

December 2020

CORPORATE SOCIAL RESPONSIBILITY (CSR)

ENVIRONMENTAL SUSTAINABILITY

At Chico's FAS, Inc. (the "Company") 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 our efforts to minimize our environmental footprint and to support ethical sourcing to help protect and preserve the future. Please click [here](#) for details on our community engagement, charitable giving and other philanthropic efforts; or click [here](#) for details on 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.

The Company is committed to building a better world by reducing our environmental impact and increasing our sustainability efforts throughout our supply chain, stores, distribution center and at our headquarters, the National Store Support Center (NSSC).

Over the years, we have implemented several programs to reduce our environmental footprint (see examples below). In 2019, we took the important step to formalize this commitment by establishing an Associate-led Sustainability Committee. With oversight by our Board of Directors, this team identifies, develops and aims to accelerate the Company's sustainability goals.

Environmental Efforts

At our National Store Support Center

- We constructed our first office space designated as a [Florida Green Commercial Building](#) by the Florida Green Building Coalition
- We have replaced aged HVAC equipment with high-efficiency units
- We have replaced 90% of our on-campus lighting with high-efficiency LED lighting and installed automated light sensors to reduce wastefulness
- We provide a fleet of bicycles and electric vehicles for on-campus transportation for our Associates
- We provide EV-charging stations for our employees' vehicles, free of charge
- Our campus solid waste is processed by the Lee County (Florida) integrated Solid Waste Management System (SWMS);
 - According to the SWMS [website](#), they feature "one of the country's most successful and sustainable recycling and solid waste management systems"
 - Using a Resource Recovery Facility that sorts waste for reusable and recyclable materials and a state-of-the-art mass-burn combustion system that transforms waste into electricity
 - In 2017, three years ahead of the goal, the SWMS met the State of Florida's [75 percent recycling goal by 2020](#)
- In 2019, we saved over 759 trees through the [Shred-It](#)® recycling program
- In 2019, we launched an internal website featuring tips on recycling, reducing energy usage, going paperless and other ways to decrease our environmental footprint

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- Where possible, we are continuing our efforts to convert to a paperless environment throughout our organization and our procurement team has partnered with Staples® to identify environmentally friendly office supply alternatives
- Our campus cafés recently introduced eco-friendly containers that are biodegradable, compostable and are sourced from sustainably managed forests, and we are replacing supplies in our break rooms with more sustainable alternatives. We also encourage our Associates to bring their own reusable utensils, cups and plates to cut down on waste, and
- In 2019, we held our first ever *NSSC Innovation Exhibition* to foster a culture of innovation throughout our business.

In our Brands

- In 2019, our Soma® brand led the way:
 - 27% of our Soma bras are now made in an award winning, [LEED](#) Platinum®-certified manufacturing facility
 - Since 2010, we've been proud to offer our [Soma Bra Donation and Bra Recycling programs](#) to our customers, resulting in the reuse or repurposing of nearly 2 million bras
 - Soma has begun implementing 3D sampling technology permitting us to reduce the number of physical development samples shipped to the brand each season, and
 - Our Soma design teams have been researching recycled materials to introduce into new collections
- We continue to look at fabric innovations, technology and other efficiencies to reduce our footprint across all our brands, and
- Each of our brands regularly collect gently used work wear to donate to women in need.

At our Stores

- We utilize low flush toilets, programmable thermostats, high-efficiency LED lighting, and low-VOC paints and adhesives across our store fleet
- We continue to replace aged HVAC equipment with high-efficiency units
- We actively monitor electricity usage to reduce wastefulness, and
- We provide our Associates with Material Safety Data Sheets (MSDS) for proper chemical and waste disposal.

At our Global Distribution Center

- We installed automated light sensors to reduce energy use
- We factor green optimization efforts into our logistics program:
 - Four of our ocean carriers follow IMO 2020, which limits Sulphur in their ships' fuel to 0.50%.
 - Our ocean volume enters the US through the ports of [Los Angeles](#), [Long Beach](#) and [Savannah](#), each of which are committed to decreasing their environmental impact, including setting goals for reducing harmful air emissions, improving water quality & reducing water usage, protecting marine wildlife, reducing greenhouse gas emission, starting solar projects and several other activities designed to reduce emissions and help their community
 - Our air freight forwarders prioritize direct flights to reduce fuel emissions
 - We strategically consolidate our shipments domestically to reduce the number of trucks used to transport our goods to our distribution center
 - All our domestic trucking partners are on the EPA list of [SmartWay® High Performers](#), and
 - All our commercial invoices and packing lists from our customs brokers are generated electronically, reducing paper usage and waste.

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In our Supply-Chain

- Certain of our product lines are produced in factories that engage in one or more sustainability programs, including, but not limited to: ISO 14001 & 14064 certifications, SLCP, Bluesign, waste recycling, Zero Discharge of Hazardous Chemicals, the Better Cotton Initiative, VIP & WCP, HIGG and SAC membership, additionally
- When selecting new suppliers, we consider their sustainability capabilities and goals
- We encourage our existing suppliers to continuously improve their own sustainability efforts, and
- We conduct product testing for certain chemicals and toxins to reduce the existence of substances of concern in our product lines, as more fully described below.

Management of Chemicals in Products

Our suppliers are required to comply with all of the environmental, health and safety requirements in every governmental jurisdiction where our branded products are sourced, manufactured and processed as well as our *Global Code of Conduct* ("Code of Conduct", previously known as our *Terms of Commitment to Ethical Sourcing*) available [here](#) and our Chico's FAS, Inc. *Code of Ethics* available [here](#) ("Code of Ethics", and collectively with the Code of Conduct, the "Codes").

