



# CHICO'S FAS INC

2021  
IMPACT  
REPORT

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*a more*  
EQUITABLE  
*and*  
SUSTAINABLE  
FUTURE

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# A MESSAGE from OUR CEO



Chico's FAS, Inc. (the Company) is on a mission to create a world where women never have to compromise, by providing solutions, building communities and creating memorable experiences to bring women confidence and joy.

We are more committed than ever to this mission and believe that being a positive force across our entire enterprise contributes to the betterment of all our stakeholders and the creation of long-term value for Chico's FAS.

We approach our environmental, social and governance (**ESG**) commitment through the lens of our four strategic pillars, to be: Customer Led, Product Obsessed, Digital First and Operationally Excellent.

As a company led by women for women, we remain steadfast in our commitment to promoting diversity and inclusion in our workplace and communities. We promote and cultivate strong female leadership across our organization, and we are proud of philanthropic partnerships with organizations that align with our shared values.

We strive to provide products that bring confidence and joy to women of different ages, ethnicities, shapes, sizes and lifestyles. We are obsessed with delivering distinctive, innovative, and best-in-class products and services, conscious of our environmental and social impacts.

We want to be a responsible steward of the planet's resources and continue to elevate our responsible sourcing efforts. We seek to engage with suppliers who share our commitment to minimizing our environmental impacts and to ensure the right to safe, healthy and humane working conditions.

We are integrating sustainable fabrics into our garments across our brands, and from design conception through our product lifecycle, we are finding new ways to extend the life of our products and provide a new life for others.

We embrace digital evolution, smart innovation and solution-driven designs, and we continue to look for opportunities to leverage technology in ways that allow us to be more creative, impactful and resilient.

We are dedicated to continuous improvement and accountability, and we are excited for the future of our ESG program. I am pleased to share highlights of our current ESG strategy journey with you.

Sincerely,

Molly Langenstein  
Chief Executive Officer & President  
Chico's FAS



# ESG COMMITTEE CHAIR *statement*



At Chico's FAS, we are on a mission to drive results through the lens of operational excellence, accountability, transparency and responsible stewardship. We believe this will be accomplished by our robust internal ESG framework that engages our Board, Executive management and Associates across the organization.

To contribute to a more equitable and sustainable future, we embrace our responsibility to address the issues that are most important to our stakeholders, to prioritize those where we can make the greatest impact and to share information regarding our ESG risks and opportunities aligned with recommended reporting frameworks.

We are proud of our efforts to affect meaningful change in our organization through proactive ESG practices, and we are pleased to share our first set of Mid-Term Goals that set us on our path to deliver on the Company's Vision and drive our Strategic Pillars of being Customer Led, Product Obsessed, Digital First and Operationally Excellent.

Read on to learn more about the work Chico's FAS completed in 2021 and our ESG strategy for the future.

Sincerely,

A handwritten signature in black ink that reads "Kim Roy".

Kim Roy  
ESG Committee Chair  
Chico's FAS



## *about* CHICO'S FAS

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Overview & Strategic Pillars



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Our Brands



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Chico's FAS Milestones





# WE ARE A COMPANY OF BRANDS *founded BY WOMEN, led BY WOMEN AND inspired BY WOMEN.*

Throughout our history, we have reinvented the fashion retail experience by creating communities where the customer is at the center of everything we do. Our three unique lifestyle brands – Chico's®, White House Black Market® (**WHBM**) and Soma® – serve the needs of fashion-savvy women, while our integrated, omnichannel approach provides a holistic retail experience to our customers through our boutiques, outlets and online presence.

## *our* VISION

Promoting a kind world where women never have to compromise.

## *our* PURPOSE

Providing solutions, building communities and creating memorable experiences to bring women confidence and joy!

## *our* VALUES

Our five core values shape our culture and define our character. They are the lenses through which every decision and action is made for our customers, our Associates and our Company, each and every day.

### **PASSION FOR FASHION**

Inhale fashion, exhale style. It's what we love.

### **CONTINUOUSLY IMPROVE, FOLLOW YOUR CURIOSITY**

Ask questions. Share something. Learn something.

### **CUSTOMER CENTRICITY**

Our customer is at the center of everything we do, both internally and externally.

### **BE INSPIRED AND INSPIRE OTHERS**

Seek out diverse ideas and thoughts. Embrace new ways of thinking.

### **BE ACCOUNTABLE**

We are accountable to metrics. We are recognized for results.



## our STRATEGIC PILLARS

To deliver on our Vision and execute our Purpose, we are guided by our four strategic pillars:



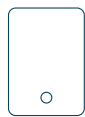
### CUSTOMER LED

+ Creating exceptional and memorable experiences for our Associates and customers and engaging with our communities.



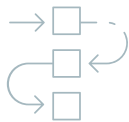
### PRODUCT OBSESSED

+ Delivering distinctive, premium, best-in-class items that are beautiful and integrate sustainability.



### DIGITAL-FIRST

+ Strengthening our core platform by leveraging technology to deliver new sustainable innovations and data-driven insights and decision-making.



### OPERATIONALLY EXCELLENT

+ Approaching corporate activities, including product development, real estate, inventory and supply chain management with integrity, prudence and an attention to optimization and sustainability.



## our BRANDS



### EXPLORATION OF LIFE & STYLE

Established 1983 in a small Sanibel Island boutique filled with artfully stylish pieces, Chico's® has evolved over the decades to inspire accomplished women to embrace and express their individuality. Our carefully curated collections emphasize effortless chic and unique styles with quality, comfort and versatility for women who have grown to know themselves.

**675+** BOUTIQUES, OUTLETS AND SHOP-IN-SHOP LOCATIONS  
*United States, Puerto Rico, U.S. Virgin Islands & Mexico*



### DESIGNER DETAILS WITH A FEMININE EDGE

Built on the foundation of fashion's most iconic color contrast – White + Black – WHBM® reflects this natural contradiction and inspires independent women to embrace their power and femininity. Our looks are strong yet subtle, modern yet timeless, sensual yet sophisticated, attractive yet approachable and infused with designer details. Founded more than 35 years ago, WHBM joined the Chico's FAS family in 2003.

**380+** BOUTIQUES AND OUTLETS  
*United States, Puerto Rico, U.S. Virgin Islands*



### BEAUTIFUL SOLUTIONS, EFFORTLESS STYLE

Founded for women by women in 2004, Soma® is an intimate apparel brand that embraces a passion for comfort and confidence. Inspired by our customer, Soma offers beautiful innovative solutions for all women who appreciate fashion as much as function through our selection of bras, panties, pajamas and loungewear that give women the very best of both worlds.

**250+** BOUTIQUES AND OUTLETS  
*United States*

## CHICO'S FAS *milestones*

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- 1972** Marvin and Helene Gralnick meet in Guadalajara, Mexico.
- 1983** The Gralnick's open their first shop in Periwinkle Place on Sanibel Island, FL. Chico's Folk Art Specialties is born.
- 1987** The first franchise store opens in Edina, Minnesota.
- 1989** Chico's Folk Art Specialties earns a place on Inc. Magazine's list of the 500 fastest-growing privately held companies in America.
- 1990** The Company name is shortened to Chico's FAS.  
Chico's launches its Passport Rewards Loyalty program.
- 1993** Chico's FAS goes public and begins trading on NASDAQ with the ticker CHCS.  
Chico's FAS places 13 on the BusinessWeek's list of the 100 Best Small Corporations.
- 1994** Chico's FAS headquarters moves into an award-winning office and distribution center (**DC**) in Fort Myers, FL.
- 1998** Chico's FAS premieres its Most Amazing Personal Service (**MAPS**) customer service initiative, which becomes part of our DNA.
- 1999** Chico's launches online sales at Chicos.com.
- 2000** Chico's mails its first catalog and opens its call center to assist customers with orders.
- 2001** Chico's FAS debuts on the New York Stock Exchange under ticker symbol CHS.  
Chico's FAS earns a place on Fortune's 100 fastest Growing Companies; BusinessWeek's 100 Best Small Companies; and the number one spot on Forbes' 200 Best Small Companies.
- 2002** Chico's FAS new DC opens in Winder, GA.
- 2003** Chico's FAS acquires the WHBM brand.
- 2004** Chico's FAS creates and launches the Soma brand.
- 2006** Chico's FAS adds 24 acres to its Fort Myers campus.
- 2010** Chico's FAS expands Outlet store footprints into the Chico's and WHBM brands.
- 2012** WHBM introduces its WHBM Rewards® loyalty program.



## CHICO'S FAS *milestones*

- 2013** Chico's celebrates its 30th Anniversary and Soma launches its new Love Soma Rewards® Loyalty program.
- Chico's FAS' Fort Myers, FL headquarters opens its first Florida Green Commercial Building designated by the Florida Green Building Coalition (**FGBC**).
- 2014** Chico's FAS announces international expansion into Mexico as a franchise business.
- 2017** Chico's Outlets launches its first online outlet at ChicosOffTheRack.com.
- Chico's FAS' reaches a female majority on the Board of Directors (**Board**) (55%) and Executive management team (65%) .
- 2018** Chico's FAS issues its inaugural Corporate Social Responsibility Report (our **CSR Report** or **ESG Report**).
- 2019** Chico's FAS establishes its first Associate-led cross-functional ESG Task Force (**ESG Task Force**).
- The Company welcomes Bonnie Brooks as Chico's FAS CEO & President and Molly Langenstein as President, Apparel Group to lead the Chico's and WHBM brands.
- 2020** Chico's FAS creates its first Inclusion & Diversity Council (**I&D Council**) and appoints its first Head of Inclusion & Diversity.
- Chico's FAS is recognized as one of the Best Employers for Diversity by Forbes Magazine.
- The Company is recognized by LedBetter, 2020 Women on Boards and National Association of Female Executives (**NAFE**) for empowering women in leadership.
- Molly Langenstein is promoted to CEO and President of Chico's FAS and Bonnie Brooks transitions to Chair of the Executive Committee of the Board of Directors.
- 2021** Chico's FAS' Board forms the Environmental, Social and Governance Committee (**ESG Committee**) to drive the Company's efforts going forward.
- The ESG Task Force develops and completes ten Board-approved short-term environmental and social goals and develops seven mid-term ESG goals to evaluate by 2025.
- The ESG Steering Committee (**Steering Committee**), composed of the Chief Executives from Finance, Human Resources and Legal, is appointed to oversee the ESG strategy and work of the ESG Task Force.



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## *our* COMMITMENT to ESG

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Our ESG Approach



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Our Sustainability Goals



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Power in the Numbers



# our COMMITMENT to ESG

At Chico's FAS, we believe that caring for our planet, our communities and our people is at the core of our values and that our focus on ESG creates long-term value for our Company.

For more than 35 years, our *Passion for FASHION* and desire to inspire confidence and joy have been guiding the design and creation of our women's clothing, intimates and accessories. This commitment and dedication emanate from our loyal and devoted customers and Associates, who are equally motivated and inspired by our Vision and Purpose.

From this foundation, we have refined our strategy over the past few years to four key pillars: *Customer Led*, *Product Obsessed*, *Digital First* and *Operationally Excellent*. We have also identified key ESG focus areas that serve to support each of the pillars and inspire actions that continue to create positive impacts.





## our ESG APPROACH

Our Board, Executives and Associates work in tandem to drive our strategic pillars and ESG focus areas. By leveraging resources across our organization, we are coordinating activities that address environmental sustainability, philanthropy, human capital management, information security, social responsibility and more. At the same time, we are creating real change and progress throughout the Company and across our three brands – Chico's®, Soma®, and WHBM®.

We have formalized our ESG approach by establishing Board and Executive oversight committees to oversee the efforts of our ESG Task Force. We have developed policies and procedures to guide our own actions and behaviors, in addition to those of our partners. We have evaluated our progress by reviewing ESG rating agencies' assessments and consulting internationally-recognized ESG frameworks, including the Sustainability Accounting Standards Board (**SASB**) Standards, United Nations Sustainable Development Goals (**UN SDGs**) and the Investor Stewardship Group's (**ISG**) Corporate Governance Principles to help inform our ESG approach. We have also begun holding ourselves accountable through the creation and ongoing execution of various ESG short-, medium- and long-term goals.

This ESG Report provides an overview of Chico's FAS' ESG program, actions and accomplishments for the 2021 fiscal year, ending January 29, 2022. All data herein refers to such period, unless otherwise noted. It includes details regarding ongoing practices and commitments, in addition to the development of future initiatives. We plan to continue to improve our ESG disclosures through subsequent annual reports as we evolve our own data gathering and reporting processes.



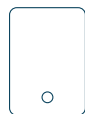
### CUSTOMER LED

- + Women's Empowerment
- + Inclusion & Diversity



### PRODUCT OBSESSED

- + Responsible Supply Chain
- + Circularity



### DIGITAL-FIRST

- + Sustainable Innovation
- + Information Protection



### OPERATIONALLY EXCELLENT

- + Ethics and Integrity
- + Corporate Governance
- + Sustainable Operations

CEO  
Letter

Board  
Letter

About  
Chico's FAS

**ESG  
Commitment**

Customer  
Led

Product  
Obsessed

Digital  
First

Operationally  
Excellent

Our Path

Appendix



# CHICO'S FAS ESG *evolution*

## 2018

Published our inaugural Corporate  
Social Responsibility Report

+

## 2019

Created our Associate-led  
Cross-functional ESG Task Force

+

## 2020

Launched our Associate-driven  
Inclusion & Diversity Council

+

## 2021

Established our Board-level ESG Committee  
and Executive-level ESG Steering Committee

Developed mid-term ESG goals

Held Investor Day profiling ESG-aligned  
corporate strategy



# our SUSTAINABILITY GOALS

We are a company dedicated to continuous improvement and accountability in our pursuit toward a more equitable and sustainable world. We acknowledge that our commitments require deliberate and sincere actions. That is why we have established a range of goals to advance our vision. Our internal goals are informed by the aims of the UN SDGs, which are to alleviate the most pressing global environmental, social and economic issues of our time. As we succeed in achieving our objectives, so too may we advance the opportunities of others.

Chico's FAS' Mid-Term Goals For Advancing A More Equitable And Sustainable World	UN SDG Area of Focus
 <p>Explore and quantify value-added sustainable packaging opportunities to reduce landfill waste by having our brands align on and adopt at least one new sustainable packaging opportunity per year over the next 3 years</p>	
 <p>Analyze, disclose and engage with our Tier 1<sup>1</sup> factories on their total water consumption, energy use and waste output and identify opportunities to reduce their impact by at least 1 percent per year over the next 3 calendar years</p>	  
 <p>Introduce 2-3 fabrics, innovations, technologies or other efficiencies in our product design, development and manufacturing every year over the next 3 years to reduce our environmental footprint</p>	
 <p>Develop expanded product assortments using customer and Associate input to create solutions that give comfort and joy to women of all shapes, colors and sizes</p>	 
 <p>Implement Higg Index<sup>2</sup> sustainability reporting for the top 80% of our Tier 1 vendors and factories</p>	
 <p>Continue to enhance the racial and ethnic diversity of our workforce by focusing on recruiting and retention efforts</p>	
 <p>Promote ESG reporting that aligns with stakeholder expectations and regulatory disclosure recommendations</p>	

1. Tier 1 factories source raw materials & manufacture finished products for our brands. They do not include laundries, mills, finishers or other subcontractors.  
 2. Higg Index standardized environmental and social facility assessments rely on facility-reported information collected via primarily the Higg Facility Environmental Modul (FEM) and the Higg Facility Social & Labor Module (FSLM).



In 2021, we identified and completed 10 short-term goals to enhance our disclosures on existing Company practices and improve oversight.

**Chico's FAS' Completed FY 2021 Short Term Goals For Advancing A More Equitable And Sustainable World**



Disclose the scope of our corporate business waste management program

**Learn More in our Sustainable Operations Section**



Update the Company's Human Rights policy to reflect a training element

**Learn More from our Human Rights Policy**



Enhance our disclosures in our vendor onboarding requirements to discuss how we screen new suppliers for environmental performance, labor practices and human rights performance

**Learn More in our Responsible Supply Chain Section**



Update the Company's Code of Ethics to indicate that it applies the same workforce policy standards to our suppliers and vendors

**Learn More in our Ethics and Integrity Section**



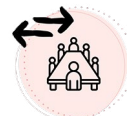
Update the Company's Global Vendor Code of Conduct to address supply chain audits for environmental management

**Learn More in our Responsible Supply Chain Section**



Update our public reporting to align with internationally recognized reporting frameworks

**Learn More in our Corporate Governance Section**



Form and disclose the existence of a dedicated Board-level ESG Committee

**Learn More in our Corporate Governance Section**



Update the Company's Human Rights policy to reflect our commitment to stakeholder involvement in the development & implementation and the evaluation of effective outcomes of the policy

**Learn More from our Human Rights Policy**



Update the Company's publicly disclosed information to include a statement on the Company's position on the use of corporate funds for the purposes of political advocacy

**Learn More from our Political Action Statement**



Disclose our activities to actively monitor and audit internal compliance with the Company's Code of Ethics

**Learn More in our Ethics and Integrity Section**

# POWER in the NUMBERS



## CUSTOMER LED

+ Women's Empowerment

**96%** of our associates are female

+ Inclusion & Diversity

**100%**

of new hires are introduced to our Inclusion & Diversity (**I&D**) programs & inclusive culture



## PRODUCT OBSESSED

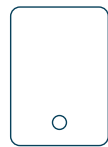
+ Responsible Supply Chain

**~41%** of Soma bras are made in ISO 14001:2015 factories

+ Circularity

**8,099**

pairs of jeans collected from WHBM's Give Back: Denim Recycling Program

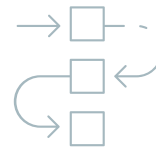


## DIGITAL FIRST

+ Sustainable Innovation

**92,000+**

Laser-processed pairs of denim delivered to Chico's brand



## OPERATIONALLY EXCELLENT

+ Sustainable Operations

**1,417 TONS**

of cardboard, paper products, corrugated, plastic and metal scrap recycled from our National Store Support Center (**NSSC**) and DC

+ Information Security & Privacy

**100%**

Compliance with the 108 controls of the NIST Cybersecurity Framework

+ Ethics & Integrity

**100%**

Full-time and part-time Associates participate in ethics training upon hire

+ Corporate Governance

**78%**

Independent Directors<sup>3</sup> serving on our Board

3. Independent directors refer to the criteria within the meaning of the NYSE listing standards and the Company's Corporate Governance Guidelines.

