

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

### SOCIAL RESPONSIBILITY

At Chico's FAS, Inc. we know that *people* are key to our success. The *people* who design, make and sell our products, the *people* who support every function of our organization, and the *people* who buy our unique fashion. It's our responsibility to take care of our *people*, and the environments where they live and work. We believe that every person has a right to safe, decent and humane working conditions, whether in facilities operated by us or by third parties. We are committed to minimizing our environmental footprint, creating an inclusive culture, offering health and wellness programs for our people and supporting the communities where we operate.

In this document, we share an overview of the efforts we are making to improve the lives of those who work at and with the Company and the communities in which we do business. Please see the Company website ([www.chicosfas.com](http://www.chicosfas.com)) and click on "Philanthropy" for details on our community engagement, charitable giving and other philanthropic efforts or click on "Sustainability" for an overview of the Company's efforts to minimize our environmental footprint and our commitment to ethical sourcing.

### HUMAN CAPITAL

Our Values & Guiding Principles guide how we treat our customers and our Associates. At Chico's, we believe that by being the Most Amazing Place to Work, Learn and Grow, we create an environment where we attract and retain the best talent and create opportunities for their continued success.

To measure how we are doing and areas of opportunity, we've conducted Associate Engagement Surveys for several years. These surveys are designed to measure a range of Associate engagement drivers like Organizational Culture, Career Growth Opportunity and Change Management, among others. Our 2019 survey found that the Company had overall Associate Engagement of 84%, and highest marks in Supervisor Effectiveness (87%), Teamwork (83%) and Leadership (82%).

#### Fairness & Equality

We value the diverse experience, perspectives, and backgrounds of our Associates. The Company is committed to fostering an inclusive environment that celebrates individuality, influences our culture, and innovates the way we work. We offer diversity training as well as a catalogue of over 1,000 learning, development and career pathing courses to our Associates to promote opportunities for personal growth.

All Associates deserve to be treated with respect and dignity. We are firmly committed to providing equal employment opportunities and a harassment-free workplace in accordance with our Code of Ethics and our Equal Employment Opportunity and Harassment Prevention policies. We value diversity and recognize that building a company where Associates with unique backgrounds, experiences and viewpoints can work well together will benefit our business, our community and our society.

Chico's FAS is proud to have been named one of the America's *Best Employers for Women 2019* and one of *America's Best Employers for Diversity 2020* by Forbes Magazine and included on the 2020 Corporate Equality Index, published by the Human Rights Campaign, for our corporate policies and practices related to LGBTQ equality.

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In our supply-chain, certain of our products are produced at factories that engage in one or more women's empowerment programs or trainings, including: HER educational programs, FACT (Human Trafficking), PACE, Laborlink, POSH, Gender Based Violence-Free Workplace Training, Betterwork, tutoring, scholarship and leadership programs, and community infrastructure projects, among others.

## Open Door Policy, Ethics and Loss Prevention Hotlines & Corporate Compliance Trainings

The Company takes pride in fostering open and effective communication between Associates and management. We strive to ensure that our Associates work in an environment that fosters two-way communication without fear of retaliation. We have an Open-Door policy, an Ethics Hotline available to our Associates 24 hours a day, 7 days a week, and a Loss Prevention Hotline. Anyone with information about known or suspected violations of our Code of Ethics (including suspected workplace violence), any of our Company policies, or of any law, is encouraged to take advantage of the available Hotlines or report the matter to a member of management, our Human Resources department or our In-House Legal Counsel under our Open Door Policy. Chico's prohibits any form of retaliation against an Associate who participates in an investigation, reports a suspected violation, or expresses a concern in good faith.

The Company has mandatory Associate training courses designed to educate and reinforce various of our corporate compliance policies related to topics like Insider Trading, FCPA & Anti-Harassment, among others.

## Health & Wellness

The Company offers benefits that provide competitive and affordable options for the health, well-being, and financial security of our Associates and their families. We continuously foster a culture of wellness by providing access to many programs, tools, and resources which encourage a healthy lifestyle. In addition to a Parental Leave Policy, the Company provides a generous Paid Time-Off (PTO) program to promote a healthy work-life balance for our Associates.

Our NSSC campus features an on-site fitness center with classes, personal training and fitness events, as well as an on-site health center for Wellness visits, nutrition and health assessments, counseling and other great tools to help our Associates commit to their personal health and wellness programs.

We also feature an on-site daycare facility, healthy dining options and an outdoor fitness path.

As we strive to attract and retain the best talent in our industry, the Company's benefits package continues to evolve in order to meet the needs of our dynamic workforce.

## GLOBAL COMPLIANCE

Chico's FAS, Inc., including its brands Chico's, White House Black Market, Soma and Telltale (the "Company") believes that every person has a right to safe, decent and humane working conditions. Our commitment to social responsibility is an integral part of the Company's culture and we require our suppliers to understand and comply with our *Global Code of Conduct* ("Code of Conduct", previously known as our Terms of Commitment to Ethical Sourcing) and our Chico's FAS, Inc. *Code of Ethics* ("Code of Ethics", and collectively with the Code of Conduct, the "Codes").

Our Code of Conduct is inspired by universally accepted human rights principles and the fundamental conventions of the International Labour Organization and is designed to reduce the risk that we become complicit in human rights violations. It sets forth our expectations for our suppliers regarding social, health and safety and environmental performance, while our Code of Ethics set forth our expectations regarding

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W H I T E  
H O U S E  
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M A R K E T

Soma

their ethical performance. Suppliers that do business with the Company must contractually agree to comply with our Codes before producing goods for us.

