

CORPORATE SOCIAL RESPONSIBILITY (CSR)

SOCIAL RESPONSIBILITY

At Chico's FAS, Inc. (the "Company" or "Chico's FAS") we know our *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 click [here](#) for details on our community engagement, charitable giving and other philanthropic efforts; or click [here](#) for an overview of the Company's Sustainability 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 FAS, 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. This involves more than just managing traditional human capital areas like recruiting, hiring and onboarding, compensation planning, performance management and professional development. Our commitment involves continuously striving to improve our culture around Associate satisfaction, fairness & equality, inclusion & diversity, community outreach, ethics & compliance, health & wellness and other areas.

Associate Engagement

To measure how we are doing and identify 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

All Associates deserve to be treated with respect and dignity, and here at Chico's FAS, we remain committed to a harassment-free workplace. We are firmly committed to providing equal employment opportunities in accordance with our *Chico's FAS, Inc. Code of Ethics* available [here](#) ("Code of Ethics") and our *Equal Employment Opportunity* and *Harassment Prevention* policies ("HR Policies"), applicable to all of our Associates, including our officers and the Board of Directors ("Board"). But our commitment to fairness and equality doesn't stop there.

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In fact, Chico's FAS is proud to have been named one of America's [Best Employers for Women 2020](#) 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.

Inclusion & Diversity

At Chico's FAS we believe in the power of inclusion and diversity. We value the diverse experiences, perspectives, and backgrounds of our Associates & customers so that we can promote customer centricity, continuous improvement, inspiration & inclusivity, accountability and a passion for fashion. We are committed to an inclusive environment that celebrates our individuality, influences our culture and innovates the way we work.

This year, the Company selected its 2020-2021 Inclusion & Diversity Council ("Council") led by our Head of Inclusion & Diversity. Beginning in 2021, our Board will provide oversight regarding the Inclusion & Diversity ("I&D") roadmap and strategy. The Council has identified the following 6 pillars of focus that will help us continue to lay the groundwork to enhance our I&D efforts: Attraction & Retention; Education, Training & Resources; Community & Involvement; Succession Planning & Development; Marketing; and Business.

Attraction & Retention: In 2020, we encouraged all Associates to self-identify their individual demographics to assist the Council in determining underrepresented groups in our workforce. We also took the important step of certifying several senior recruiters as Certified Diversity Recruiters under the AIRS standards on I&D best recruiting practices and the Company has been accepted into the Military Spouse Employment Partnership (MSEP). We firmly believe that when potential candidates see themselves represented in the marketing and recruiting materials of potential employers, it increases the likelihood that the candidates will apply for those positions. As a result, we've updated our visual recruitment materials to better represent our diverse workforce.

For the last several years, to assist with Associate retention, our Human Resources department has continued their efforts to map out and communicate career paths for our Associates that offer opportunities for growth both inside and outside of the line of direct reporting. For example, in 2019, the Company began offering an internal gig work program that leverages the expertise and talent of our Associates on projects outside of their own departments. This allows our Associates to "show-off" the breadth of their expertise and provides additional opportunities for our management teams to identify and groom internal talent to meet our business needs.

Education, Training & Resources: We are committed to creating a work environment that provides all our Associates equal access to information, resources, development and opportunity and sets our expectations with regard to a harassment-free, diverse workplace. We offer diversity training and anti-harassment 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.

As part of the national dialogue on the Black Lives Matter movement and race relations in the United States, we shared information and resources to help our Associates become *Upstanders Against Racism*, to encourage ongoing dialogue on race relations, and to achieve and sustain deeper Associate engagement. We continue to post educational materials, local resources and community involvement updates on the Company's internal website.

We've also launched enhanced Inclusion Training for our field Associates and will continue to expand I&D-focused training offerings for our Associates.