The Company is committed to conducting its business in a manner designed to protect consumers, workers and the environment. Part of these efforts include taking a hazards-based approach to ensure that our branded products are sourced in compliance with applicable restricted chemical regulations both in the country(ies) where those products are made and in our own markets. Our Global Compliance team has adopted the American Apparel & Footwear Association's (AAFA) Restricted Substance List (RSL). As part of our vendor onboarding process, suppliers for our Company-branded products undergo technical audits prior to being introduced into our supply-chain, to ensure their operations comply with all applicable AAFA RSL testing requirements. Under our Codes, our suppliers must ensure that all finished product, as well as components and raw materials that go into those products comply with the regulations and standards listed in the most current version of the AAFA RSL. We require our suppliers to periodically verify and test our Company-branded finished products for compliance through certified third-party testing labs. We also receive annual verification that each of the testing labs' certifications remain up to date.

The AAFA RSL can be found on their website [here](#) and is available in multiple languages.

Additionally, as part of our regular factory audit process, our reputable third-party auditors evaluate our Tier 1 factories to determine their compliance with the safe handling, use, storage and disposal of any chemicals used in the manufacturing process.

As our design and sourcing teams continue their work to identify sustainable opportunities in fabric innovations, technology and other areas we anticipate incremental decreases to our chemical footprint across all our brands.

Environmental Impacts in the Supply Chain

Understanding our supply chain strengths and opportunities allows us to continue to develop sustainability strategies that are meaningful and impactful. In the Company's fourth quarter 2020, our Sustainability Committee received the results of the Company's first Tier 1 supplier facility E&S audit questionnaire (E&S Audit). The E&S Audit was designed to assist the Company in gaining further insight into our suppliers' environmental and social practices in the following areas:

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Environmental Risk and Opportunities

Human Rights

Carbon & Climate

Labor, Health & Safety

Natural Resources

Stakeholders & Society

Waste & Toxicity

The E&S Audit touches on topics ranging from our suppliers' practices related to living wages, women's empowerment and Inclusion & Diversity to their total energy consumption, wastewater discharge, greenhouse gas emissions, [Paris Accord](#) goals and other areas of environmental management. We look forward to sharing our learnings in the future.

Raw Materials Sourcing

We believe that the raw materials used to produce our products should be ethically sourced, in terms of the welfare of the people producing them and in relation to their overall environmental impact.

Social Risks

Responsible sourcing practices are core to our corporate philosophy. Each year, the Company publishes an annual [Conflict Minerals Report](#) in accordance with our [Conflict Minerals Policy](#). The report is intended to reflect the Company's due diligence of its mineral supply chain following the [five-step framework](#) developed by the Organization for Economic Cooperation and Development (OECD), endorsed by the U.S. Department of State.

In 2019, in response to learning of the investigations into the human rights violations against the Uighur population in China, most prevalent in the Xinjiang region, we took the important step of phasing out cotton known to be sourced from Xinjiang and implementing a certification program with our suppliers to ensure compliance. We completed this phase-out process in 2020.

Environmental Risks

By continuing to identify and introduce more sustainable raw materials we can lessen risks associated with our chemical footprint and water usage. Over the last several years, among other things, we've introduced products featuring: recycled polyester, organic cotton sourced in accordance with many of the [principals](#) of the Better Cotton Initiative (BCI); fabrics containing Lenzing's [Tencel](#)[®], which uses a closed-loop solvent-spinning process to recapture and reuse 99% of the solvent used to transform wood pulp into cellulosic fibers; and Lenzing's [EcoVero](#)[™], an eco-responsible fully biodegradable viscose fiber using certified renewable wood sources and whose fiber manufacturing "*generates up to 50% lower emissions and water impact compared to generic Viscose.*"

A portion of our Chico's Travelers[®] product line now uses fabric made with Eastman's [Naia](#)[™] cellulosic fiber made with sustainably sourced wood using a low-impact closed-loop process where solvents are recycled back into the system for reuse. Among other certifications, Naia has received an "[OK biodegradable](#)" and "[OK compost](#)" conformity mark from TÜV AUSTRIA.

And of course, our Chico's[®] brand has featured linen, a highly biodegradable fabric derived from flax, in its product lines for many years. Flax is intrinsically hypoallergenic and anti-bacterial. It naturally requires very little pesticide or fertilizer and during normal growing seasons, does not require any irrigation, relying instead on rainwater. As a finished product linen uses significantly less water in its consumption than

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cotton. Across its lifecycle, a linen shirt uses approximately 6.4 liters (1.7 gallons) of water compared to 2,700 liters (713.3 gallons) for a cotton shirt¹.

As we continue to develop a holistic approach to our supply chain, we will continue to collaborate with our suppliers to improve our oversight and capture reportable metrics in these areas.

Animal Welfare

The Company supports and is committed to the humane treatment of animals and we expect each of our suppliers that are engaged in sourcing materials derived from animals, such as leather, feathers, fur, bones and skins, to source those materials ethically and responsibly. Among other criteria, our *Ethical Sourcing of Animal Products* policy includes an obligation for our suppliers to conduct due diligence to ensure that when used in our products, materials derived from animals are sourced in accordance with [The Five Freedoms](#) and:

- the materials are a by-product from another industry (e.g. food processing); and/or
- the materials are harvested in a humane manner which does not harm the animal.

While our use of these types of materials in our product line is limited, this does not diminish our expectations for strict adherence of our policies by these suppliers. Anyone with information about known or suspected violations of our Company's *Ethical Sourcing of Animal Products* policy is encouraged to report the matter to a member of our Sourcing team, our management, or our In-House Legal Counsel under our Open Door Policy.

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 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

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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.

¹ According to a study by Bio Intelligence Service in 2007, available at <https://issuu.com/linenandhemp/docs/3-ecoprofile-feb08-eng.pdf>.

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