While we do not own the factories where our products are manufactured, we are committed to forging strong partnerships with our suppliers so that the products we offer to our customers are produced under working conditions that are consistent with our Codes and our values. With our complex supply chain, it is important for our continued success that we work with suppliers who operate responsibly and demonstrate a commitment to transparency and continuous improvement. We have implemented written guidelines, formal processes and management oversight so that our Codes are not just words on paper, rather they represent the way we conduct our business and require others to conduct business with us.

## Global Compliance Governance

Our commitment to global compliance begins at the top: oversight of the program rests with our Chief Executive Officer (“CEO”). Updates are provided to the CEO, Chief Financial Officer, and the Audit Committee of our Board of Directors on a wide variety of compliance matters, including supplier compliance. Day-to-day responsibility for global compliance is owned by our Manager of Global Compliance, who reports to the Legal Department and is responsible for organizational alignment and managing our partnerships with internal and external stakeholders. The Global Compliance Department fosters a culture of transparency and seeks to continuously improve compliance with applicable legal and regulatory requirements, our Codes and the Company’s expectations.

## Assessing and Addressing Factory Conditions

The Company manufactures its products in approximately 32 countries. Our top 5 manufacturing countries are Vietnam, China, Indonesia, Sri Lanka and India; each yielding at least 7% of our global unit volume.



*Sourcing from approximately 32 Countries and 426 Factories\* as of March 2020.*

*\*Total includes factories producing our branded products and third-party brands we purchased at wholesale.*

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We have developed a comprehensive process to train, monitor, audit and work with our suppliers, always striving for transparency and continuous improvement.

## Monitoring and Auditing

For the Company's branded products, we have a robust process to foster compliance with our Codes by our suppliers and to support our goal to maintain stable long-term relationships with suppliers that align with our values.

- An initial on-site audit is performed by an experienced third-party auditor contemporaneously with activating any factory producing our product. Our auditors evaluate the factory's compliance with health and safety, human rights, pay and benefits and other social compliance standards. If an audit determines material deficiencies exist at any factory, we either prohibit production at the facility or formulate a suitable corrective action plan ("CAP") with the supplier, including follow up audits to ensure deficiencies are addressed over a reasonable period of time.
- In 2019, all the factories producing the Company's products were audited by an experienced third-party auditor; interim follow-up audits are performed as necessary if the annual audit results revealed noncompliance concerns.
- From time to time, the Company will conduct collaborative audits with other companies, to reduce audit fatigue in our supply-chain.

For third-party brands offered in our Company's boutiques, the Company requires the brands provide us with satisfactory audits or suitable assurances of compliance on behalf of their suppliers to ensure that their practices are aligned with our Codes.

From time to time, we will terminate our relationship with factories or suppliers that are unable or unwilling to improve their performance in order to meet our CSR expectations.

## Production Risk Assessments

We conduct annual risk assessments of our supply chain and of the countries in which our products are produced. This process enables our sourcing team to make informed decisions about where our products are manufactured and address any protective measures that are appropriate to meet our CSR expectations.

## Supplier and Brand Collaboration

The Company realizes the significant advantages in collaborating with industry groups, trade organizations and other retailers to advance our high compliance standards. The Global Compliance Department is actively engaged in the communication with and education of our suppliers using tools such as our Vendor Portal, field visits, monthly conference calls with key suppliers, participation in multi-brand compliance summits and worker engagement programs.

In addition to other social, safety and environmental training sessions, fire safety continues to be a priority across our supply chain. We partner with various industry associations to promote local fire safety training opportunities and encourage our suppliers to participate in these sessions.

The American Apparel and Footwear Association (AAFA) is an industry leader of positive change for the apparel and footwear industry. We are proud to announce that an expert in our Sourcing team was invited to join the AAFA *Safety in Denim Finishing Working Group* (DFWG). The DFWG was established "to drive positive, sustainable solutions for social responsibility in the denim manufacturing industry".

In 2018, our expert acted as the Technical Lead to assist the DFWG in drafting the *HEALTH & SAFETY GUIDELINES FOR WORKERS IN DENIM FINISHING*, published by the AAFA in December 2018 (the "Guidelines"). The Guidelines are designed "to assist denim finishing facilities in providing a safe and healthy work environment that prevents accidents, injuries, and illnesses that may arise out of, or occur as a result of, the operation of their facilities." In 2019, we began providing the Guidelines to our denim supplier base for their adoption.

## Measuring Factory Improvements

Our comprehensive monitoring program continues to provide us with insight into the complex challenges of workplace conditions, environmental opportunities, safety, security and ethical business practices. The Company utilizes global benchmarks and our historical auditing data to measure factory performance. Our Vendor Scorecard provides our partners with a report of a facility's performance from a compliance perspective. Our program includes a support system that can help factories tackle challenging labor, health and safety, environment, human rights, ethics and security issues. We are proud of our progress furthering our factory compliance programs. Our emphasis on workplace conditions has demonstrated measurable improvement within our factory base. We encourage a relationship with our suppliers that is built on transparency and recognize they have been a key component of our success.

## Supply Chain Security

As part of our continued commitment to the safety and security of our supply chain, in 2003, the Company voluntarily partnered with US Customs and Border Protection (CBP) in the Customs – Trade Partnership Against Terrorism (C-TPAT) program. We earned and have continued to maintain Tier 3 certification, meeting the requirements for the highest security status awarded by CBP.