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*Chico's FAS is fully committed to enhancing our environmental, social and governance efforts. Our journey is a constant evolution and one that weaves together the interest of all our stakeholders - our customers, Associates, value chain partners, investors and the communities in which we all live.*

*This past year, we raised the bar by developing ESG goals that are intimately tied to our strategic pillars. We recognize that this is just the beginning of our journey and look forward to achieving even greater success in the years ahead.*

”

KRISTIN GWINNER

Executive Vice President  
Chief Human Resources Officer and  
Member of the ESG Steering Committee





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## *our* STRATEGIC PILLARS

THE PATH TO A MORE EQUITABLE & SUSTAINABLE FUTURE

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Customer Led



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Product Obsessed



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Digital First



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Operationally Excellent



CEO Letter

Board Letter

About Chico's FAS

ESG Commitment

Customer Led

Product Obsessed

Digital First

Operationally Excellent

Our Path

Appendix



## CUSTOMER led

We strive to create exceptional and memorable customer and Associate experiences that combine our customer-centric *Most Amazing Personal Service* with our inclusive Associate-focused *Most Amazing Place to Work, Learn and Grow* philosophies to bring our Passion for FASHION to life and build community engagements that uplift others and generate value over a lifetime.

### UN SUSTAINABLE DEVELOPMENT GOALS

In this section, we discuss programs, policies, procedures and goals that align towards the UN SDGs Goal #5 (Gender Equality) and its targets 5.1, 5.5 and 5.c, to achieve gender equality and empower all women and girls and Goal #10 (Reduced Inequality) and its targets 10.2, 10.3 and 10.4, to reduce inequality within and among countries.

5 GENDER EQUALITY



10 REDUCED INEQUALITIES





# women's EMPOWERMENT

As a company of brands founded by women, led by women and for women, we are on a mission to empower every woman to wear their confidence and never compromise. Chico's FAS is a champion for women's advancement and is committed to being an industry leader that tends to the real needs of every woman. To ensure the success of this mission, our goal is to treat our Associates with the same care and attention as our customers and we are committed to developing and promoting their long-term success.

## 2021 - 2022 RECOGNITIONS & AWARDS

SERAMONT  
Chico's FAS: Top Companies for Executive Women

FORBES  
Chico's FAS: The Best Employers For Women

MOVES MAGAZINE  
CEO Molly Langenstein: Power Women Honoree

HUMAN RIGHTS CAMPAIGN  
Chico's FAS: Top Companies for Executive Women

LEDBETTER  
Chico's FAS: The Gender Equality Index

2022 MOST LOVED WORKPLACE CERTIFICATION



### POWER IN THE NUMBERS

96% ASSOCIATES ARE FEMALE

99% FIELD ASSOCIATES ARE FEMALE

98% FIELD LEADERSHIP IS FEMALE

92% MANAGEMENT IS FEMALE



60% OFFICERS ARE FEMALE (EVP & ABOVE)



56% FEMALE BOARD REPRESENTATION



## A MODERN WORKPLACE FOR EVERYONE

We strive to be the *Most Amazing Place to Work, Learn and Grow*. We seek to build confidence in all our Associates and treat each other with kindness and respect. We encourage the exploration of new and exciting career opportunities and skills development programs. We continuously cultivate our customer-centric approach, and we strengthen our relationships and inspire our curiosity by learning and growing together.

### POWER IN THE NUMBERS

12,700 TOTAL ASSOCIATES

33% FULL-TIME ASSOCIATES

89% STORE ASSOCIATES

1,400+ ASSOCIATES WITH TENURE OVER 10 YEARS

4.7 AVERAGE TENURE IN YEARS FOR FULL- & PART-TIME ASSOCIATES

900 LEARNING, DEVELOPMENT AND CAREER PATHING COURSES

### LEADING BY OUR VALUES

Our Human Resources Team, including its Recruitment and Learning & Development members, coordinate every facet of our culture and matters related to our people. Under the direction of our Executive Vice President and Chief Human Resources Officer, these teams support the personal and professional development of each of our Associates. They collaborate across departments to deliver skills programs, training

and other enrichment opportunities. They assist with our benefits, rewards, compensation and performance. They also inform, raise awareness and foster our community and drive our nationally-recognized I&D programs.

### CULTIVATING OUR TALENT JOURNEY

Our Associates and teams are what make Chico's FAS an amazing place to work. Our recruitment and onboarding strategies lay the foundation. From there, we build upon each other's strengths and identify opportunities through our talent development and performance management programs.

### RECRUITMENT

Our brand recognition and impact serve as strong motivators for people to join our Company and our talent journey starts with attracting top talent. We have a dedicated team of recruitment specialists who seek out the best and brightest talent to join our teams. Along the way, they use a variety of channels to reach out to and engage potential Associates.

We encourage our Associates to refer candidates through our employee referral program, which includes a bonus eligibility for certain positions and the option to donate the funds to a charitable partner. We strive to develop diverse recruiting slates focused on recruiting top talent, whether for the field or in our corporate spaces.

Our internship programs and our campus partnerships are key elements to building relationships and identifying the next generation of talent. We believe that today's students are tomorrow's leaders. It is our mission to fuel them with hands-on learning experiences, leadership development opportunities and real-world exposure to the business of fashion.



## RECRUITING SPOTLIGHT

### **GINA GONICK** VP HUMAN RESOURCES

*My Superpower:* **Leading with heart**

*Why recruiting a diverse range of top talent is important at Chico's FAS:* Bringing diverse Associates into our organization is so important to me. As we build our *Most Amazing Place to Work* community; ensuring that this community reflects our customers really matters. Diversity also fosters new perspectives and fresh ideas and drives a high performing culture. Together, we are creating an environment where associates can be themselves.

I also truly believe in the power of kindness. We can accomplish so much more together when we approach situations with genuine kindness and authenticity. We can impact each other with small acts during our daily interactions and this is really powerful.

We spend so much time with each other; when we feel safe and free to be ourselves, we are more satisfied, more fulfilled and ultimately more engaged.

Throughout the on-boarding process, our managers are there to support our new Associates along their journey. From day one, we strive to create an inclusive and welcoming environment. New hires participate in our day-long orientation, which acquaints them to Chico's FAS, our culture and values, our strategic pillars, our three brands and much more.

#### **GROWTH DEVELOPMENT**

We believe that ongoing learning is a vital component to our Associates' success. It propels their ambitions and aligns with our values to continuously IMPROVE and follow our curiosity.

Our engaged and knowledgeable Learning and Development team infuses opportunities

for growth in every part of our Associates' journeys. Our robust offering of knowledge and skills-building learning programs provide foundational and specialty insights to enhance our Associates' careers in the fashion industry.

FASU is our one-stop shop for exploration and growth. The online platform provides access to a multitude of programs and tutorials that can be voluntarily completed or assigned based on one's role. These include instructor-led classes, in both virtual and classroom settings, as well as self-led content, such as articles, eLearning, and videos. They cover a variety of topics covering leadership, personal development and compliance best practices, product knowledge and core competencies, among others.



### LEADERSHIP SUMMER CAMP

In 2020, we launched Leadership Summer Camp, a self-led journey of reading biweekly unique and curated magazines exploring leadership topics and themes. In our first year, we immersed ourselves in the three pillars of leadership: Leading Yourself, Leading Others, Leading the Business. For 2021, we continued the conversation with a focus on our core values: Passion for Fashion, Continuously Improve, Customer Centricity, Be Inspired & Inspire Others, Be Accountable.

Not only do we create programs to develop and enhance the skills of our Associates, we also offer the opportunity for our talented Associates to share their own expertise. Our FASBEST program consists of classes developed and taught by our very own Associates. Via live classrooms, short video clips and other methods, our Associates share their talents and technical tips to help others grow and thrive at Chico's FAS.

### FASBEST

Beyond structured courses and programs, our Learning and Development team offers curated

and personalized experiences for team growth. These experiences are designed to facilitate group knowledge on a particular subject or function. We also have an educational assistance program that will reimburse certain amounts of tuition for job-related courses or a degree program.

### PERFORMANCE MANAGEMENT

One of our people-management team's most critical tasks along the Chico's FAS talent journey is ensuring that our teams are meeting our organizational objectives. We believe everyone wins when we effectively leverage the talents and gifts that each of our Associates bring to the workplace. That means having the right person in the right job and maintaining an engaged, results-oriented team. We achieve this through our performance management program.

Throughout the year, we encourage our Associates and their managers to regularly communicate with one another on their talent journeys through active discussions. These conversations serve as checkpoints and supplement our formal year-end talent connect and goal-setting meetings.

In the lead up to the year-end talent connect meetings, our Associates and their managers complete talent snapshots that express how well an Associate is doing, new areas of interest where they are excelling, what they may want or need to improve and how to drive those results. We also provide training and guidance to both our managers and Associates on how to prepare for and have effective talent connect meetings. Once together, Associates and their managers create goals and establish individual development plans to advance each Associate's personal and career growth.



### TOP TALENT PROGRAM

Across our DC and NSSC, a group of exceptional Associates were chosen to participate in our 2021/2022 Top Talent Program. Through online and in-person training, the Associates gained valuable insights on how to become effective leaders. They explored topics ranging from, among others, innovative and strategic thinking, conflict management, interviewing skills and delivering feedback.

### POWER IN THE NUMBERS

19 ASSOCIATES

6 MONTHS

12 COURSES

1 TEAM PROJECT

18 HOURS OF PARTICIPANT TRAINING

477 TOTAL PROGRAM HOURS

### ELEVATING OUR TALENT

We believe the initiatives taken to support our Associates' growth and encourage their curiosity should go hand-in-hand with the opportunity to advance their careers within and across the Company.

Along our Chico's FAS talent journey, we provide opportunities for our Associates to be recognized for their contributions, rewarded for their personal successes - and the Company's - and supported by a variety of benefits.

### RECOGNITION & AWARDS

We pride ourselves on our promote-from-within culture.

We take moments to share our appreciation with internal awards and recognitions. At our All-Hands meetings, we devote time to appreciating our latest "Best of" achievements like our Best District, Best Business Drivers, Best Supporting Team and Best Innovation. We also recognize those who have been promoted or are embarking on new experiences in the organization.



AWARDS 2022

### TEAM AWARDS

Our most prestigious form of recognition is our Power of & Awards.

Since 2013, we have been recognizing those Associates who embody our values as part of our annual & Awards program. By creating amazing customer and Associate experiences, these Associates harness The Power of & and provide significant business impact.

Nominees are submitted by their peers from across the organization and finalists are announced through our internal communication channel. From there, winners are recognized virtually through daily videos.



### COMPENSATION & SHARE OWNERSHIP

We strive to provide market-competitive compensation for our salaried and hourly Associates. Over the past few years, we announced increases to the rates for our hourly Associates and have been working with each of our stores to ensure its implementation. In addition to market-based benchmarks, we are committed to gender pay parity. We firmly believe that each Associate should be paid fairly and comparably for the same job at the same location, no matter their gender.

A portion of our eligible Associates participates in our short- and long-term incentive programs. These are designed to reward performance that meets personal and corporate objectives. For our Executives, they receive both an annual cash bonus and equity compensation that vests over multiple years. To learn more about our Executive compensation practices, see our [Proxy Statement](#).

Eligible Associates also have the opportunity to become Chico's FAS stockholders through our Employee Stock Purchase Plan (**ESPP**). The ESPP program provides the opportunity for our Associates to receive a discounted price for the purchase of our stock directly from the Company and without any sales commissions.

### BENEFITS & PERKS

Foundational to our modern workplace approach is our strong benefits programs and nontraditional amenities.

We offer a full range of competitive benefit options that serve the overall well-being of our full-time Associates. From medical and prescription drug, dental and long-term disability and flexible spending and health savings accounts, our full-time Associates and their families are covered. We shoulder the majority of the cost to ensure that our programs are affordable and sufficiently versatile to meet our Associates' diverse lifestyle needs.

We also think about their future financial success with our elective 401(k) program. On a pre-tax basis, Associates are able to contribute to their retirement through the program, and after one year of employment, are eligible for our corporate match program.

Both our part- and full-time Associates have access to our Employee Assistance Program (**EAP**). This service provides help to our Associates for managing their everyday life by offering confidential counseling, tools to help achieve work-life balance, and help identifying resources for everyday life like school and financial aid resources, elder and child care, household and home improvement services, and identity theft, legal and financial consultation services, many of which are available 24 hours a day, 7 days a week. In addition, after 90 days of employment, we offer paid hours each calendar year to volunteer at local charities.



*Read more about charitable activities in our **Chico's FAS Cares** section.*

We continue to enhance work-life balance and enrich each other's lives through amenities that help manage the stresses of everyday life.

- + For new families, we offer adoption assistance and 6-weeks paid parental leave, lactation accommodations for nursing mothers and on-site childcare at the Chico's FAS Early Education Center at our NSSC campus.



At Chico's FAS, the on-site daycare has been a game-changer for me. It allows me to do my best work on campus and meet with my teams knowing that my children are growing up here. It is a wonderful community environment and a great way to get to know coworkers on a different level through the family setting.

- Jennifer Young

For all our Associates, we provide discounts in our Boutiques, Outlets and online sites, in addition to corporate discounts on national and local products and services through our BenefitHub.

- + For eligible Associates, we have a generous paid time-off, holiday observances and additional leave for life events, such as medical leave, bereavement and military service.



Check out our *Benefits Overview* on our *Careers page* for a full list of benefits.

- + At our NSSC campus, we offer several on-site amenities including cafés, a health center, fitness center, walking paths and classes in addition to a hair salon, dry-cleaning services and a fresh flower market.
- + At our DC in Winder, GA, we provide an on-site health center, a state-of-the-art gym and a company store for quality clothing and accessories at great prices.

We are also evolving to new workplace standards by embracing flexible styles of work. This includes opportunities to work from home, where available, and half-day Summer Fridays.

### FOSTERING ENGAGEMENT

We strongly believe that a well-informed and engaged community is key to our success and the achievement of our strategic pillars and goals. We are avid communicators and active listeners with the mission of providing solutions, building communities and creating memorable experiences.

We use a variety of internal channels to share information and uplift the voices and contributions of our Associates. We encourage open and direct communication between Associates, their managers and HR partners through our Open Door Policy. We also bring people together through programs such as our voluntary Get2Gethers program. Here, Associates are partnered with people from other departments and meet on a quarterly basis to foster connections, enhance our corporate culture and reinforce our commitment to inclusivity.

We host Company-wide events through our All Hands meetings, which include Q&As with our Executives. We use our intranet as a repository for our latest news and communications, training, human resources, location information and other business operations resources. In addition, we conduct regular engagement surveys to remain informed about the Associate experience.

## LEARNING & GROWING THROUGH FEEDBACK

Our Associate Engagement Surveys provide us with a measure of how well we are serving one another and help us identify opportunities to do more. The Surveys inquire about a range of engagement drivers, including organizational culture and career growth opportunities.

Over the past two years, we prioritized more frequent Pulse Surveys - centered around 3 static questions and a variable question - over an annual Engagement Survey to better assess the well-being of our Associates throughout the year. This has been particularly valuable as we have responded to the various challenges presented by COVID-19.

In 2021, we conducted two Pulse Surveys. Our final Pulse Survey of the year included a variable question asking how people feel open to express different thoughts and ideas. Based on average respondent feedback, our surveys continued to yield strong results and reveal areas for growth.

## POWER IN THE NUMBERS

**87%** SAY THEY ARE PROUD TO  
WORK FOR THE COMPANY

**83%** BELIEVE THEY MAKE A  
DIFFERENCE

**67%** ARE RECOGNIZED FOR A JOB  
WELL DONE

**81%** FEEL OPEN TO EXPRESS  
DIFFERENT THOUGHTS  
AND IDEAS



## MODERN DESIGNS FOR WOMEN

To bring confidence and joy to women everywhere, we serve with a devotion to being the Most Amazing and an embodiment of the Power of &. We elevate everyone, especially our customers, and we recognize the importance of cultivating strong relationships with them, always with the aim of empowering women.

As a company for women, by women, our support of women's empowerment begins at home. As a result of our commitment to recruiting, supporting and elevating the talented women of our Company, we feel we are in a unique position to understand and meet the needs of our customers.

## LEADING BY OUR VALUES

Our Passion for FASHION is the foundation of our every interaction. It is what encourages us to be INSPIRED and INSPIRE others as we curate wardrobes that express the individuality of our customers and develop campaigns that raise awareness of their unique characteristics. Through this approach, CUSTOMER centricity is always at the forefront of our attention.

Our boutique and outlet store Associates along with our marketing teams and retail designers bring our purpose to life. They engage with our customers in-person and online. They build partnerships with other inspired and inspiring organizations. And, they envision spaces that evoke the diversity of our brands. Their efforts are supported by our modern workplace and allow them to anticipate the needs of our customers.

## DELIVERING PERSONALIZED CUSTOMER CARE

Our Associates, who are our customers' style experts, express our culture and treat our customers to the best service that makes them feel seen, heard, respected and empowered.

With an emphasis on building one-on-one

relationships, we provide our customers with the individualized attention they deserve. Our *Most Amazing Personal Service*, I&D and Product Knowledge training equip our Associates with the skills and confidence to provide a more personalized experience tailored to every woman's individual styling and fit needs.

## BUILDING WOMEN-CENTRIC CAMPAIGNS

Our retail designs and promotional campaigns are key elements of our women empowering vision and purpose.

Our in-store and online presentations of our brands' designs give our customers the opportunity to see themselves represented in our creations and to envision themselves in new fashions. These are in turn leveraged by our Associates to deliver that personalized experience.