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Community & Involvement: 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. Throughout 2020, the Company hosted listening sessions for our Associates on various social issues, either through Council-led or Associate-led "Let's Talk" sessions. We also participated in several events to celebrate [African American History Month](#) and participated in the [21 Day Racial Equity Habit Building Challenge](#) designed to foster more awareness around race, ethnicity and nationality during our day-to-day interactions with each other. As part of the larger conversation on inclusion and diversity, our Associate book club read and discussed [How to be an Anti-Racist](#) by Ibram X. Kendi and in September, we celebrated [National Hispanic Heritage Month](#) at NSSC.

We hosted several [LGBTQ Pride](#) events throughout 2020, and in November, we held a virtual version of our annual NSSC Veterans Day Flag Raising Ceremony to honor the Company's own military veterans and their families. We also continued our annual partnership with the United Way Program, which this year features the opportunity for Associates to direct donations to the social cause(s) of their choosing.

In recognition of the importance of our U.S. elections, prior to the 2020 Presidential election, we updated our Voting Policy to ensure our Associates were given the means and opportunity to cast their vote, including providing an NSSC Holiday to encourage Associates to take time off to vote and providing several other resources to assist our distribution center and field Associates to register and participate in our elections.

We actively encourage our Associates to participate in volunteer opportunities, fundraising and other diverse partnerships and activities that allows our Company to give back and take care of the communities where we live and work. Click [here](#) to learn more on these efforts.

Succession Planning & Development: The Company's commitment to I&D goes beyond attracting and retaining a diverse and inclusive workforce. We are also committed to providing an inclusive culture where all individuals feel respected, are treated fairly, provided with work-life balance, and an opportunity to excel in their chosen careers. This includes offering career advancement opportunities for our Associates and management via talent development.

We also believe that succession planning practices can be key to remaining competitive over the long term. As part of our efforts to understand the underrepresented groups in our workforce, we have analyzed the current state of the diversity of our workforce at the different levels of our organization. While we recognize that the Company has more work to do in this area, these learnings will assist the Company in developing inclusive succession planning opportunities at all levels of our organization, allowing us to provide opportunities for all of us to rise together.

Marketing: Chico's FAS feels that our products and marketing should reflect our customers and celebrate their differences. Each of us deserves to feel heard, seen and respected, so we continue to develop collections that include solutions-based selections designed to provide superior fit, support and comfort for a wide range of personal, lifestyle and body conscious needs. We have begun the process of expanding our basics color offerings to better represent and flatter the wide range of beautiful skin tones in our world and continue to offer extended sizing across all of our brands.

The Company has accelerated our efforts to feature ethnically, racially and physically diverse models and influencers and to create in-boutique and online experiences where our customers see themselves and each other reflected in our products and marketing. We will continue to strive to feature the breadth of the diversity in our communities in all that we do.

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Business: The Company believes that our responsibility to promote inclusion and diversity in the workplace extends beyond our own Associates and customers; it includes a responsibility to conduct business with suppliers and service providers that have shared values and goals.

Our supply-chain programs monitor compliance with our *Global Code of Conduct* (“Code of Conduct”, previously known as our *Terms of Commitment to Ethical Sourcing*) available [here](#) and our Code of Ethics (collectively with the Code of Conduct, the “Codes”). These Codes reflect the minimum standards and expectations we expect of our supply-chain. But to support our goal to maintain stable long-term relationships with suppliers that align with our values, we are implementing a holistic approach to supporting I&D initiatives in our supply chain.

Since at least as early as 2018, certain of our products have been 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. However, until this year, the Company had only limited insight into these initiatives.

In the Company’s fourth quarter 2020, our Sustainability Committee received the results of the Company’s first Tier 1 supplier facility Environmental & Social audit questionnaire (E&S Audit). The E&S Audit was an important first step to gaining a better understanding into our suppliers’ practices across a broad range of topics, including fundamental human rights, I&D and women’s empowerment programs, among others.

The E&S Audit will also provide the Company with an important baseline from which to measure our I&D initiatives in the years to come.

We look forward to sharing our learnings related to our product supply chain, and to developing roadmaps and strategies for moving the I&D conversation forward with other of the Company’s business partners and activities in the future.

