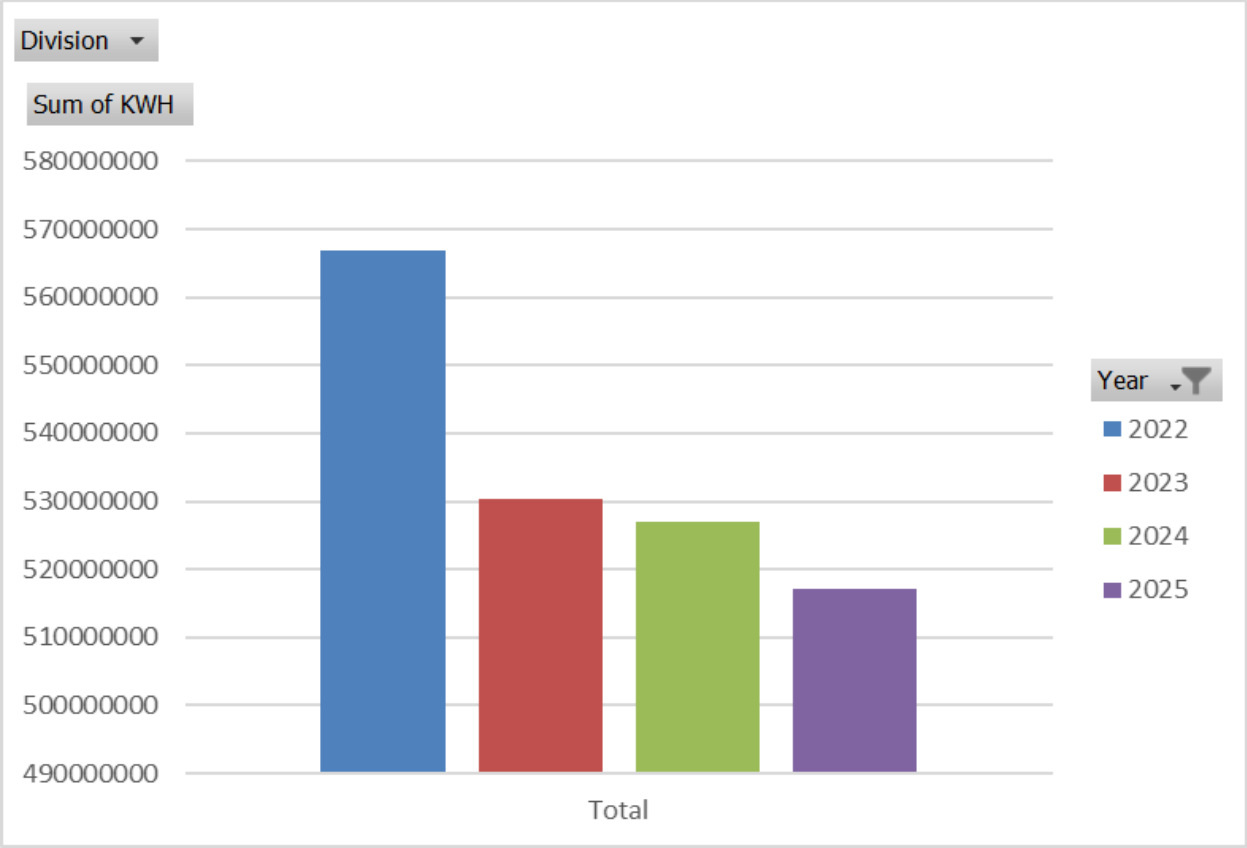
Report on Climate Change Mitigation Efforts

Dillard's is a fashion retailer and is not directly involved in an industry that significantly impacts the environment such as manufacturing or oil production. However, Dillard's believes that climate change mitigation is an appropriate issue for all corporations, including retailers, to consider in conducting operations. As such, Dillard's undertakes to reduce its carbon footprint in the manner set forth below.

The most significant points of energy consumption by Dillard's are operation of the HVAC and lighting systems in its retail stores. Dillard's has taken the actions detailed below with the combined effect of cost savings and a reduction in its carbon footprint.

From 2022 through 2025 Dillard's has reduced its electric energy consumption from 566 mm kWh to 517 mm kWh, an 8.67% reduction in energy consumption.



Energy Management Systems – Dillard's has installed energy management systems ("EMS") in all Company owned buildings. The EMS systems allow Dillard's to monitor and control energy use in Company facilities remotely. Buildings are operated in the most efficient manner possible with respect to starting, running and stopping the HVAC and lighting systems. The HVAC and lighting systems within Dillard's stores are maintained at minimal energy usage by turning them off when the buildings are not occupied.

Energy Information System – In combination with the EMS, Dillard's has partnered with Control IQ to assist us in analyzing the data generated from our EMS systems. The partnership allows us to evaluate all store energy data to better control the facilities at the lowest possible cost. In particular, Dillard's monitors its buildings for operation outside of normal ranges. This system allows Dillard's to determine the need for repair or replacement of HVAC units that are not operating within design specifications.

New Store Standards - Dillard's builds its new stores to U.S. Green Building Council's LEED standards where appropriate. Dillard's installs 12.5 Energy Efficient Ratio (EER) and variable speed drive HVAC systems, highly reflective white roofs, 4.0 factor insulation (3.0 for roofs), fully automated energy systems and LED lighting.

Existing Store Upgrades – Dillard's replaces incandescent and fluorescent systems with LED lighting where appropriate for existing stores. In 2025 Dillard's upgraded the lighting to LED at 28 locations. All new store designs and remodeled stores lighting is specified as LED. Dillard's replaces existing HVAC systems where appropriate with new highly efficient variable speed drive units. In 2025 HVAC rooftop units were replaced at 12 Dillard's locations. Dillard's replaces existing roofs where appropriate with highly reflective efficient roofs. In 2025 Dillard's replaced the roofs at 6 Dillard's locations with the highly reflective efficient roofing.

New Technology Evaluation – Dillard's consistently evaluates new technologies that may fit its needs. Dillard's works closely with its HVAC and lighting vendors to develop specific products to reduce its energy usage.

Energy Star – Dillard's facilities are included in the EPA's Energy Star Program. Although Dillard's does not rank its buildings, Dillard's compares its Energy Use Index to other like facilities. Approximately 70% of the Company's buildings operate more efficiently in comparison to its peers.

Reduction in Paper Use - Dillard's makes efforts to reduce its use of Paper through paperless payroll, 401k, credit card statements, record storage and other efforts to reduce the output of and storage costs associated with paper.

Renewable Energy – Dillard's has and continues to analyze opportunities to incorporate renewable energy in its facilities. A portion of Dillard's electric purchases is designated for the supplier's research and development of renewable energy sources.

2025 Demand Response Program – Dillard's implemented the Demand Response Program in 2025. Demand Response is an active and controllable strategy used to help maintain grid stability and avoid blackouts during high demand periods.