We also look to our marketing campaigns to find avenues that resonate with our customers. During the past few years, we have expanded our partnerships to align with those who share our commitment to women's empowerment. One of these events was our Make Herstory campaign.

### MAKE HERSTORY CAMPAIGN

To celebrate and raise awareness for International Women's Day, WHBM partnered with Ladies Who Launch (**LWL**) for our Make Herstory™ campaign. Make Herstory aligns with the mission of LWL, which is to inspire women by giving them the resources to follow their dreams and launch their own companies.

For the 2021 campaign, our WHBM designers illustrated a limited-edition tee that portrays a woman who keeps moving forward into the future with resilience and beauty, writing her own story of empowerment along the way. WHBM proudly donated \$10 of every limited edition tee sold to Ladies Who Launch in 2021.

*Learn More About **LWL**.*



# INCLUSION & diversity

We weave the power of inclusive and diverse viewpoints into the fabric of our Company culture and everyday actions.

We aspire to create spaces that honor, respect and celebrate our differences. We recognize and value diversity and the importance of bringing people with different and unique backgrounds, life experiences and viewpoints together. By focusing on inclusive collaboration, not just within our organization, but also in our product designs, we are advancing our values of CUSTOMER centricity, continuously IMPROVE, be INSPIRED and INSPIRE others, be ACCOUNTABLE and have a Passion for FASHION. All of this serves to benefit our business, our communities, and society as a whole.

## POWER IN THE NUMBERS

1 CHICO'S FAS VETERANS DAY ASSOCIATE EMAGAZINE HONORING 72 OF OUR MILITARY VETERANS

6+ CURATED CONTENT SHARED TO CELEBRATE THE HISTORY OF JUNETEENTH

15+ CURATED CONTENT SHARED TO CELEBRATE LGBTQIA+ PRIDE MONTH

15+ CURATED CONTENT SHARED TO CELEBRATE ASIAN AMERICAN PACIFIC ISLANDER MONTH

21 DAYS UNDERSTANDING RACIAL DIFFERENCES CHALLENGE

100% OF NEW HIRES INTRODUCED TO OUR I&D PROGRAMS & INCLUSIVE CULTURE

## CHICO'S FAS GOALS



Continue to enhance the racial and ethnic diversity of our workforce by focusing on recruiting and retention efforts.



Develop expanded product assortments using customer and Associate input to create solutions that give comfort and joy to women of all shapes, colors and sizes.

## 2021 - 2022 RECOGNITIONS & AWARDS

FORBES  
Chico's FAS: 2021 The Best Employers for Diversity

NEWSWEEK  
White House Black Market: #2 Best Customer Service - Brick and Mortar Retailers: Apparel

HUMAN RIGHTS CAMPAIGN  
Chico's FAS: 2022 Corporate Equality Index

SOMA  
Customer Service - Brick and Mortar Retailers: Lingerie

### LEADING BY OUR VALUES

For our Associates and our customers, we never want them to compromise.

Our approach to I&D is grounded in a commitment to create a sense of belonging and connectedness while at the same time appreciating our differences. Across our operations, we always work to be understanding and welcoming, whether these interactions occur in our boutiques, online or in our offices and DC.

In 2020, we established our I&D Council. The all-volunteer team is Associate-led, comprised of cross-functional team members that span the Company and who themselves represent a diversity of backgrounds, experiences and perspectives. The I&D Council is spearheaded by our Head of Inclusion & Diversity and our Chief Human Resources Officer, who champions our I&D efforts.

The I&D Council meets on a monthly basis to develop and review the Company's I&D goals and initiatives. They provide regular updates to our leadership team in addition to our ESG Task Force and Board's ESG Committee. I&D Council members are invited to participate in our ESG Task Force to improve collaboration and coordinate a cohesive social governance strategy. The I&D Council also coordinates with our Human Resources team to execute our I&D Priorities: *Attraction & Retention, Education & Training and Customer Focus.*

### ADVANCING OUR I&D PRIORITIES

With our three I&D Priorities established, we are advancing actionable initiatives to foster greater inclusivity and diversity.

### ATTRACTION & RETENTION

As a family of lifestyle brands, we recognize the importance of having Associates that reflect our customers to better meet their fashion needs. To ensure we are living up to this aim in our recruitment process, we have initiated proactive steps to enhance our attraction efforts and improve our internal reporting on these and other recruitment and retention efforts.

Our attraction strategy is currently focused on enhancing the skills and attention of our recruitment team members, improving and leveraging digital tools to reach a more diverse audience and expanding the reach of our partnerships.

Over the past few years, several of our senior recruiters have become Certified Diversity Recruiters under the AIRS® standard. Lessons from the certification program have equipped them to integrate I&D principles into our recruitment strategy and cascade best practices gained from the hands-on learning experience to other team members.

We are an equal opportunity employer and make it our mission to be inclusive in our recruitment efforts. We understand that to attract top talent and to feel welcome, potential employees expect to see themselves represented among our Associates. Our visual recruitment materials support this work and have been updated to showcase our diverse workforce.





## PROJECT SEARCH SPOTLIGHT

### *Project SEARCH Superpower:* **Empowering Everyone**

#### *Why Chico's FAS loves Project SEARCH:*

At Chico's FAS, we value the strengths and successes found in our collective pursuits, which we call the Power of & and we recognize that to attract top talent, we must be active partners in the career development of potential employees from within our local communities. We believe that Project SEARCH exemplifies these principles.

The primary objective of Project SEARCH is to secure competitive employment for people with disabilities through community collaboration between high school students or young adults with a desire to achieve rewarding employment, a host business, special education teachers and skills trainers and local developmental disability organizations. The one-year program focuses on team building, workplace safety, technology, maintaining employment, self-advocacy, financial literacy, health and wellness and preparing for employment.

By the end of our inaugural Project SEARCH program, our Class of 2021 included three participants. Chico's FAS was proud to hire each of them into positions that they learned as our interns.

We have developed partnerships with organizations and recruitment firms to expand our candidate reach. We are also leveraging college-based recruiting partnerships such as Handshake, an organization that assists with diversity recruiting and is focused on providing equal access for all students.

Through the Military Spouse Employment Partnership, we are committed to recruit, hire, promote and retain military spouses.

We are also creating job opportunities and building hands-on learning and skills development for individuals with intellectual and developmental disabilities in our Winder, GA DC. Through our collaboration with Project SEARCH, a Transition-to-Work program developed at Cincinnati Children's Hospital Medical Center, we support a unique, business-led, one-year employment preparation program that takes place entirely at the workplace.

Across our recruitment and retention efforts, we are focused on accountability. We are monitoring our candidate selection process and are actively focusing on recruitment and retention efforts to enhance the diversity of our organization.

We are also improving our self-identification efforts for our current employee base, including the expansion of coverage for ethnicity and military status. To encourage participation and information completeness, we launched an internal campaign to encourage our Associates to report their self-identities. These responses will form an accurate baseline of our Associate population and will drive future improvements to our disclosures and succession planning aims at all levels of our organization.

### EDUCATION & TRAINING

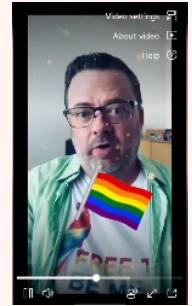
We are committed to creating a work environment that provides all our Associates with equal access to information, resources, skills development and career opportunities. We foster I&D awareness and community-building so that everyone can be active participants in promoting a harassment-free workplace for our diverse voices.

Training is a key element of our I&D initiatives. At initial hire, each of our Associates is introduced to our I&D program offerings and is required to complete our harassment prevention training, an annual course for all our full- and part-time Associates. Beyond required training, all Associates are able to access and complete other I&D training through FASU.

Our full-time Associates and certain other Associates participate in additional training on unconscious bias, the impact of inclusion, cultural awareness and racial equity.

### FREE TO BE ME

Each of our Associates is unique in their own way. We encourage everyone to be themselves and bring their true selves to work every day. Our "Free To Be Me" campaign celebrates our individuality and inclusivity through shared stories, experiences and appreciation.



In 2021, an I&D training focus was learning how to identify and work to eliminate unconscious biases in our everyday interactions. In addition to training, we raise awareness and build community through our Associate networks and activities.



### FREE TO BE ME SPOTLIGHT

#### MEGAN LOPEZ INSTRUCTIONAL DESIGN SPECIALIST

*My Superpower:* **Being authentically me.**

Why I value an LGBTQIA+ inclusive environment: For me, it is SO important because we should all be encouraged to be our authentic selves. Growing up in a culture that wasn't accepting of who I am forced me to hide a portion of my life that was not welcomed. I was only able to be authentic in social settings with friends, at school, or at work. It has always been important for me to find an organization to work for that is going to allow me to be 100% authentic and Chico's FAS always encourages me to do so.

Since joining the organization in 2021, my favorite program has been the newly launched Pride eMagazine. I love hearing stories from Associates across the organization who feel free to be themselves at work. It is so emotional reading stories of Associates with similar hardships, triumphs and allyships. It allows us to connect with one another on a deeper level and appreciate each other as more than just colleagues.

*Adapted from an Associate spotlight in Chico FAS' Pride eMagazine, which debuted in June 2022 alongside 28 other Associate spotlights.*



From direct Associate feedback, we launched Associate network groups that serve to create rootedness and connection among each other. The groups elevate community service, health and fitness, personal development, leadership and inclusion and create a forum for conversations on shared interests like good reads and great conversation, favorites for foodies, outdoor activities and pet lovers.

We keep our Associates informed of I&D events with our monthly calendars. These share insights on significant historical moments and cultural remembrances in addition to cultural celebrations from around the world.

We inspire and engage with one another through the celebration of I&D heritage months. We post educational materials, readings and playlists, local resources and community activities on our internal website to foster engagement. Over the past few years, we have recognized Asian American Pacific Islander Month, Black History Month, National Hispanic Heritage Month, Juneteenth, Native American Heritage Month, Pride Month, Women's History Month and many more, in an effort to reinforce the importance of lifting the voices of all of our Associates to better serve them and our customers.

**CUSTOMER FOCUS**

We are driven by our purpose of bringing confidence and joy to all women. We honor the personal, the individual, the unique and the diverse. We embrace the beauty, strength and creativity that lies within us all. We accomplish this not only by being inclusive in our organization, but also in our designs, our marketing and our customer service. For nearly 40 years, our designs have been developed to represent women in all their different shapes, sizes and proportions.

At Chico's, we developed our own simple to use sizing chart, Yes, We Have Your Size!™. It translates standard sizes from XS/0 to XXL/22 along a more accessible measurement scale from 000-4. In addition, each of our brands cater to those who are petite, tall and have more curves, with apparel sizing ranging from XXS/00P to XL/18 at WHBM and Soma bras sizes of 32A to 44H.

For our customers to feel more comfortable and confident, we have introduced innovative selections that embrace their individuality and meet their personal needs. Soma's Bodify™ Bra is the first ever smart bra that adapts to the unique shapes and fluctuations of women's bodies.



We aim to embrace the diversity of our customers and inspire them to envision themselves in our brands. Across our brands' marketing, we are using a wide range of models and influencers, who represent various ages, races, ethnicities, shapes and sizes. Our customers themselves are contributors and we encourage them to create Instagram galleries that features their own unique style. In every way, we want to celebrate women from all backgrounds and cultures and honor the beauty among us all.

Above all, we seek to uplift women. We want each and every woman to feel confident in themselves and to experience the joy that exists within them and around them. We aim to be just one avenue to help them reach this aim and every day, we strive to make it a reality.



Chico's FAS prides itself on being a customer-centric brand, focusing our marketing efforts around genuine diversity and authentic storytelling. We are celebrating women of all sizes, ages, and ethnicities and bringing them together through content that inspires fashion and style. We want to aspire beyond a transaction, creating content that makes her feel seen, valued, and heard. We have committed to building a community where she is part of the conversation, giving all women a platform to feel confident and empowered.

Amy Deering  
Senior Creative Director



### CHICO'S FAS CARES

Chico's FAS and our family of brands – Chico's®, WHBM® and Soma® – are committed to positively impacting our customers, Associates and the communities in which we live and do business through community service and giving back.

Our brand and corporate cause-related initiatives are focused on raising awareness and funds through local, regional and national partnerships. We support community-based philanthropic causes and disaster relief efforts by actively encouraging Associate volunteerism and customer philanthropy, like our Soma Bra Donations or WHBM's Blue Jeans Go Green program.

Our Chico's FAS Cares Volunteer Days create moments for our Associates to help our communities and give back by donating time to support local charities.

We promote volunteerism among our Associates through our community service hours policy. Every year, our Associates are eligible for paid time to serve as volunteers to community organizations.

Even at a distance, we have found ways to make a difference. We offered interesting and engaging opportunities for our Associates to give back through online service.

We are proudly committed to making a difference in Southwest Florida (SWFL) where we were founded and headquartered, and in Winder, GA, where our DC is located. Through thousands of volunteer hours, Chico's FAS has supported many organizations throughout these two communities, such as the United Way, LARC Inc. and Midwest Food Bank.





## VOLUNTEER SPOTLIGHT

### **HOLLY ANN WILSON** VP OF DESIGN FOR SOMA®

*My Superpower:* **Helping girls embrace their own power.**

*Why I Volunteer:* The Chico's FAS volunteer programs and paid-volunteer hours benefit are important to me because supporting women and girls through our community partnerships is key to the Company's culture & our mission. Chico's FAS has been a pillar in our local SWFL community going on 40+ years, with a long and rich history of giving back. Volunteering with one particular program, the PACE Center For Girls partnership, has become a personal passion of mine.

After a challenging personal experience, I found that I really wanted to help other women and girls find the resources and support they needed. Having an opportunity to reinforce the power of community and build a sense of confidence and self-worth in our girls through the Chico's FAS x PACE partnership was a great place to start.

I found the work so fulfilling that I asked to join the PACE Board as a volunteer in January of this year.

My favorite thing about the Chico's FAS x PACE partnership is that our Company's mission has always been to make women feel confident and beautiful. This has great continuity with PACE's mission to build confidence and self-worth in girls in our community as they navigate through difficult life challenges. Confidence-building can go a long way in keeping them engaged in school and helping them stay on the right path and make great decisions.

In addition to my personal volunteer hours for the PACE Board, my Soma team and I have done over 100 hours of volunteer work for the organization in the last year.







# PRODUCT *obsessed*

We deliver distinct, innovative, premium, best-in-class products and services that generate beautiful solutions, exude confidence and joy and elevate social and environmental sustainability.

## UN SUSTAINABLE DEVELOPMENT GOALS

In this section, we discuss programs, policies, procedures and goals that align towards the United Nations Sustainable Development Goal #5 (Gender Equality) and its targets 5.1, 5.2, to achieve gender equality and empower all women and girls, Goal #6 (Clean Water and Sanitation) and its targets 6.3 and 6.4, to ensure availability and sustainable management of water and sanitation for all, Goal #7 (Affordable and Clean Energy) and its target 7.2, to ensure access to affordable, reliable, sustainable and modern energy for all, Goal #12 (Responsible Consumption) and its targets 12.2, 12.4, 12.5, 12.7, to ensure sustainable consumption and production patterns, and Goal #13 (Climate Action) and its target 13.2, to take urgent action to combat climate change and its impacts.





# RESPONSIBLE *supply chain*

As a leading retailer, we are active participants in the complex global fashion supply chain. We source raw materials, develop fabrics, produce garments and distribute finished products through our retail and wholesale channels. We strive to be responsible stewards and partners, promoting practices that are environmentally, socially and ethically conscious.

We acknowledge that environmental stewardship is a journey and Chico's FAS continues to look for ways to improve our footprint. By prioritizing positive, beneficial impacts in our supply chain, we hope to contribute to better merchandising and by striving to ensure our customers can be confident about the global impact of their purchases, we hope to contribute to greater brand enthusiasm.

## POWER IN THE NUMBERS

**73 %** OF TIER 1 FACTORIES AUDITED IN 2021

**100 %** OF AUDITED TIER 1 FACTORIES COMPLETED SOCIAL & LABOR COMPLIANCE AUDITS

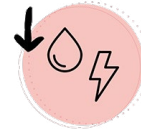
**93 %** OF AUDITED TIER 1 FACTORIES COMPLETED ENVIRONMENTAL COMPLIANCE AUDITS

**~51 %** OF THE UNITS PRODUCED UNDER OUR BRAND NAMES ARE MADE AT TIER 1 FACTORIES THAT REPORT TOTAL WATER AND WASTE USING HIGG INDEX FEM

**~49 %** OF THE UNITS PRODUCED UNDER OUR BRAND NAMES ARE MADE AT TIER 1 FACTORIES THAT REPORT TOTAL ENERGY USING HIGG INDEX FEM

**~41 %** OF SOMA BRAS ARE MADE IN ISO 14001:2015 FACTORIES, WHICH ARE ALSO GLOBAL RECYCLED STANDARD (GRS), GLOBAL ORGANIC TEXTILE STANDARD (GOTS), ORGANIC CONTENT STANDARDS (OCS) OR LEED PLATINUM® CERTIFIED FACTORIES

## CHICO'S FAS GOALS



Analyze, disclose and engage with our Tier 1 factories on their total water consumption, energy use and waste output and identify opportunities to reduce their impact by at least 1 percent per year over the next 3 calendar years.



Implement Higg Index sustainability reporting for the top 80% of our Tier 1 vendors and factories.



Introduce 2-3 fabrics, innovations, technologies and other efficiencies in our product design, development and manufacturing every year over the next 3 years to reduce our environmental footprint.

## LEADING BY OUR VALUES

Our approach to supply chain management involves the continuous assessment of our strengths and opportunities in order to develop meaningful and impactful strategies and partnerships. We operationalize these initiatives through our policies, programs and procedures in addition to the adoption of best practices and adherence to applicable laws and regulations. We routinely oversee and monitor our progress, and that of our business partners, in our effort to be transparent and be ACCOUNTABLE.

We have a Passion for FASHION in our DNA. We understand that our customers expect us to live and breathe our *Most Amazing Customer Service* values across our entire organization and we recognize that we cannot deliver on those expectations unless we include the people and organizations that help create our products in the continuous dialogue.