Ethics & Compliance

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 and members of our global supply chain 24 hours a day, 7 days a week; and a Loss Prevention Hotline.

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

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 FAS prohibits any form of retaliation against an Associate who participates in an investigation, reports a suspected violation, or expresses a concern in good faith.

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Health & Wellness

The Company provides safety training and 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.

A Note on the Novel Coronavirus (COVID-19)

The COVID-19 global pandemic has changed our world. This year, the health and safety of our communities has taken center stage and COVID-19 has dramatically affected the way we live, work, travel, socialize and shop.

Formed in March 2020, our COVID-19 Crisis Management Team continues to lead the Company's efforts to implement and update safety protocols designed to limit the impact of COVID-19 at our boutiques, our NSSC campus and our distribution center. For the health and safety of our customers and our Associates, we continue to follow the orders from our government officials along with the various guidance developed by the CDC, and state and local governments, and guidance developed in conjunction with our trade associations.

The Company has rolled out new safety measures throughout our business, including but not limited to, ongoing Associate training on our latest cleanliness and safety protocols; enhancing cleaning, sanitizing and product handling practices; limiting occupancy and enforcing social distancing protocols in all of our locations; providing PPE, cleaning supplies and daily symptom screenings to all Associates; and where possible, encouraging our Associates to work from home. We've also taken advantage of newer communication technologies to enhance our new way of working.

In our boutiques, we require proper face covering use by all Associates and customers and continue to offer contactless payment and e-receipt options. We now offer our customers exclusive store hours for vulnerable shoppers, contactless Buy Online-Pickup in Store, Curbside Pickup or Shop-by-Appointment services in select boutiques, and local Contactless Delivery options and StyleConnectSM, our virtual styling service to make shopping from home more convenient.

GLOBAL COMPLIANCE

Chico's FAS, including its brands Chico's®, White House Black Market®, Soma® and Telltale™ (collectively, the "Company") believes that every person has a right to safe, decent and humane working conditions. Our

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commitment to social responsibility is an integral part of the Company's culture and we require our suppliers to understand and comply with our 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 sets forth our expectations regarding 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.

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 on a wide variety of compliance matters, including but not limited to supplier compliance, sustainability, and regulatory 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.

Production Risk Assessments

We conduct annual risk assessments of our supply chain and of the countries in which our products are produced primarily focusing on current supply chain security, human rights and geo-political developments. 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.

Assessing and Addressing Factory Conditions

The Company manufactures its products in approximately 22 countries. Our top 5 manufacturing countries are Vietnam, China, Sri Lanka, Indonesia and Nicaragua; each yielding at least 6.5% of our global unit volume.

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

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Products are sourced from approximately 22 Countries and 285 factories as of October 2020.
Total includes factories producing our branded products and third-party brands we purchased at wholesale.

Monitoring and Auditing

For the Company's branded products, we have a robust process to foster compliance with our Codes by our Tier 1 factories 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 Tier 1 factory producing our branded products. Our auditors evaluate the factory's compliance with health and safety; human rights, including with regard to discrimination, harassment, child labor, freedom of association and other protections; wages, hours and benefits; compliance with laws & ethical business practices; environmental safety; security and other social compliance standards and the standards set forth in our Codes.
- On-site audits typically include facility tours, document & systems reviews, interviews with workers and management, and physical inspections and observations.
- If an audit reveals that non-conformance(s) exist at any factory, based on the severity of the deficiency, we either prohibit production at the facility or formulate a suitable corrective action plan ("CAP") with the supplier, that includes timelines for resolving the non-conformances and a schedule for follow-up audit(s), to ensure deficiencies are addressed over a reasonable period of time.

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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.

At this time, we rely on our Tier 1 suppliers to communicate our Codes and expectations to their own suppliers, monitor their compliance and inform the Company of any issues that may arise.

Labor Conditions in the Supply Chain

Our Tier 1 factories producing Company-branded products are usually audited annually by experienced third-party auditors to ensure compliance with our Codes and all applicable labor standards; interim follow-up audits are performed as necessary if annual audits reveal deficiencies requiring a CAP to be completed.

