments, set to begin as early May 2022, at three (3) additional high sales retail facilities in New York, Texas, and Virginia. These on-site decarbonization projects utilize a high return on investment approach to achieving carbon reduction within a built environment. The decarbonization roadmap provides a solid foundation upon which NMG can begin working towards their 2025 net-zero commitment and a bright future for the NMG and Trane Technologies partnership.



Trane – by Trane Technologies (NYSE: TT), a global climate innovator – creates comfortable, energy efficient indoor environments through a broad portfolio of heating, ventilating and air conditioning systems and controls, services, parts and supply. For more information, please visit [trane.com](https://trane.com) or [tranetechnologies.com](https://tranetechnologies.com).

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