We are motivated to do more to improve our supply chain on account of our desire to be INSPIRED and INSPIRE others and our commitment to CUSTOMER centricity. We achieve this by actively collaborating across the Company from our Sourcing, Design, Global Compliance, Legal and Distribution Departments, while at the same time building strong relationships with our business partners.

Oversight of our supply chain management ultimately rests with our Executives and the Board. Our CEO, CFO, Audit and ESG Committees receive regular updates from our teams on a variety of matters, including, but not limited to, supplier compliance, sustainability and regulatory compliance.

Under their oversight, our Global Compliance team leads our organizational alignment and external stakeholder partnerships, which include, among others, industry groups, trade organizations, vendors and suppliers. The day-to-day management of our compliance programs is owned by our Manager of Global Compliance & Sustainability, who reports to our Legal Department.

## GETTING TO KNOW OUR SUPPLY CHAIN & PARTNERS

The relationships we cultivate with our business partners are a critical element of building a more responsible supply chain.

### OUR SUPPLY CHAIN

Each of our brands have sourcing, in-house design and merchandising teams who control almost all aspects of the development process. This includes choices of style, construction, design specifications, fabric, fit, finish and color.

We do not own the companies or facilities that source and manufacture our products. We place our product orders through our authorized vendors, agents or Tier 1 factories, who in turn, coordinate the acquisition of raw materials and other services in order to produce our finished goods.

The merchandise is then forwarded to logistics partners who ensure delivery to our Winder DC.

### OUR PARTNERS

Over the years, we have developed strategic collaborations with key vendors who produce the majority of the merchandise we purchase. These vendors accounted for approximately 82 percent of our total purchases in 2021, with our largest vendor handling no more than 13 percent of the total.

Our products are manufactured in 21 countries around the world. The top 5 manufacturing countries are Vietnam, China, Nicaragua, Sri Lanka and India, each yielding at least 3.95 percent of our global unit volume.



Products are sourced from approximately 21 Countries and 230 factories as of January 2022. Total includes factories producing our branded products and third-party brands we purchased at wholesale.

Our branded products were made in approximately 246 factories throughout fiscal year 2021. By year end, our active factories decreased to 230, partially attributable to our long-term initiative of consolidating our supplier base.

### SUPPORTING SUSTAINABLE AND ETHICAL PRACTICES

It is important for us to engage with our own supply chain and our third-party brands, like Wacoal® or Yummie® (**Private Label Brands**) to elevate responsible and sustainable social and environmental practices. Core to this approach is the promotion of human dignity. We believe that every person has a right to safe, decent and humane working conditions. We also hold that our operations ought to minimize their

impact from the water, energy and chemicals we use to the waste we generate, the materials we source and the logistics we enlist.

Each of our Tier 1 vendors must contractually agree to comply with our Global Vendor Code of Conduct, which is based on standards and guidance of the International Labour Organization (**ILO**) and The UN Guiding Principles on Business and Human Rights. In turn, they must hold their value-chain partners (e.g. factories, mills, laundry facilities, raw materials providers, etc.) to the same standards. At all times, our vendors are required to comply with all environmental, health and safety requirements in every governmental jurisdiction where our branded products are sourced, manufactured and processed. As a supplement to the Global Vendor Code of Conduct and legal controls, we have implemented written guidelines and formal processes for them to follow, coupled with management oversight and regular monitoring and audits of their operations for compliance.

All of this is to foster a culture of transparency and continuous improvement in social, labor and environmental practices in accordance with our Global Vendor Code of Conduct, our expectations and the evolving trends in the fashion industry as a whole.



*Visit our Investor Relations page on [chicosfas.com](http://chicosfas.com) to find a copy of our **Global Vendor Code of Conduct**.*

### DUE DILIGENCE

We strive to support stable, long-term relationships with vendors that align with our core values.

For our branded products, we have robust processes in place to assure compliance by our Tier 1 vendors with our Global Vendor Code of Conduct and applicable standards. This involves auditing, measuring performance and monitoring improvements. For our Private Label Brands, we require their Tier 1 suppliers to confirm, through the submission of satisfactory audits or suitable assurances of compliance, that their practices also align with our standards.

Every year, our Tier 1 factories are required to undergo audits of their operations for compliance. We conduct social (labor and environmental) and security audits at our foreign-based Tier 1 factories, and prioritize social (labor and environmental) audits at our domestic (U.S.) Tier 1 factories. Additional audits to determine technical capabilities are completed as needed.

The vast majority of our Tier 1 factory audits are performed by our Auditor. However, to reduce audit fatigue within our supply chain, we will accept other third-party audits under certain conditions. For our long-standing vendors, we will accept audits from **Better Work** and **WRAP** provided they meet our compliance standards. In other instances, we will engage in collaborative audits whereby our Auditor performs baseline inspection reports for multiple companies at once, incorporating our company-specific requirements. To ensure our compliance standards are maintained, for any Tier 1 factories submitting Better Work or WRAP audits annually, we require our Auditor to conduct our own independent audit every three years. All audits are also internally reviewed by our Global Compliance Department.

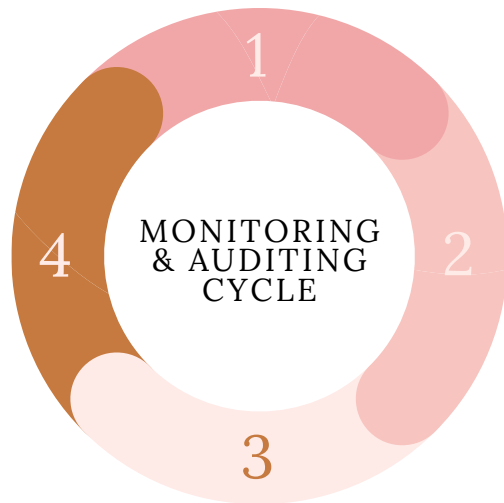
### INITIAL FACTORY ASSESSMENTS

During the vendor identification and selection process, we seek out those who operate responsibly and demonstrate a commitment to transparency and continuous improvement.

We begin by conducting a thorough approval process. The initial on-site factory audits address social (labor and environmental) and security compliance and technical capabilities. For initial test orders, we will accept certain third-party factory audits conducted on behalf of other brands. If a test order results in additional orders with the factory, our initial audits are conducted by our preferred independent third-party auditor (**Auditor**).

We also take into consideration their social and environmental capabilities and goals and our goal is to continue to foster relationships with suppliers that can meet or exceed our expectations in these areas. These programs and certifications may include, but are not limited to, ISO 14001 & 14064 certifications, Social & Labor Convergence Program (**SLCP**), bluesign®, waste recycling, Zero Discharge of Hazardous Chemicals (**ZDHC**), the Better Cotton Initiative (**BCI**), VIP & WCP, Higg and Sustainable Apparel Coalition (**SAC**) membership.





Our on-site third-party factory audits incorporate guidelines from the ILO, U.N. Guiding Principles, Better Work and industry standards. They evaluate compliance with (i) health and safety, (ii) human rights, including discrimination, harassment, forced labor, child labor, freedom of association & collective bargaining and other protections, (iii) wages, hours and benefits, (iv) compliance with laws & ethical business practices, (v) environmental safety including the safe handling, use, storage and disposal of chemicals, (vi) security, (vii) subcontracting and (viii) other social compliance standards and the standards set forth in our Global Vendor Code of Conduct. Following a four-part process, our factories are continuously monitored on a three- to 12-month cycle.

1

**ON-SITE AUDIT**

Third-party performed audits typically consisting of facility tours, document & systems review, interviews with workers and management, and physical inspections and observations.

2

**INTERNAL ASSESSMENT**

Evaluation and acceptance of third-party audit findings by our Manager of Global Compliance and Sustainability, and in the event of any audit non-conformance, determination of appropriate corrective action.

3

**CORRECTIVE ACTIONS**

Identification of appropriate corrective action based on the severity of an audit deficiency, including production prohibition or development of a corrective action plan to address the issue of non-conformance in a timely manner.

4

**FOLLOW-UP AUDITS**

Verification assessment to ensure deficiencies are addressed over a reasonable period of time and, if necessary, termination of relationship if factories are unable or unwilling to improve their performance.

In 2021, 73 percent of our Tier 1 factories were audited by our Auditor and/or our other acceptable auditors for social (labor and environmental) and security compliance. Of the total factories audited, 100 percent of them completed social (labor) compliance audits and 93 percent completed social (environmental) compliance audits.

During our standard audit cadence, we strive to audit all of our Tier 1 factories each year. 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 lockdowns and travel restrictions ease, we expect our auditing program to return to normal.

Our sourcing team provides Vendor Scorecards to communicate how well factories are performing against compliance, quality, timeliness and accuracy standards. By using historical auditing data, the scorecards measure performance against complex workplace challenges, including workplace conditions, environmental opportunities, safety and ethical business practices.

**SOMA'S RESPONSIBLE PRODUCTION**

41% of Soma® bras, including our Embraceable™, Nursing and Stunning™ collections, are made in ISO 14001:2015 factories, which are also GRS, GOTS, OCS or LEED Platinum® certified factories.



### PARTNER ENGAGEMENT

Our monitoring and auditing programs track our supply chain partners' compliance on issues pertaining to labor, health and safety, the environment, human rights, ethics and security issues. We believe that their performance and approach to tackling these challenges is a key component of our success and is something we are consistently seeking to enhance. We engage in efforts to build greater knowledge, awareness and understanding of our supply chain strengths, capacities and opportunities and to facilitate the identification of new modes of operation.

We conduct surveys and provide special training in many of our strategic factories. Our Global Compliance Department actively engages in 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.

Over the past years, we have provided additional training and awareness on fire safety and the prevention of denim finishing accidents and injuries in accordance with the American Apparel and Footwear Association's **(AAFA's) Health & Safety Guidelines for Workers in Denim Finishing**.

Through the direction of our ESG Task Force and Steering Committee, we are pursuing new insights

into the practices of our factories as they relate to:

- + Environmental risks & opportunities
- + Carbon & climate
- + Natural resources
- + Water & toxicity
- + Human rights
- + Labor, health & safety
- + Stakeholders & society

In 2020, we conducted our first-ever ESG-focused environmental and social audit questionnaire **(E&S Audit)** with our Tier 1 factories. The E&S Audit addressed a broad range of topics including human rights, I&D, women's empowerment, living wages, energy consumption, wastewater discharge, Paris Accord goals and other areas of environmental management.



*Read about some of the findings of our 2020 E&S Audit in the Labor Conditions in the Supply Chain Section of **2021 Social Responsibility Report**.*

In 2021, we surveyed our Tier 1 factories on the environmental impact of their operations. The questions sought information on water usage, recycling, and discharge, total waste – including waste classifications, recycling, and disposal - and energy sources and consumption rates. For more information, see our **Promoting Sustainable Operations** section below.



## VENDOR SPOTLIGHT

### MATTHEW GUENTHER

ENVIRONMENTAL SUSTAINABILITY DIRECTOR, TAL APPAREL

*TAL's Superpower: **Being an Innofactorer®.***

*Why TAL is a partner in sustainability:* TAL's purpose is to "lead change in how the world sustainably clothes itself." Change is a key word because the industry as whole needs to adapt, to bring about a more sustainable future with less burden on the planet and better livelihoods for those employed in the industry. At TAL, we understand that one company cannot be sustainable if its business partners and networks are not.

Our partnership with Chico's FAS means being a part of the change and at the forefront of emerging issues and their solutions. We build sustainable design into our product innovation, factory design, and operations, and have been recognized by our Ecowash process, LEED-certified factories and bluesign® System Partnership. By building partnerships with similar, sustainably minded customers, supply chain partners and industry organization we are creating more sustainable businesses and a more sustainable world.

*Check out one of Chico's FAS and TAL's collaborations – [the Chico's No Iron collection](#)*

## SOURCING SPOTLIGHT



### NORIAN CABAERO

SOURCING MANAGER, WOVEN TOPS AND JACKETS

*My Superpower: **Living and breathing from the superpowers of my direct team, sourcing family and vendors.***

*How TAL brings innovation to Chico's FAS:* I spent 21 years of my life in the Philippines, a third-world country where ironing clothes is a whole day affair. Even when I migrated to the USA, I would still iron my clothes, because wearing crisply pressed clothes makes me feel classy, sleek, smart, fresh and neat.

I have always thought that the NO IRON innovation brought to us by TAL was the secret AI of our NO IRON Woven Tops. Wearing our NO IRON collection has been my perfect excuse to not waste my weekend ironing clothes! I save electricity, exhaustion and a ton of muscle pains and get to spend more time studying and just being with my family and friends. I think this is GENIUS!

## CHEMICALS MANAGEMENT

Integral to the safety of our products is understanding the chemicals and toxins used in their production.

We take a hazard-based approach to our chemicals management, which emphasizes awareness, minimization and/or avoidance of substances with potential adverse impacts.

First and foremost, we ensure that our branded products are sourced in compliance with applicable restricted chemical regulations in the countries in which they are produced as well as in our own market. Additionally, our Global Compliance team has adopted the AAFA's **Restricted Substance List (RSL)**, which contains certain chemicals and substances that are either restricted or banned from apparel products.

Each of our vendors is required to confirm that our finished products, including the components and raw materials, comply with the most current version of the AFAA RSL, as set forth in our Global Vendor Code of Conduct. Certain of our finished products have received third-party certification for the testing of harmful substances including OEKO-TEX®, and/or comply with the ZDHC Manufacturing RSL.

We regularly verify compliance by conducting product testing and technical capabilities audits. The product tests are performed by certified third-party or in-house testing labs, and on an annual basis, we receive verification that the required certifications for each testing lab remains up to date. The technical capabilities audits ensure our factories' operations comply with all applicable AAFA RSL testing requirements. These audits are performed during the initial onboarding process and on a periodic basis thereafter.

In addition to product tests and technical capabilities audits, a review of chemicals management is part of our routine factory audit process. Our Auditor evaluates our Tier 1 factories to determine their compliance with the safe handling, use, storage and disposal of any chemicals used in the manufacturing process.



*Read more about our chemical reduction efforts in the **Sustainable Innovation** section.*

## SUSTAINABLE AND ETHICALLY SOURCED MATERIALS

The raw materials used in our products are just as important as our designs in bringing confidence and joy to our customers.

Our approach to responsible material sourcing focuses on the identification and introduction of materials that embody ethical practices in terms of the welfare of the people producing them, the treatment of the physical environment or livestock from which it is harvested and the overall environmental impact. We also consider the location from which the materials are acquired, the procurement practices involved, and the types of fibers used in the fabric creations.

Our cross-functional team handles the variety of tasks necessary to oversee our product sourcing activities. These include responsibilities such as the maintenance of quality standards, the development of partner relationships and the identification of cost-effective and efficient practices that each align with our responsible sourcing practices.



### CONFLICT MINERALS

Within some of our products, including jewelry, fashion accessories and pants, we have identified certain materials – tin and gold – that qualify as conflict minerals under the rules of the Securities Exchange Act of 1934, as amended. These are minerals that could be sourced from regions where they may be exploited and traded by armed groups which in turn contribute to ongoing conflicts and further humanitarian crises.

We adopted our **Conflict Minerals Policy** in 2013, and have published our **Conflict Minerals Report** each year thereafter. The report details the due diligence process for our vendors' reasonable country of origin inquiry (**RCOI**), in accordance with the five-step framework developed by the Organization for Economic Cooperation and Development (**OECD**), of the mineral smelters or refiners and Associate mines. We proactively work with our vendors to improve the transparency and responsible sourcing of these materials.

### ANIMAL WELFARE

For the small percentage of our products that contain materials derived from animals, such as leather, feathers, fur, bones and skins, we expect our vendors to source those materials from suppliers who are committed to the humane treatment of animals.

Our Supplier Certification for the Ethical Sourcing of Animal Products details our position and obligates our vendors sourcing animal products on our behalf to conduct due diligence on their practices. This certification requires that materials are sourced from (i) animals treated in accordance with the **Five Freedoms** developed by the Farm Animal Welfare Council,

(ii) by-products from another industry (e.g. food processing); and/or (iii) humane harvesting processes that do not harm the animal.

### HUMAN RIGHTS

Across our supply chain, we believe that everyone should be afforded the recognition and protection of universally-accepted human rights. Our Global Vendor Code of Conduct encapsulates our commitment and position on human rights and workplace conditions, which are guided by the **ILO fundamental conventions** and The UN **Guiding Principles on Business and Human Rights**.

We do not tolerate the use of trafficked, indentured, imprisoned or otherwise forced or coerced labor, nor do we accept child labor. In addition, we expect our vendors to provide fair wages and benefits, at least to the mandated minimum in the legal jurisdiction.

In recent years, we have phased out certain materials sourced from regions with human rights violations and/or import restrictions issued by the U.S. Customs and Border Protection.

### SUSTAINABLE FIBERS

We have made it a priority to introduce more sustainable raw materials into our product designs. These include natural fibers, such as organic cotton and linen, synthetic fibers made of recycled yarns, including polyester and nylon, and cellulosic fiber from wood sources, like modal and lyocell.

Benefits from the use of these fibers range from lower water and chemical usage and low-impact and/or closed-loop manufacturing processes to biodegradability, organic cultivation and sustainable harvesting.

To confirm the validity of these practices, we seek to engage with reputable sources that have third-party verifications of their environmental, social, and/or economic practices. These certifications include, among others, BCI, Global Recycled Standard, Forest Stewardship Council (FSC®), The Program for the Endorsement of Forest Certification (PEFC™) Chain of Custody, OEKO-TEX®, EU Ecolabel, TÜV AUSTRIA and OK Biodegradable.

Across our brands, approximately 37 percent of the total fabrics considered for adoption in 2021 included sustainable features. For WHBM® in particular, we used 43 fabrics with sustainably sourced fiber content, an increase from 19 in 2020. Across the collection pieces, the total sustainable fiber content within a garment may range from 13 to 100 percent. By year-end, products with sustainable fibers accounted for approximately eight percent of WHBM's total receipts.