From time to time, the Company will conduct collaborative audits with other companies as well as accept audits from Better Work and WRAP for long-term suppliers, to reduce audit fatigue in our supply-chain. For third-party brands offered in our Company's boutiques, the Company requires the brands to provide us with satisfactory audits or suitable assurances of compliance on behalf of their Tier 1 suppliers to ensure that their practices are aligned with our Codes.

In addition, for initial test orders, we will accept certain third-party factory audits conducted on behalf of other brands. If a test order results in further orders with the factory, a follow-up audit conducted by our third-party auditor will be scheduled.

As with many of our peers, we are still experiencing the impact of the COVID-19 global pandemic on our supply chain. Due to lockdowns, travel restrictions and similar virus-mitigation efforts, our ability to schedule on-site audits of the Company's factory-base has been limited this year. As a result, in 2020, we temporarily increased our reliance on Better Work, WRAP and other recent third-party audit reports for new factory activations. While our annual re-audits were significantly reduced this year, we were able to audit 38.60% of our factory base (110 audits). As lockdowns and travel restrictions ease, we expect our auditing program to return to normal.

In 2019, out of 285 Tier 1 factories in our vendor base, we commissioned 211 audits (74.04%) at factories producing the Company's branded products and we accepted 74 audits (25.96%) for third-party brands and test orders.

A recent review of our 2019 and 2020 audits revealed areas of opportunity for our Tier 1 factories to improve their wage and benefits documentation practices and consistently reinforce day-to-day safety practices.

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. In 2018, we conducted safety trainings throughout the Asia-Pacific region; resulting in improved scores related to Fire Safety for many of

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our factories. Upcoming training sessions will focus on providing our suppliers and their workers with the tools needed to identify and correct common non-compliance issues related to Health and Safety.

The American Apparel and Footwear Association (AAFA) is an industry leader of positive change for the apparel and footwear industry. We are proud 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. We believe all or substantially all of our core denim suppliers are aware, engaged and follow the Guidelines, and we monitor their process through technical evaluations for our denim facilities conducted by our third-party auditors.

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 with increased compliance in the audit criteria topics of Health & Safety and the Environment. The results of our COVID-19-limited auditing conducted in 2020 has indicated that the factories audited were able to sustain full compliance with audit criteria in the areas of non-discrimination, women’s rights, child labor, forced labor and harassment. We encourage a relationship with our suppliers that is built on transparency and recognize they have been a key component of our success; we look forward to continuing improvements through future collaboration.

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.

About this Statement

The goals, plans, targets and commitments in this statement are aspirational; as such, no guarantees or promises are made that they will be met or successfully executed. Furthermore, data, statistics, and metrics included in this statement are non-audited, are not prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve, and may be based on assumptions believed to be reasonable at the time of preparation, but may be subject to revision. This statement contains certain forward-looking statements, including statements regarding our corporate social responsibility and

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environmental, social, and governance targets, goals, commitments, and programs and other business plans, initiatives, and objectives. These statements are typically accompanied by the words “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “plans,” “projects,” “may,” “will,” “should,” “would,” “could,” or other similar expressions. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995, as amended. Our actual future results, including the achievement of our targets, goals, or commitments, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized, or other risks, uncertainties, and factors. Such risks, uncertainties, and factors include the risk factors discussed in our most recent annual report on Form 10-K, and subsequent quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission (SEC), as well as, with respect to our sustainability targets, goals, and commitments outlined in this report or elsewhere, the challenges and assumptions identified in this statement. You should consider the forward-looking statements in this statement in conjunction with our annual report on Form 10-K and our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the SEC now and in the future. The Company urges you to consider all of the risks, uncertainties, and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this statement. The Company cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. The forward-looking statements in this statement are made as of the date of this statement, unless otherwise indicated, and we undertake no obligation to update this statement to reflect subsequent events or circumstances.