## MATERIAL SPOTLIGHT

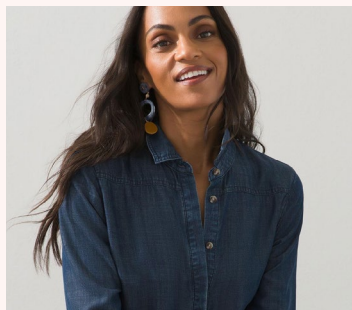
### CELLULOSIC FIBERS

*Its Superpower:* **Being naturally derived and sustainably produced**

*Why cellulosic fibers are contributing to Chico's FAS' sustainable sourcing initiative:* Over the years, our Chico's products have been integrating fabrics made with Lenzing's Tencel™ Lyocell, Modal and Ecovero™ fibers within its designs. The sustainability benefits of these cellulosic fibers are twofold. Not only are the fabrics sourced from renewable resources, they are also produced in a way that minimizes their environmental impacts:

- 33% less water used for Lyocell and 50% for Ecovero™ processing as compared to generic viscose technology<sup>4</sup>
- >99% of wood is sustainably certified by organization such as FSC and PEFC or FSC Controlled at its own sites or its partners' pulp plants<sup>5</sup>
- >99% recovery rate for the chemical used to breakdown the pulp, N-methylmorpholine N-Oxide (NMMO)<sup>6</sup>
- Net-Zero targets pledged for Lyocell and Modal fibers by 2050<sup>7</sup>

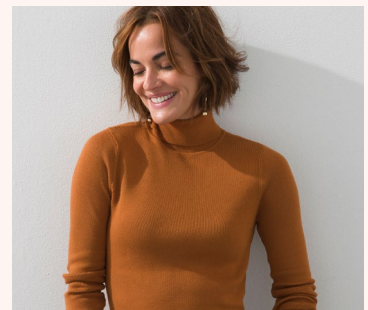
It is becoming more common for our designs to use these fabrics from knit and woven tops to dresses and more. In 2021, more than 50 Chico's products used these fabrics.



*Our Touch of Cool™ denim shirting fabric is made of 100% Tencel™ denim.*



*Our Sandwashed Satin fabric is made of 100% Tencel Modal™ Micro Technology.*



*Our Ecovero Turtleneck sweater is made of 75% Ecovero™ viscose.*

4. Lenzing AG (2022). "Water: Conservation of Water Resources." <https://www.lenzing.com/sustainability/production/resources/water> and Lenzing EcoVero (2022). "Eco-responsible production." <https://www.ecovero.com/sustainability>

5. Lenzing AG (2022). "Wood and dissolving wood pulp: Responsible wood and pulp sourcing." <https://www.lenzing.com/sustainability/production/resources/wood-and-dissolving-wood-pulp>

6. Lenzing AG (2022). "Chemicals: Closing the loops." <https://www.lenzing.com/sustainability/production/resources/chemicals>

7. Lenzing AG (2022). "Decarbonization: Uncompromising commitment to fighting climate change." <https://www.lenzing.com/sustainability/decarbonization>

## PROMOTING SUSTAINABLE OPERATIONS

Over the past few years, we have begun implementing new programs and processes to enhance our visibility into our supply chain's sustainability programs. These include documenting third-party social and environmental certifications, requests for environmental impact data and workplace practices and existing goals for improvement. By gaining greater insights into our production and distribution logistics value chains, we are better positioned to improve our social and environmental impacts through planful actions.

### ENVIRONMENTAL FOOTPRINT

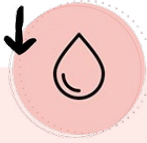
Two of our sustainability goals directly relate to this commitment.

The first is to have 80 percent of our vendors and factories reporting to the Higg Index sustainability standards by 2025.


By leveraging the Higg Index Facility Environmental Module (**Higg FEM**) and Higg Index Facility Social & Labor Module (**Higg FSLM**) reporting facilities for our Tier 1 factories, we will be able to improve the standardization of reporting on environmental issues, such as water and energy use and waste management, and social factors, such as wages, health and safety, and employee well-being. Furthermore, the Higg Index FEM module will assist us with tracking and reporting on our own environmental impact goals.

The second is to have our Tier 1 factories achieve at least a one percent reduction in their water consumption, energy use and waste production annually, in 2023, 2024 and 2025.

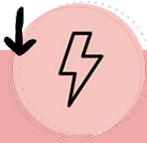
In 2021, we surveyed all of our Tier 1 factories to obtain metrics on key environmental factors, including water, energy and waste to establish a range of environmental baselines from which we can measure the environmental impacts of our supply chain. In the following tables, we provide the aggregate statistics for the 58 Tier 1 factories, representing 53% of our total business that responded to the metrics identified below and report according to the Higg Index FEM standard (**Higg Factories**)<sup>8</sup>



<b>WATER</b>	<b>Number of Higg Factories Responding</b>	<b>Average Water per product unit produced (gal)</b>
Total Usage	55	9.46
Recycled	10	4.52
Discharged	48	2.47



<b>WASTE</b>	<b>Number of Higg Factories Responding</b>	<b>Average Waste per product unit produced (kgs)</b>
Total	55	3.88
Recycled	38	0.06
Incinerated	15	0.01
Landfill	27	0.19



<b>ENERGY</b>	<b>Number of Higg Factories Responding</b>	<b>Average Energy consumed per product unit produced (KwH)</b>
Total	52	0.76
Renewable	52	0.35



For more information, see our [Appendix - Tier 1 Factory Usage Baselines](#).

8. Since metrics for the Total Water, Waste and Energy subcategories (recycled/discharged, recycled/incinerated/landfill, renewable/ nonrenewable) are optional under the Higg Index facility assessment tool, the averages reported by our Higg Factories for those subcategories, as referenced in these tables, may differ from our total factory base.

### DISTRIBUTION LOGISTICS

A responsible supply chain does not end with our finished products. It must also consider the means, the safety and the security with which our products reach our DC, stores and customers' homes.

Our Winder, GA DC is the primary location for receipt of all our merchandise before it is delivered to our stores or customers. Our finished products arrive by sea, air, truck or rail, depending on the situation and the country of export. For our domestic-based products, shipments are primarily sent by truck or rail.

Green optimization strategies have already been implemented across our logistics program, from our ocean-going carriers to our trucking partners.

For our overseas products, approximately 80 percent are received at major West Coast ports including **Los Angeles** and **Long Beach** with

the remainder coming through the East Coast, primarily to **Savannah, GA**. Each of these ports is committed to reducing their environmental impact by adopting sustainable practices, including emission goals, water quality and usage enhancements, marine protection strategies and renewable energy projects, among others.

One hundred percent of our ocean carrier partners follow International Maritime Association (**IMO**) 2020, which limits the amount of Sulphur in the ships' fuel to 0.5%. Once the ocean containers arrive at the ports, the contents are strategically consolidated to reduce the number of trucks required to transport the goods to our DC. For the West Coast trucks, initiatives are underway to transition away from diesel to electric vehicles. These practices are being promoted both through the ports and the Harbor Truck Association.



## SUPPLY CHAIN SECURITY SPOTLIGHT

### STEPHEN TORREY

LOSS PREVENTION, SECURITY AND FACILITIES MANAGER

*My Superpower:* **Asset Protection**

*Why security is important to Chico's FAS:* Supply chain security is important to me because I know when we receive a shipment that container is going to be free and clear of any contraband. Because of this, our customers are going to be receiving their orders faster and more efficiently. I love what we do because I know that the role we play may not be noticed by many, but the impact we make is huge. We are the "behind the scenes" players that step into action should anything come about.

When my security team checks in a container shipment from overseas or conducts a broken seal inspection, I am confident we are doing our part to protect our supply chain. I am between the shipment and the final destination and it is my job to see that process through. I am proud of the fact that we take pride in our everyday roles to make sure our customers are taken care of.



Most all of our trucking partners are certified by the Environmental Protection Agency's **SmartWay**® program, which aims to reduce transport related greenhouse gas (**GHG**) emissions and enhance supply chain efficiencies. Many of these partners have been recognized on the SmartWay High Performers list for being leaders of sustainable transport solutions, including their commitments to fleet electrification.

Safety and security are other key elements of our supply chain logistics. We reinforce best practices by including these factors in our regular auditing process. Important to this effort is our voluntary participation in the US Customs

and Border Protection's (**CPB**'s) Customs Trade Partnership Against Terrorism (**C-TPAT**) program. This public-private sector partnership program serves to enhance security measures and best practices within our supply chain and helps to identify us as low risk importer.

Internally, we ensure that our Associates remain knowledgeable of and trained on the latest C-TPAT program standards, as required by their role. Since our C-TPAT program participation began in 2003, we have earned, and continue to maintain, Tier 3 certification, which is the highest security status awarded by the CBP.



# CIRCULARITY

We are a partner and ally to all those investing in a more sustainable fashion future. From design conception, material selection and product packaging, we are finding new ways to integrate, revitalize and extend the life of our merchandise and the resources used to make and deliver our final products.

## POWER IN THE NUMBERS

**>9,900** BRAS DONATED FROM SOMA'S BRA IT FORWARD CAMPAIGN IN 2021

**2,000,000** BRAS DONATED SINCE 2010

**8,099** PAIR OF JEANS COLLECTED FROM WHBM'S GIVE BACK: DENIM RECYCLING PROGRAM IN JANUARY 2022

**~16,200 ft<sup>2</sup>** INSULATION MANUFACTURED FROM JEANS COLLECTED

**40%** POST-CONSUMER CONTENT INCLUDED IN CHICO'S FAS SHOPPING BAGS

**100%** FULLY RECYCLABLE SHIPPING BOXES FOR LARGER ONLINE PURCHASES

## CHICO'S FAS GOALS



Explore and quantify value-added sustainable packaging opportunities to reduce landfill waste by having our brands align on and adopt at least one new sustainable packaging opportunity per year over the next 3 years.



## LEADING BY OUR VALUES

We have always approached our product assortments with a focus on quality and versatility and with inspiration from the women who wear them. At WHBM, we say that no woman is just one thing. We are always evolving, adapting, transforming and re-envisioning ourselves. These are the same qualities inherent to circularity – a practice that avoids waste and reimagines the ongoing usefulness of everyday items.

Our industry has made great strides to adopt more sustainable and circular practices and has the potential to improve even more.<sup>9</sup> We are inspired by these achievements and are committed to being an even more active participant in integrating the principles of circularity within our own decisions and actions.

Teams from across our Company are already collaborating with their business partners, engaging with peers at industry events and expanding partnerships to identify new circularity motivated opportunities. Our Sourcing and Design teams are exploring new textiles and manufacturing processes, while our Marketing, Merchandising, and Procurement teams and field Associates are promoting the repurposing of our clothes through our donation programs and delivering new packaging options.

Potential opportunities are researched and presented to our respective teams and ESG Task Force and Steering Committee for further review and approval. Our Board's ESG Committee, and other Committees as appropriate, are kept apprised of our activities and provide feedback and counsel on our circularity developments.

## ADVANCING PRODUCT CIRCULARITY

Our merchandise – the items that bring confidence and joy – are a key focal point of our circularity strategy. From the beginning stages of our garments' life, we are thinking about the characteristics of the fabrics and the resources used in their production. As the garments near the end of their use-value, we are partnering with organizations to create their next life.

### FABRIC SOLUTIONS

Each of our brands have their own unique look and feel, and the fabrics we select often make the difference. They can be natural or synthetic, but no matter the type, we have taken strides to identify our options with circularity in mind.

Recycled yarns are being introduced across our brands in certain selections of our polyester and nylon laces. Their use minimizes our reliance on virgin materials, contributes to the recirculation of previously used products and delays the diversion of waste, including plastics to our landfills and oceans.

Biodegradable fabrics offer another solution. Derived from natural sources, these fabrics may simply decompose once they are past their prime. During the process, the materials are returned to the biological cycle when proper conditions are met, such as composting or anaerobic digestion.

Materials in our collections with these qualities include organic cotton and linen, in addition to viscose, which is fabric made from wood pulp. Linen has the added benefit of requiring very little pesticide or fertilizer and during normal growing seasons, does not require any irrigation, relying instead on rainwater.

9. Ellen MacArthur Foundation (November 22, 2021). "Circular business models in the fashion industry - new study identifies USD 700 billion opportunity." <https://ellenmacarthurfoundation.org/news/circular-business-models-in-the-fashion-industry>.



## MATERIAL SPOTLIGHT

### RECYCLED POLYESTER (RPET)

*Its Superpower:* **Giving new life to used plastics**

*Why recycled nylon and polyester is advancing the Company's circularity initiative:* Nylons and polyesters are durable fabrics that are also comfortable and soft, making them a great option for our collections. One of the environmental concerns with these fabrics is that they are derived from petroleum products. Traditional fabrics that use virgin materials contribute to fossil fuel use (the primary contributor to GHG emissions) and the associated environmental impacts of our industry.

By transitioning to rPET, like Unifi's REPREVE® recycled polyester yarn, we are creating products with materials recovered from plastic bottles, packaging, fish nets and textile waste – to delay the entry of those types of waste in landfills and our oceans. Additional benefits from rPET as compared to traditional sources relate to the resources used in the production process. Based on studies by the Textile Exchange, 1 kilogram of rPET as compared to virgin polyester reduces GHG emissions by more than 70 percent.<sup>10</sup>

A number of our brands' recent and current offerings are using rPET in their fabrics, for example:



*Our Chico's® Bateau Pullover and other styles transitioned to yarns with 25% rPET.*



*Our Chico's Off The Rack® 2021 Bliss Balance and Tru Temp Weekends™ collection include Unifi's REPREVE® rPET.*



*Our Soma Everstretch Maxi dress is made of 86% rPET*



*Our Soma® Bliss Breathe™ Sport Bra is made with 75% Recycled Nylon*



*Our Soma® Embraceable® Enchanting Lace Demi Bra is made with 85% Recycled Nylon Lace*

10. Textile Exchange (2022). "2025 Recycled Polyester Challenges FAQ Guide." <https://textileexchange.org/app/uploads/2022/05/Challenges-FAQ-Guide-Getting-Started-2022.pdf>



We are also selecting fabrics that are embedding circularity in their production, like Eastman's Naia™ cellulosic fiber and Lenzing's Tencel™ lyocell and Ecovero™ viscose. Closed-loop production systems reclaim and reuse resources, such as chemicals and water, during the manufacturing process. This recirculation in turn limits the amount of new resources used.

Eastman's Naia fiber uses a low-impact closed-loop process where solvents are recycled back into the system for reuse and is ranked on the Higg Materials Sustainability Index.

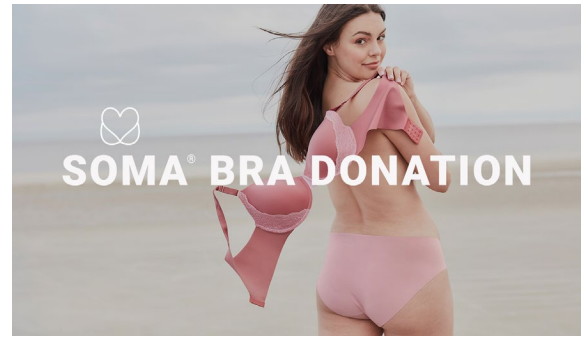
Lenzing™ fabrics are made in a way that recovers, converts, and returns gases and solvents as raw materials back into the process. Lenzing® technology recovers 99 percent of the NMMO organic solvent used to dissolve the wood pulp that forms Tencel™ fibers and "generates up to 50% lower emissions and water impact" to produce Ecovero™ viscose compared to generic viscose.

**REPURPOSE-DRIVEN PARTNERSHIPS**

Each of our brands has a long-standing commitment to extending the life of our products. We routinely collect and donate gently used clothing to charities, extending their lives for use by women in need, and participate in initiatives that recycle certain of our materials and their components.

When our customers clean out their closets and participate in our programs, they are not just helping to delay used clothing from reaching landfills. They are giving other women the opportunity to experience the confidence and joy our products inspired for them.

The programs we support are made possible through the collaborations we have with organizations that share our vision and commitment.



**BRA IT FORWARD WITH SOMA**

As part of our Soma® Bra Donation program, we share new or gently used bras donated by our customers or Associates with our partner **I Support The Girls™**, whose mission is to help women who are experiencing homelessness, impoverishment or distress by providing them with essential items, like bras. These acts of kindness enhance women's' self-esteem, personal health and dignity.



I SUPPORT THE GIRLS

For well-loved bras, our **Soma® bra recycling program**, in partnership with **THE BRA RECYCLERS** and **Give Back Box**, delays used bras and lingerie from entering landfills by repurposing them. Through responsible recycling by trusted partners, fabrics are either reused, converted back to their fiber elements for new uses or made into wiper cloths. The mission of The Bra Recyclers is to provide families in need with undergarments while creating job opportunities for those with disabilities.



## SOMA'S BRA DONATION IMPACT

In 2021, approximately 9,900 bras were donated by nearly 4,200 Soma customers. Since 2010, Soma has accepted more than 2 million bra donations.

Based on studies from The Bra Recyclers<sup>11</sup>, the impact of throwing away 1 lb. of bras (or 7 bras) is the equivalent of:

- + GHG emission from 2.7 miles driven by an average passenger vehicle
- + CO2 emissions from 1,403 smartphones charged
- + CO2 emissions from 1.2 gallons of gasoline consumed

Besides the substantial social impacts on women and girls in need, Soma's Bra Donation and Recycling programs have resulted in the:

- + Diversion of approximately 1,100 tons of waste from our landfills
- + Equivalent GHG emissions from approximately 7.8 million driven by an average passenger vehicle saved

## RECYCLE YOUR JEANS WITH WHBM

In January 2022, WHBM teamed up with Cotton, Inc. to launch Give Back: Recycle Your Jeans with WHBM® as part of their **Cotton Inc's Blue Jeans Go Green™** denim recycling program. The program is on a mission to keep used denim from landfills and in turn transform it into something new, such as housing insulation, pet beds and packaging materials.

We encourage our customers to drop off pre-loved jeans from any brand, not just our own, at our participating WHBM locations. By doing so, our customers help to give new life to their old jeans, and our Rewards+ Loyalty Program

members may be eligible to earn \$5 dollar rewards and loyalty points for their donated jeans.

Our first campaign ran in January 2022. In total, 8,099 pair of jeans were collected, enabling almost 4.05 tons of textile waste to be diverted from landfills and almost 16,200 square feet of new insulation to be manufactured.

## EMBARKING ON PACKAGING CIRCULARITY

Our impact and embrace of circularity expand beyond our merchandise to include the materials and practices of our packaging. We have set a goal to identify and adopt new sustainable packaging opportunities over the next three years. Through this endeavor, we aim to contribute to the minimization of waste entering our landfills from single-use packaging.

Currently, our customer shopping bags contain 40 percent post-consumer paper content and are 100 percent recyclable, once the handles are removed. For online purchases, we use cardboard boxes, which are fully recyclable, for our larger packages and for our smaller shipments, our plastic shipping bags are made of 30 percent post-consumer content. These bags can be dropped off for recycling at select national retailers. At our DC, we reuse cartons when sending products to our stores, and any cartons past their useful life are recycled with our vendor partners.

To further minimize our impact, our approach begins with an assessment of our current packaging procedures and identification of opportunities to introduce new, innovative materials that are reusable and recyclable. We seek to learn from this exercise and collaborate with our supply chain partners to accelerate the adoption of more sustainable packaging and practices.

11. <https://www.brarecycling.com/recycling-form>

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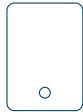
Product  
Obsessed

**Digital  
First**

Operationally  
Excellent

Our Path

Appendix



## DIGITAL *first*

We leverage technology and think digitally with the aim of strengthening the experiences of our customers, Associates and business partners and improving the impact of our products and services. In doing so, we are developing new sustainable innovations and gaining better insights to support more informed, deliberate and sustainable decisions.

### UN SUSTAINABLE DEVELOPMENT GOALS

In this section, we discuss programs, policies procedures and goals that align towards the United Nations Sustainable Development Goal #12 (Responsible Consumption) and its targets 12.5, to ensure sustainable consumption and production patterns.

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



# sustainable INNOVATIONS

We are driven to find solutions that bring confidence and joy to our customers, while in the process, creating beneficial impacts in the world where we work and live. Our digital-first lens does just that by promoting the adoption of new technologies that reduce our environmental footprint, enhance our relationships and elevate our customer-centric approach.

## CHICO'S FAS GOALS



Introduce 2-3 fabrics, innovations, technologies and other efficiencies in our product design, development and manufacturing over the next 3 years to reduce our environmental footprint.



## POWER IN THE NUMBERS

**57%** CHICO'S OUTLET DESIGNS PRODUCED WITH 3D DESIGN TECHNOLOGY

**~670** ESTIMATED NUMBER OF PHYSICAL SAMPLES THAT CHICO'S OUTLET ELIMINATED USING 3D DESIGN TECHNOLOGY

**92,000+** LASER-PROCESSED PAIRS OF DENIM DELIVERED TO CHICO'S BRAND

**45%** SOMA PANTIES WITH DIGITAL PRINTS



## LEADING BY OUR VALUES

Our Digital First approach touches our full fashion lifecycle from development and production to marketing and e-commerce. Through the integration of a digital mindset into our culture, we continuously IMPROVE and find inspiration that drives our Passion for FASHION and embodies the uniqueness of our CUSTOMER centricity.

Our digital adaptation was accelerated by the COVID-19 pandemic and has been motivated by engagements with and learnings from our fashion industry stakeholders. We stay informed about the latest technological advancements through regular communication with our supply chain partners. We exchange lessons and achievements on new digital applications with peers at industry gatherings and events. We leverage technology available through our supply-chain and other partnerships, like those with Alante Capital and TAL. We maintain personal connections with our customers by elevating the virtual. Each of these interactions provides opportunities to evaluate our current methods and actions and discover new, more efficient and sustainable practices.

Our Executives, and in particular our Chief Digital Officer and brands' Merchandising and Design Senior Vice Presidents, lead the execution and coordination of our digital-first strategy and vision. Through our cross-functional teams of talented designers, technical experts, sourcing specialists, visual merchandisers, digital marketers, virtual stylists and more, we are managing the implementation of digital applications across our processes. All of this is supported and overseen by our Board and its Merchant Committee.

## TRANSITIONING TO A DIGITAL SUPPLY CHAIN

Our adoption of new technological solutions, such as 3D sampling and laser printing, is spurring an evolution in our supply chain activities. Along the way, it is helping to decrease our waste and enhance our production efficiencies.



### THE ALANTE INNOVATION COMMUNITY

Our innovation partnerships expanded this year as we accepted an invitation to join Alante Capital's Innovation Community. Alante Capital is a female-led venture capital fund focused on investing in innovative technologies that address climate change and enable a resilient, sustainable future for apparel production and retail. As part of the Alante Capital's Innovation Community, Chico's FAS joins six other companies with the aim of validating and scaling new technologies that accelerate solutions that support a more circular, regenerative and equitable economy.



## TECHNOLOGY SPOTLIGHT

### MAURA ROSS

MANAGER, TECHNICAL DESIGN & SENIOR 3D LEAD

*My Superpower:* **Visualizing and navigating towards the future of fashion.**

*Why I Embrace 3D Technology:* 3D technology enables our Technical Design teams to assess fit solutions and accelerate styles to “fit approved” status more quickly. By using 3D, Techs can accurately review patterns and virtually fit digital garments on standardized avatars in realistic fabrics, cutting days and potentially weeks out of the production cycle. In addition, 3D fosters robust collaborations between Design and Technical Design to fine tune style aesthetics interactively and in real time, further promoting faster decision-making, reducing sample receipts, and shrinking timelines.

The adoption of 3D technology has improved the way we communicate, collaborate and create. For categories using 3D, gone are the days of waiting a month to see a first sample. From the designer’s inspiration to a virtual avatar on screen we are seeing new designs, and iterations of them, come to life quicker than ever. The use of 3D enhances style reviews by showcasing realistic, dimensional garments in place of flat sketches. Using these life-like visuals drives our teams towards making efficient and informed fashion choices earlier in the product lifecycle.

Positive outcomes continue to reveal themselves as our 3D journey evolves here at Chico’s FAS. With the support of our talented Associates and our adept vendor partners, we continually explore opportunities to innovate and implement 3D into our processes. We are reducing physical samples by digitally reviewing colorways and prints and solving design queries with on-screen style vetting. Several of our vendor partners are seasoned 3D users and appreciate the reduction in sample making, more precise direction and the fast interactions that 3D technology lends to development and production activities.

From my own first digital tee shirt created for Chico’s Outlets in 2018 to the fully digital outfitting reviews of today, we continue to make strides and impactfully leverage the digital assets we create. I look forward to further advancements of these powerful 3D tools and to the potential that lies ahead for our product, our partners, our customers and most importantly, empowering our Associates.

### 3D TECHNOLOGY

The use of design software applications with 3D computing capabilities is giving us greater flexibility and improved sustainability in the development of our brands' collections.

It enhances communication with our internal teams and supply chain partners by instantly sharing content through online collaboration. It reduces waste and the environmental impacts of producing and shipping samples by minimizing the number of physical development iterations and samples shipped among our working groups. It improves fit consistency by leveraging model avatars with specified body measurement standards. And it creates a universal digital representation of our garments that can be leveraged throughout the fashion lifecycle.

In practice, visualizing aesthetic design details with the use of 3D digital garments is helping our designers visualize the finished product and make better decisions in real-time. Decisions such as fabric selection, print placement, colorways and virtual fitting can all be made before producing a physical sample.

Each of our brands have been increasing the penetration of 3D technology in their design process. Chico's led the way starting with its Outlet brand in 2018, while Soma and WHBM followed their initiative in 2019.

In 2020, we challenged ourselves to increase the adoption of 3D technology in our design processes. We have made great strides in these efforts. Chico's Outlet produced 57 percent of its designs with 3D technology in fiscal year 2021, excluding denim and sweaters, resulting in the elimination of an estimated 670 samples.

To date in 2022, the Chico's Outlet brand is using 3D technology for upwards of 86 percent of designs, eliminating more than 1,200 samples from our development process; and WHBM Outlets is on track to have more than 50 percent of its designs digitally produced - excluding denim, sweaters and accessories- resulting in a reduction of more than 500 samples.

### DIGITAL PRINTING

Our repertoire of digital textile printing technologies is helping to reduce the amount of resources we use to produce some of our graphic- and pattern-print designs.

The shift towards digital printing across our brands reduces our reliance on resource-heavy traditional techniques, like traditional screen printing. Studies have found that the environmental benefits of this transition include up to:

- + 70% Less water consumption per linear meter of fabric<sup>12</sup>
- + 55% Increase in energy savings<sup>13</sup>
- + 10% Reduction in the volume of ink<sup>14</sup>

Soma® has introduced digital printing into its Foundations product collections. Now, around 45 percent of our panty prints are applied digitally.

At WHBM® and Chico's®, our brands have focused on the impacts of their denim finishing processes. By using laser printing, enzyme finishes and ozone bleaching and exploring other techniques, we are using fewer potentially-harmful chemicals in the creation of our denim collections. In fiscal year 2021 alone, Chico's delivered more than 92,000 units of denim with laser processing finishes.

12. SPG prints (2022). "[The Note] Sustainable Textile Printing: digitally reducing the ecological footprint." <https://blog.spgprints.com/sustainable-textile-printing>.

13. Ibid.

14. María Renée Ayau and Dr Nicholas Hellmuth (June 23, 2020). "Digital Textile Printing, is it Sustainable." <https://meprinter.com/digital-textile-printing-is-it-sustainable/>



### PROMOTING DIGITAL ENGAGEMENTS

As a Digital First company, we are exploring new opportunities to serve our customers better. By re-envisioning how we deliver on our Most Amazing Personal Service, we are finding new ways to integrate technological solutions to meet our customers wherever they are and create seamless experiences between our virtual and physical spaces.

### VIRTUAL VISITS

In recent years, we have focused on optimizing our brands' websites. This has included new features and functionality, like better search engines that assist with locating the products our customers love, like our Chico's NO IRON collection, Soma's post-surgical bra solutions or our eco-friendlier WHBM denim.

We have also expanded access to our customers' favorite in-store Stylists. Through StyleConnect™, we have designed an at-home virtual shopping experience where our customers get the same personal attention from their local Stylist that they are used to receiving in our boutiques. In addition, we introduced My Virtual Closet, an online tool that provides new looks and outfit recommendations to customers to help coordinate new looks with their recent purchases.

### ONLINE PROMOTION

We are also expanding our digital communication footprint. We have created Instagram galleries where our customers can upload and share their favorite looks with our online community. This helps define our brands and raises the profile of our customers, creating a space for them to showcase their own individuality and style.

#### #LoveChicos

You're always picture-perfect in Chico's. Share your next Chico's look on Instagram with #LOVECHICOS and your photo might make an appearance here.

[VIEW THE GALLERY](#)  
[SUBMIT A PICTURE](#)

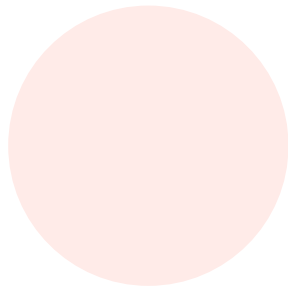
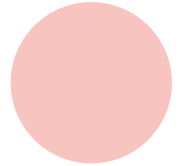


Check out our  
**Blue Jean Go Green™**  
Campaign



# INFORMATION *security and privacy*

We strive to be fast, agile and vigilant when serving our customers and managing our operations. From integrated inventory management to payment processing, we work diligently to maintain the integrity of our systems and protect the security of the information that our customers, Associates and business partners entrust with us.



## POWER IN THE NUMBERS

2021

APPOINTMENT OF OUR  
FIRST CHIEF DIGITAL  
OFFICER

1 year

MAXIMUM TIME  
BETWEEN ASSOCIATE  
INFORMATION SECURITY  
AND DATA RETRAINING  
COURSES

100%

PAYMENT CARD  
INDUSTRY (PCI)  
COMPLIANCE ACHIEVED  
ANNUALLY

5 steps

APPROACH FOLLOWING  
THE NATIONAL  
INSTITUTE OF  
STANDARDS AND  
TECHNOLOGY (NIST)  
CYBERSECURITY  
FRAMEWORK

100%

COMPLIANCE WITH THE  
108 CONTROLS OF THE  
NIST CYBERSECURITY  
FRAMEWORK

## LEADING BY OUR VALUES

We approach information security and data privacy with a focus on risk reduction and business continuity. We do this by weaving it into the culture of our organization and creating programmatic processes and procedures.

We have a comprehensive Cybersecurity Program (**Program**) in place for us to be ACCOUNTABLE and continuously IMPROVE so that we may reduce the likelihood of any unauthorized access or exploitation. The Program has been developed to align with industry standards and best practices and is designed to comply with currently applicable regulatory requirements. By emphasizing risk mitigation, we are continuously reevaluating our Program to identify and implement new policies, standards, procedures and guidelines that will enhance our information security and protect data privacy.

In March 2021, we appointed Jay Topper to serve as our first Chief Digital Officer. He oversees our Technology Groups, which include the IT Security and Compliance departments, along with supply chain and logistics. Under his leadership, our VP of Global Infrastructure and Security is responsible for reviewing and ensuring adherence and enforcement of our Program and policies, while the management of supervision and administration of the Program and its policies are handled by our IT Security Services Team.

The success of our Program is dependent on all of us at Chico's FAS. Our Technology Group works with our other departments and leaders, such as our SVP & General Counsel and our EVP & Chief Human Resources Officer, to support Company-wide compliance and awareness. Under their purview, the Company

delivers educational resources and training to our Associates and develops and delivers policies that reinforce the expectation that each of us is responsible for protecting the integrity of our information systems and data.

Our Program activities are monitored by and communicated to our Executives and the Board on a routine basis. The Audit Committee, in addition to the Board, oversees the adequacy and effectiveness of our information security and technology risk management policies and internal controls.

## MAINTAINING A ROBUST CYBERSECURITY PROGRAM

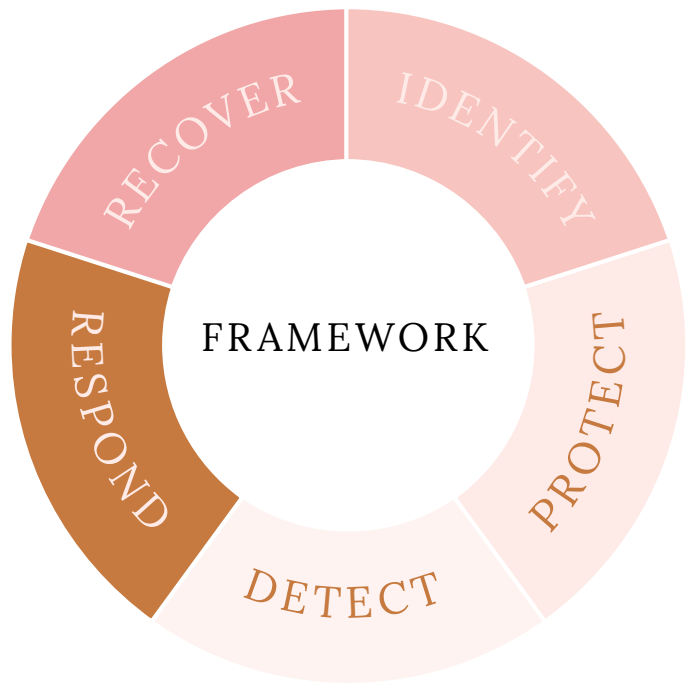
The protection of our information security system and the privacy of our data is central to our day-to-day operations. As a company that stores and transmits customers' personal information, we have identified our primary risk factors in this area and actively work to control and mitigate these risks by promoting a culture of awareness and diligence through education and awareness programs, and by maintaining policies, procedures and standards designed for this purpose.

### CYBERSECURITY FRAMEWORK

Our Program considers the full lifecycle of our information security. It factors in information collection, use, retention, processing, disclosure and destruction.

We employ the NIST Framework for Improving Critical Infrastructure Cybersecurity to identify, manage and reduce our risks and protect our networks and data.

The NIST Framework applies a five-step approach for an effective cybersecurity program.



**Our 2021 Annual Risk Assessment confirmed 100% compliance with all 108 NIST CSF Controls.**

- **IDENTIFY (29 controls)**  
Assists in developing an organizational understanding to managing cybersecurity risk to systems, people, assets, data, and capabilities.
- **PROTECT (39 controls)**  
Outlines safeguards to ensure delivery of critical infrastructure services.
- **DETECT (18 controls)**  
Defines the appropriate activities to identify the occurrence of a cybersecurity event and enables timely discovery of cybersecurity events.
- **RESPOND (16 controls)**  
Includes activities to take regarding a detected cybersecurity incident.
- **RECOVER (6 controls)**  
Identifies activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.

### SECURITY PRACTICES

Our cybersecurity framework is actualized through the implementation of strong security practices. These focus on continuous monitoring, threat evaluations and responses protocols. We conduct third-party audits and certifications, vulnerability assessments, penetration tests, investigations and security incident reporting and response. We practice industry-standard data access and disclosure protections and environment segmentation to improve our protections and limit data exposure in the event of a potential breach. Across all these measures, we reinforce our practices with regularly-scheduled Associate training and awareness campaigns.

### PROGRAMS AND POLICIES

The programs and policies we have established are designed to safeguard our Company and stakeholders and to comply with the PCI Data Security Standards and currently applicable regulatory obligations, such as those under the European Union's General Data Protection Regulation (**GDPR**), the California Consumer Privacy Act of 2018 (**CCPA**) and the California Privacy Rights Act of 2020 (**CPRA**). We ensure that our programs address the use and security of the devices, systems, network, and data of our Associates, contractors, temporary staff and any others with authorized access to our systems.

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About Chico's FAS

ESG Commitment

Customer Led

Product Obsessed

Digital First

Operationally Excellent

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We have established rules governing the use, retention, access, transmission and monitoring of electronic communication and sensitive information. We protect data privacy with authorization protocols, password requirements, multi-factor authentication, encryption and other data loss prevention solutions. We conduct routine security checks, perform upgrades and assess the integrity of our systems through internal and third-party vulnerability and penetration tests and various tabletop exercises.

**BUSINESS CONTINUITY & INCIDENT RESPONSE**

One of our primary focus areas is ensuring the continuous operations of our business. Through the implementation of an incident reporting and response plan, we are well-positioned to address and remediate potential critical security incidents.

Our incident reporting and response plan includes a hierarchy of strategic and tactical teams. They coordinate our response in addition to executing protocols to follow depending on the type and severity of the incident. The two teams work in tandem to resolve the incident and mitigate any impacts to our business.

In the event an incident occurs, our response actions and remediation efforts are documented and communicated to our Technology Group, Executives and Board. The lessons learned serve to enhance our policies and procedures and improve our architectural designs.

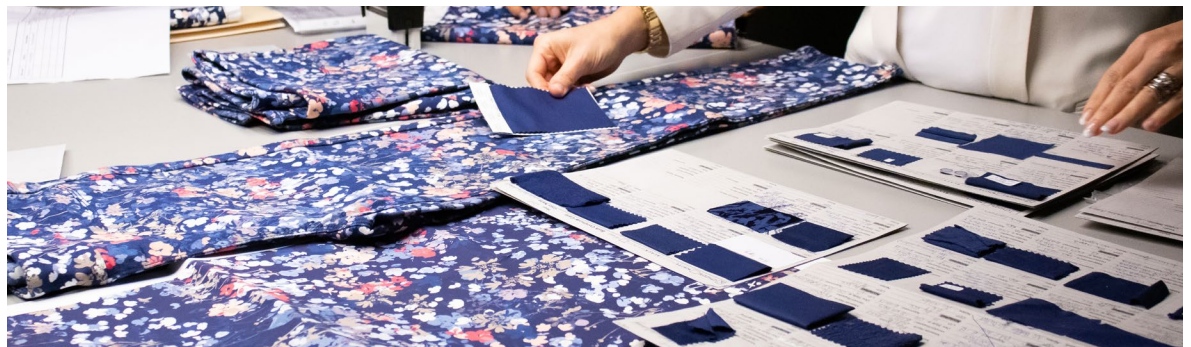
**PROMOTING PRIVACY CONTROLS**

Understanding our customers' wants and needs helps our brands to design products and experiences that bring them confidence and joy. From time-to-time, we engage with specialized vendors to assist us in providing more personalized products and services. We strive to ensure that our customers willingly share information with us based on informed decisions about our privacy practices.

We have created a Privacy Center on our websites so that a customer can view our Privacy Policy to learn about our privacy practices, submit privacy requests regarding their personal data and visit our Cookie Preference Center - all in one convenient location.

The Cookie Preference Center informs our customers about the types of cookies that we use, allows our customers to view the specific cookies that are on our website and enables our customers to select and update their cookie preferences at any time.

To learn more, visit our Privacy Center by clicking on the privacy policy links on [websites](#).





### TRAINING & AWARENESS

We expect all of our Associates to play an active role in maintaining the integrity and security of our information systems.

All Associates are expected to complete our Privacy and Information Security training within the first 30 days of their initial hire date. Thereafter, training is conducted on an annual basis or as needed throughout the year if there has been a policy violation or a significant enhancement to our policies and procedures. Secure coding training is also provided annually to Associates with application development roles.

Our ongoing training and awareness efforts include anti-phishing campaigns, company-wide alerts, training videos and published policies and standards. We actively communicate our policies and expectations through our websites, emails, internal memorandum and other means. In addition, our Technology Group is always available to address any questions or concerns.



## IT SECURITY SPOTLIGHT

### JAMES MALOY, J.D., MANAGER IT SECURITY COMPLIANCE

*My Superpower:* **Translating Legalese & Technospeak**

*Why maintaining IT security is important to Chico's FAS:* IT Security and Privacy issues affect nearly every aspect of our lives in this ever-evolving digital age. Throughout history, societal growth has taken on many forms, and technological innovation has always been at the forefront of that evolution.

Having a working knowledge and appreciation of how IT Security & Privacy best practices are interwoven with current legal and regulatory requirements is essential to ensuring the protection of our valuable business and customer data in this technology-driven world.

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Customer  
Led

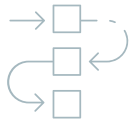
Product  
Obsessed

Digital  
First

**Operationally  
Excellent**

Our Path

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## OPERATIONALLY *excellent*

We approach our business through prudent management and oversight; acting with integrity, a commitment to sustainable & ethical practices and a focus on transparency & accountability.

### UN SUSTAINABLE DEVELOPMENT GOALS

In this section, we discuss programs, policies, procedures and goals that align towards the United Nations Sustainable Development Goal #12 (Responsible Consumption) and its targets 12.2, 12.6, to ensure sustainable consumption and production patterns and Goal #17 (Partnerships For the Goals) and its target 17.16, 17.17 and 17.19, to strengthen the means of implementation and revitalize the global partnership for sustainable development.

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**17** PARTNERSHIPS  
FOR THE GOALS



## sustainable OPERATIONS

Our commitment to environmental sustainability extends beyond our supply chain and merchandise to our own physical footprint. By examining how we rely on and use physical resources within our stores, DC and corporate headquarters, we are better positioned to actively identify ways to minimize our overall impact and adopt more conscientious practices.

### POWER IN THE NUMBERS

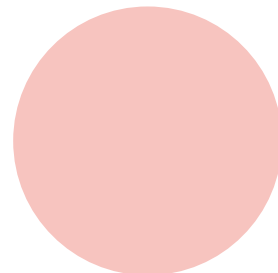
**4,200,000** ft<sup>2</sup> OF LEASED AND OWNED FACILITIES

**9,900** MWh ELECTRICITY USED AT OUR DC

**1,300** kgal OF WATER CONSUMED AT OUR DC

**1,417** TONS AMOUNT OF CARDBOARD, PAPER PRODUCTS, CORRUGATED, PLASTIC AND METAL SCRAP RECYCLED FROM OUR NSSC AND DC

**~70,100** TOTAL TREES SAVED VIA SHRED-IT® SINCE INCEPTION





## LEADING BY OUR VALUES

Our approach to environmental management centers on integrating sustainable practices that address systemic environmental challenges. Over the past few years, we have focused on the waste we produce, the energy we consume and the water we use. These factors are managed by our operations and asset protection teams who oversee our corporate headquarters, DC and store facilities. Guided by our value to continuously IMPROVE, they have implemented several programs to reduce our environmental footprint and support the overall health and wellbeing of our Associates and customers.

We recognize that the implementation of new programs and systems and monitoring our impacts is only part of the solution. We also educate and encourage our Associates to support our sustainability efforts through greener everyday activities. Our intranet provides useful educational materials and tips on proper waste disposal, energy conservation, paper reduction and eco-friendly transportation options.

## INTEGRATING ENVIRONMENTAL RESPONSIBILITY

Our operations include more than 1,260 stores located in 46 states, Puerto Rico and the U.S. Virgin Islands, a DC in Winder, Georgia, and our corporate headquarters – our NSSC campus – in Fort Myers, Florida. Combined, they account for approximately 4.2 million square feet of building space – the equivalent of about 72 football fields or 95.2 acres.

The majority of our locations, including our retail spaces, are leased. Under these agreements, some of our locations have external management of our utilities and

## LOCATION SPOTLIGHT

### CHICO'S FAS' NSSC CAMPUS FORT MYERS, FLORIDA

*Its Superpower:* Being a butterfly attractor

*Why is the ecological design of the NSSC Campus important to Chico's:* When we created our 62-acre campus, we sought to blend the natural with the constructed. In Florida, we are surrounded by beautiful beaches, lush parks and temperate weather year-round, and our campus gives us the opportunity to remain connected to that environment while at work.

Within our campus, we have a National Wildlife Federation Certified Wildlife Habitat® in recognition of the eco-friendly campus grounds we maintain for our local and migratory wildlife. We have ponds, wetlands, natural areas and a butterfly garden that support food and water resources for residents like turtles, birds, butterflies, bees and even the occasional alligator or snake, and provide our local wildlife with shelter and safety. The grounds are also maintained by sustainable management practices to keep the area thriving.





environmental services. This may limit the opportunities to effect certain operational changes. However, we are eligible for tenant improvement allowances in certain leases, which may be used to support more energy-efficient and resource-conserving capital improvement projects.

For our corporate-owned locations, we are prioritizing services and upgrades that advance our sustainability initiatives. Our NSSC campus has evolved over time to be designed and constructed with sustainability in mind. One of our buildings achieved a Bronze-level Florida Green Commercial Building certification in 2013.

**WASTE**

Our waste management priorities aim to reduce or delay the amount of refuse entering landfills by promoting diversion initiatives such as recycling and reuse.

Across our operations, our waste consists of items such as cardboard and paper products, corrugated containers and plastics, scrap metal, electronic waste and organics. We work in concert with our municipal and private vendors to address our waste management needs, who are responsible for appropriately handling and fulfilling our requests in compliance with all applicable laws and regulations. For any role that handles chemicals and other waste, we provide Safety Data Sheets (**SDS**) for proper chemical and waste disposal.

During the past fiscal year, our DC recycled approximately 1,362 tons of corrugated waste and an additional 1.1 tons of plastic, while our NSSC contributed to the diversion of 15.6 tons of paper and cardboard and 38.3 tons of scrap metal. As part of our sensitive-material paper recycling initiative in partnership with Shred-It®,

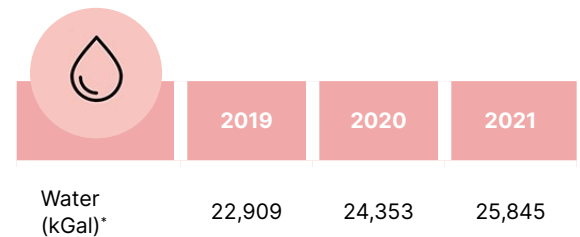
in 2021 we contributed to the preservation of approximately 1,372 trees, with approximately 70,100 trees preserved since we started the program. We also continued our electronic-waste recycling program in partnership with a third party that has its own zero-landfill environment protection policy.

Beyond recycling, we encourage our Associates to reduce their overall waste production. We emphasize responsible paper use by promoting digital assets and setting defaults to double-sided printing. We also promote Associate commitments to use reusable containers, such as water bottles, cups, cutlery and cookware, to cut down on our paper products.

Our procurement strategy in our campus cafes is also supporting our waste efforts. Starting in 2020, we began to use eco-friendly food containers that are biodegradable, compostable and sourced from sustainably managed forests.

**WATER**

The attention we have placed on water has centered on our supply chain, but we also strive to understand our own water practices and identify conservation opportunities. As an initial step, we have begun monitoring our water use based on information from our utility providers. By tracking our consumption patterns, we may develop additional processes and procedures or pursue certain facilities' upgrades to reduce our water usage.

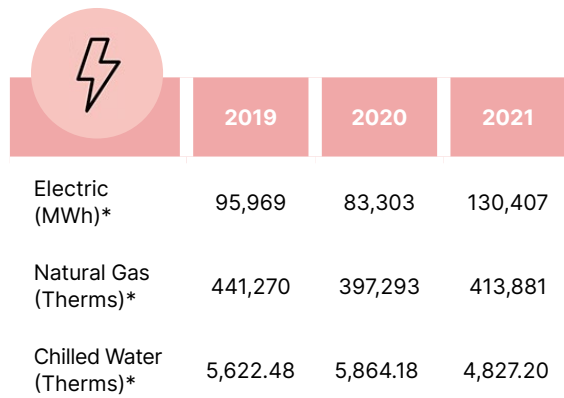


\* Data reflects U.S. operations, namely, our store fleet, NSSC campus, leased temporary housing locations and Global Distribution Center.

### ENERGY

Our energy strategy has primarily focused on efficiency improvements. Over the past few years, we have prioritized lighting and equipment upgrades at our NSSC, stores, and DC. These efforts have included the conversion to high-efficiency HVAC units, implementation of programmable thermostats and the transition to high-efficiency LED lighting with automated sensors at our NSSC in addition to similar lighting fixture upgrades at our stores and DC.

We also enlist our Associates to do their part. Through our tips and tricks, we advise everyone to shut down their computers or place them in sleep mode when they are not active, remove the use of screen savers, turn off screens at the end of the day and adjust any lighting or equipment when leaving an office or conference room.



\* Data reflects U.S. operations, namely, our store fleet, NSSC campus, leased temporary housing locations and Global Distribution Center. The electric consumption data for 2020 & 2021 does not include data on electricity consumed at Associates' home offices; temporary store closures in 2020 also affect these figures.

### GREENHOUSE GAS EMISSIONS

We recognize that our activities across our value chain, by their very nature, generate GHG emissions. This in turn contributes to the increasingly acute impacts of climate change.<sup>15</sup> No matter the origin, we are committed to understanding the composition of our GHG footprint. By doing so, we aim to identify opportunities for us to further reduce our impacts and strive to meet the call from the Paris

Agreement to limit global temperature rise to below 2°C.

Our approach to GHG emission reporting and the creation of future reduction and mitigation plans is being developed in a deliberate and thoughtful manner. Members of our ESG Task Force have become familiar with the guidance from climate-change frameworks, such as the Taskforce on Climate-related Financial Disclosures (TCFD).

In addition, we are in the process of engaging an independent third-party consultant to conduct an assessment of our Scope 1 GHG emissions. At the same time, we have implemented practices that are helping to curb our current emissions and that incentivize more sustainable activities.

We are prioritizing energy efficient equipment as part of our energy strategy. We offer bicycles and electric vehicles for our Associates to get around the NSSC campus, which is also very walkable, and we have installed electric vehicle charging stations for our Associates' to use free of charge.

We are also thinking creatively about our partnerships and the ways we can work collaboratively to address this global issue. With respect to our last-mile deliveries, we partnered with Walmart GoLocal in December 2021 to provide same-day deliveries in as little as two hours. As part of Walmart's last mile strategy, they aim to reach zero-emissions by 2040 through a 100% electric vehicle fleet.

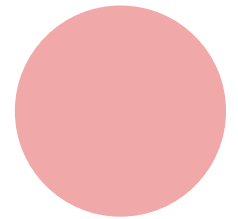


See our *Product Obsessed* section to read about our other environmental initiatives.

15. United Nations (2022). "Global Issues: Climate Change." <https://www.un.org/en/global-issues/climate-change>

# ETHICS *and* INTEGRITY

We are dedicated to delivering high-quality fashion-savvy merchandise in a manner that is considerate of industry guidelines and best practices and compliant with all applicable laws and regulations, with a commitment to honesty, trust, respect and dignity for all.



## POWER IN THE NUMBERS

**1 YEAR** TIMING FOR UPDATED CODE OF ETHICS ACKNOWLEDGEMENTS AND RETRAINING FOR CORPORATE ASSOCIATES

**6** NUMBER OF MANDATORY ON-BOARDING ETHICS-BASED TRAININGS

**8 +** NUMBER OF ETHICS, CONDUCT AND OTHER KEY POLICIES FOR OUR SUPPLY-CHAIN PARTNERS

**100 %** FULL-TIME AND PART-TIME ASSOCIATES PARTICIPATING IN ETHICS TRAINING UPON HIRE

## LEADING BY OUR VALUES

At the core of our Company is our dedication to providing the *Most Amazing Product and Personal Service* to our customers and each other through the embrace of the Power of & **(and)**. To us, the Power of & symbolizes the strength in our collective pursuits – the relationship of our three brands, of our individual and corporate goals, our customers' interests and creative designs, our supply chain partners and business divisions, our Company and all our stakeholders. It captures how we approach every interaction with an emphasis on valuing the interrelationship among us all, which engenders honesty, trustworthiness and a sense of caring.

This approach is underpinned by our commitment to operate our business within the spirit and letter of all applicable laws and regulations. Our **Code of Ethics** and **Global Vendor Code of Conduct** form the basis of our day-to-day expectations and serve as the minimum standards of ethical behavior. These policies are comprehensive in scope, addressing matters such as conflicts of interests, fair dealing, bribery and fraud, employment laws, health and safety and environmental protection.



See our **Product Obsessed** section for an overview of how we hold our supply chain partners accountable.

Updated policies can be viewed at [chicosfas.com](http://chicosfas.com).

## ELEVATING RESPONSIBILITY & TRANSPARENCY

Our commitment to acting ethically and with integrity is the responsibility of everyone at the Company. We expect our Associates, Management and directors, as well as our supply chain partners, to adhere to our policies and to incorporate our guidance within their day-to-day interactions. We reinforce the importance of this behavior through communication, training and auditing and reporting.

To further our commitment to transparency, all ten of our 2021 short-term ESG goals focused on enhancing our Board's oversight of our ESG program and our public-disclosures related to our policies and stances on human rights, ethics, vendor onboarding and conduct, political advocacy and business waste management. We believe that continued transparency in these and other areas benefit all of our stakeholders and drive ongoing value for our organization and supply chain partners.

### OVERSIGHT

Our Executive team and Board set the tone and advise on our ethics and compliance activities. Our Legal Department, under the guidance of our SVP, General Counsel & Chief Compliance Officer, manages our ethics and compliance policies. Our Learning and Development teams, in partnership with our divisional teams and managers, support the creation and administration of our training and communication. And each of us looks out for one another to ensure we are living up to the Chico's FAS culture.



**TRAINING**

From day one, all of our Associates are introduced to our culture and values. Within the first 30 days, Associates are required to complete 6 mandatory training courses on areas including our Code of Ethics, compliance, information and data security and proper conduct. Additional training is assigned on an as-needed basis or depending on an Associate's role and position.

We require annual retraining and certification to reinforce our collective commitment to compliance, ethics and integrity.

**COMMUNICATION**

We value good communication among our Associates and strive to create a workplace that fosters constant communication through our "open-door, open-communication" philosophy. We encourage asking questions, sharing ideas and providing feedback so we can mutually achieve our goals and objectives.

Our open-door policy serves to build trusting relationships among one another. That includes the connection between fellow Associates, direct supervisors and members of management. We respect that there may be times when an issue is more sensitive and may be best served by approaching our Human Resources or Legal team or our various anonymous reporting Hotlines.

We keep our Associates informed, and provide them with access to important information like our policies and procedures, through our intranet and in our stores. We also reinforce this messaging or specific notifications during group meetings.

**RAISING OUR VOICES**

No matter the situation, if someone suspects or has the perception or suspicion of unethical conduct, a violation of policies or laws, dishonesty, theft or the like, we want our Associates to feel comfortable bringing this to peoples' attention.

We provide an independent third-party operated Open Door and Ethics Hotline that is available 24 hours, 7 days a week, 365 days a year and a Loss Prevention Hotline for anonymous reporting of any suspected activity or threatening situation. These channels, and others, are kept as confidential as possible and are supported by our strict non-retaliation policy to safeguard those who make a report or who may participate in any investigation.

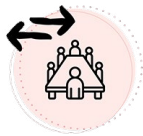
Each report is promptly investigated and evaluated to determine the best course of action. Investigations may involve several teams, including our internal auditors and outside advisors. Summaries of our ethics hotline activity as well as outcomes of any investigations are reported to Management and the Board's Audit Committee on a quarterly basis.

# corporate GOVERNANCE

We understand that the mark of a sustainable and resilient company is one that has robust governance principles and practices, strong and effective leadership and transparent communication and reporting.



## CHICO'S FAS GOALS



Promote ESG reporting that aligns with stakeholder expectations and regulatory disclosure recommendations.

### POWER IN THE NUMBERS

**9** DIRECTORS SERVING ON OUR BOARD

**56%** FEMALE BOARD REPRESENTATION

**78%** INDEPENDENT DIRECTORS<sup>16</sup> SERVING ON OUR BOARD

**1** ASSOCIATE-LED ESG TASK FORCE

**1** ASSOCIATE-LED I&D COUNCIL

**3** SENIOR EXECUTIVES SERVING ON OUR ESG STEERING COMMITTEE

**6** BOARD OF DIRECTOR COMMITTEES, INCLUDING 1 ESG COMMITTEE

16. Independent Directors refer to the criteria set forth in the Company's Corporate Governance Guidelines, which requirements meet or exceed the independence requirements under the rules of the New York Stock Exchange.

## LEADING BY OUR VALUES

Our approach to governance emphasizes our commitment to being ACCOUNTABLE. Our governance policies generally align with the corporate governance principles for U.S. companies developed by the ISG. Our CEO and Executive team guide their activities and the execution of our operations in alignment with our strategic pillars, purpose and vision. Our Board oversees these activities and provides direction and counsel to our Executive management, who engage with and leverage the expertise of our Associates and the individuals with direct responsibility for our brands and business divisions. All of this is supported by our policies, procedures and guidelines, which advise and direct our actions.

This forms the foundation for meeting our customer expectations and achieving our ESG goals. By leveraging an organization-wide approach, we are better positioned to listen to and learn from our diverse stakeholders, including our customers, Associates, business partners, outside advisors and trade organizations, government regulators and our shareholders. These insights help to improve our operations through the adoption of best practices that provide the added benefit of addressing issues raised by sustainability frameworks. All of this propels our current success and future ambitions.

## BEING ACCOUNTABLE

The effectiveness of our corporate governance practices and the ability for us to be strong corporate stewards, accountable to our people, customers and communities, is tied to our attention to the risks and opportunities inherent to our business. This requires a comprehensive risk management approach and proper oversight for us to execute our corporate strategy.

## ENTERPRISE RISK MANAGEMENT

We take a holistic approach to enterprise risk management (**ERM**), ensuring it is front and center in our strategic decisions.

As a business dependent on global supply chains and omnichannel retailing, our risk factors encompass a variety of issues like cybersecurity, COVID-19, weather, economic conditions, talent attraction and retention, health and safety and supplier labor practices, among others. These considerations include the issues identified in our ESG approach and are integral to our strategic pillars.

To effectively identify, assess and mitigate these and others risks, we approach risk management modeled after generally accepted risk management principles. These principles form the basis of our internal training programs and support consistent ERM practices across the organization. Important to this approach is developing and implementing responses and action plans to address the identified risks, communicating these measures to the appropriate stakeholders, reporting and monitoring the effectiveness of the controls and periodically reevaluating our approach.

Throughout the process, we strive to make risk management an integral part of our everyday culture.

Our Board and its Committees oversee management's identification, assessment and mitigation of risks that are material to us. They provide the strategies, techniques, partnerships and advice to support the growth of the Company, our assets and reputation, and to guard against potential threats. Our internal audit department serves as an objective assurer and consultant on the effectiveness of our ERM program controls and governance processes.

Both our legal team and internal auditors work alongside our other departments to support them in communicating, monitoring, and appropriately responding to our enterprise risks. They engage with our Executive team, who communicates our ERM program and enterprise risk updates to the Board on at least an annual basis. Our internal auditors also issue periodic reports to our Board's Audit Committee.

**BOARD LEADERSHIP**

For nearly 30 years, we have been a public company trading on the New York Stock Exchange. Our directors respect this privilege and serve the interests of our shareholders and stakeholders. They advise and provide counsel to our management and oversee our practices and procedures, advancing our long-term performance and accountability.

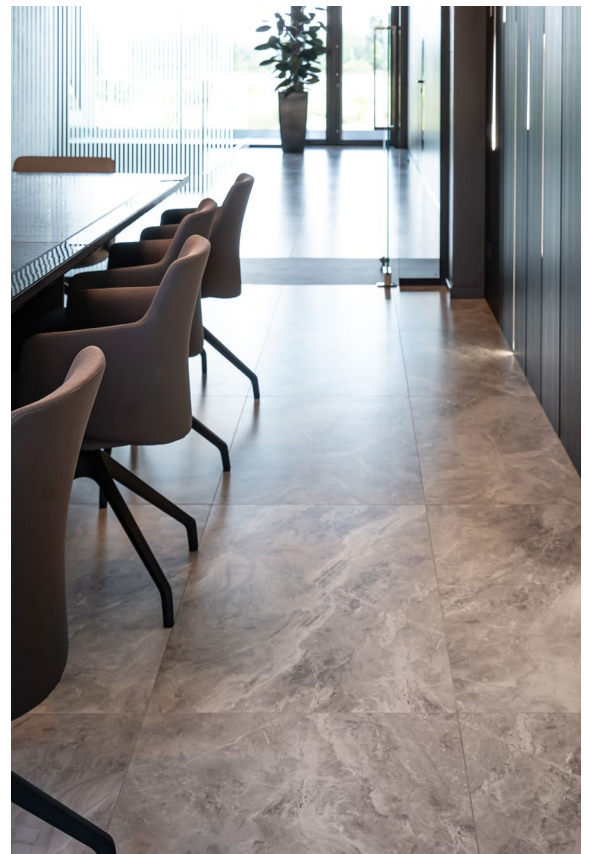
The Board is supported by a strong set of principles and practices that serve as the framework for and underpin our commitment to good governance. Our directors uphold our standards of ethics and integrity and conduct themselves in accordance with our Code of Ethics. In addition, our Corporate Governance Guidelines and other governance documents act as the primary source for understanding how we promote the proper oversight and functioning of the Board and its Committees.



Visit our *Investor site* to see a complete list of our *Governance Documents and Committee Charters*

ACCOUNTABILITY TO OUR  
SHAREHOLDERS

- + One Share – One Vote standard
- + Annual election of directors
- + Majority voting and director resignation policy
- + Independent director Executive sessions
- + Proxy access provision
- + Right for shareholders to call a special meeting
- + Majority vote standard for most article amendments
- + Director and Senior Officers stock ownership guidelines
- + Clawback policy on incentive compensation
- + Proactive shareholder outreach





## COMMITTEE OVERSIGHT

Our Board has six standing Committees with the following principal responsibilities:

- + **AUDIT** – Assisting in Board oversight of accounting, financial reporting, financial risk assessment, internal controls and audit function.
- + **CORPORATE GOVERNANCE AND NOMINATING** – Developing, assessing, maintaining, recommending and implementing policies and practices relating to corporate governance, evaluating the risks related to corporate governance, business conduct and ethics, overseeing Board and management evaluation processes and recommending actions on Board membership, leadership and structure.
- + **EXECUTIVE** – Serving primarily as the means for taking action between regularly scheduled meetings of the Board to act on authorized matters, on an as-needed basis.
- + **ESG** – Assisting with the oversight of policies, practices and reports related to ESG matters including, among others, health and safety, environmental sustainability, human rights, diversity and inclusion, corporate governance and philanthropy.
- + **HUMAN RESOURCES, COMPENSATION AND BENEFITS** – Advising on executive compensation and benefits programs, plans, and policies in addition to overseeing the Company's culture, human capital management and our diversity and inclusion programs.
- + **MERCHANT** – Providing oversight and advice on the Company's products and brands as well as insights on issues such as product development, competition and consumer sentiment.

Our directors are an engaged group who are consistently asking questions to promote dialogue to drive our Operational Excellence. They encourage us to continuously IMPROVE our operations and to always be INSPIRED and INSPIRE others around us as we pursue our vision of bringing confidence and joy to women.



### BOARD COMPOSITION

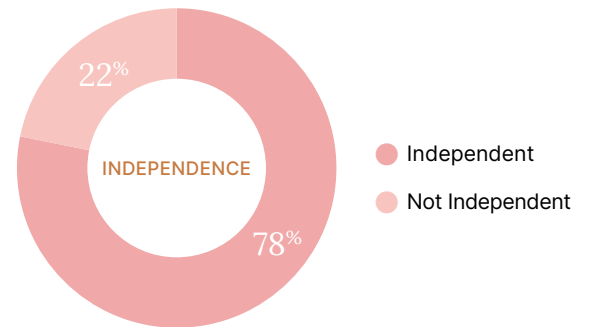
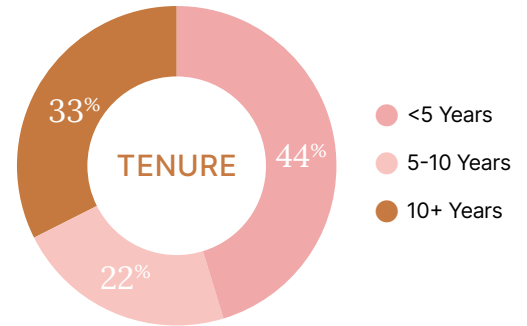
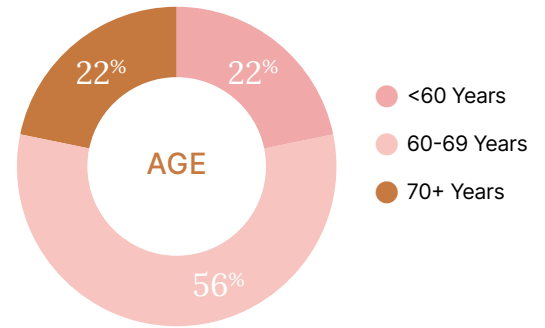
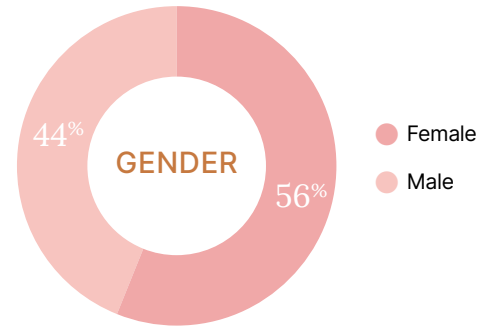
We understand the value of having the right mix of backgrounds, skills, expertise, perspectives and tenures among our directors. We have steadily refreshed our Board over the years to achieve a balance between new directors with fresh ideas and tenured directors who have historical knowledge of our business and its cycles.

As part of our Board refreshment and succession planning practices, our Corporate Governance and Nominating Committee (**CGNC**) oversees our Board composition and related practices, including overseeing annual Board, Committee and director evaluations, identifying new candidates and reviewing and recommending Board actions pursuant to our director retirement policy in our Corporate Governance Guidelines. In 2021, we expanded our performance evaluations process to include a director peer and self-assessments, which further contributes to the strength of our Board's effectiveness.

Our Board currently consists of nine directors. Since 2016, we have refreshed our Board with six new directors who provide significant fashion merchandising, marketing, retail store operations, supply chain and technology expertise to the Board. Our most recent director appointment was Eli M. Kumekpor in February 2022.

For more than five years, our Board has been comprised of at least 50 percent female directors, and for the past two fiscal years, was led by Executive Chairwoman, Bonnie Brooks. In June 2022, Ms. Brooks stepped down as our Executive Chair and Kevin Mansell assumed the independent Chair position. Mr. Mansell previously served as our lead independent director.

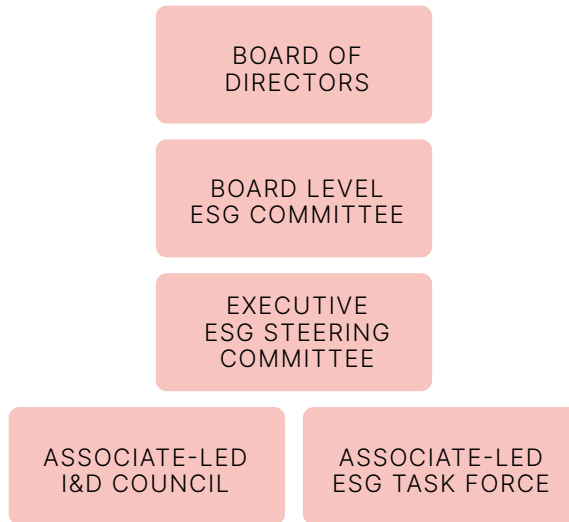
### CHICO'S FAS BOARD COMPOSITION\*



\*As of fiscal year end.

## HARNESSING ESG GOVERNANCE

We elevated our commitment to sustainability and ESG over the past few years through the establishment of internal committees focused on advancing our strategic pillars.



In 2019, we formed our Associate-led ESG Task Force - a cross-functional team comprised of members from across the organization, including, among others, sourcing, compliance, legal, human resources, IT and public relations. Led by our Senior Director - Corporate Counsel, the Task Force drives our ESG stewardship efforts. They research, develop, implement, monitor and report on our ESG initiatives and goals.

The next year, we assembled our Inclusion & Diversity Council, which is led by our VP of Human Resources. Similar to the ESG Task Force, the Council's members are Associates from across our brands and departments. The role of the Council is to (i) create an understanding of the power of individuality and inclusion, (ii) promote I&D initiatives throughout our value chain and (iii) execute on our I&D roadmap and its three pillars of Attraction & Retention, Education & Training, and Customer Focus.

In February 2021, our Board formalized its responsibilities for our stewardship efforts through the creation of a Board-level ESG Committee.<sup>17</sup> The Committee oversees and advises on our ESG policies and practices, including that of the I&D Council, and receives regular updates from our ESG Steering Committee. The independent directors serving on the Committee in turn report to and counsel the full Board on the latest ESG developments.

In 2021, we established our ESG Steering Committee, whose members serve as the ESG Task Force's Executive sponsors. They are responsible for overseeing the Task Force, reinforcing its strategic aims, incorporating its initiatives into our processes and procedures and reporting on its progress to the Board.

## REPORTING & ENGAGEMENT

We are ambitious in our intent and aspire to be transparent in our approach to ESG. By holding ourselves to account, being transparent about our current state of operations and disclosing our activities on a regular basis, we will continue to evolve and progress towards the achievement of our ESG goals. We will also continue to identify synergies between our own aims and those of our stakeholders – our customers, Associates, business partners, shareholders, regulators, communities and more. By doing so, we will become ever more resilient and responsive to our shared spaces.

Opportunities for collaboration, learning and growth arise from the development of our stakeholder relationships. Our Management and Board speak with our largest investors through our shareholder outreach. We engage our Associates through surveys and frequent touchpoints. We maintain regular dialogue with

17. Prior to the establishment of the ESG Steering Committee in late 2021, the Company's General Counsel provided regular updates to the Board on ESG matters.

CEO  
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our business partners. We establish familiarity and solicit feedback from our customers. We support and partner with our communities. And we stay informed on the latest regulatory developments and best practices with our trade associations.

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From these engagements, we are driving outcomes by monitoring our activities, identifying enhancements to our reporting mechanisms and updating our disclosures to better align with industry-recognized ESG frameworks. In particular, we have incorporated the SASB Standards for Apparel, Accessories and Footwear and E-Commerce and the UN SDGs in this year's Report. We have also begun directing our attention to climate change and are in the process of reviewing the specifics of the TCFD framework as we continue to monitor the SEC's climate disclosure rulemaking.

ESG  
Commitment

Customer  
Led

We are committed to making positive differences in the world and to achieving meaningful results. We look forward to continuing to report on our initiatives and progress and to sharing our latest ESG developments and achievements.

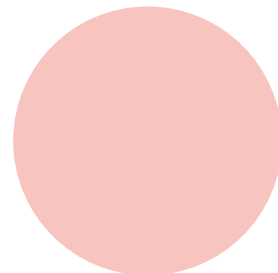
Product  
Obsessed

Digital  
First

**Operationally  
Excellent**

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*our path to a*  
**MORE EQUITABLE &**  
**SUSTAINABLE** *future*

All of the actions described in this Report serve to demonstrate our commitment to evolving into a more sustainable, equitable and responsible corporate citizen. We are a fashion retailer with a purpose and vision of contributing to a world where women are free to embrace their inner confidence and joy.

We are driven to seek out sustainable solutions, build communities and create memorable experiences so women never have to compromise.

We are proud of the progress we have made thus far. 2021 was a momentous year for our ESG Program with the enhancement of our corporate and Board oversight, the completion of 10 short-term ESG goals and the creation of 7 mid-term ESG goals to drive us forward over the next three years.

As we look to the future, we remain inspired to achieve even more positive change in the world and to share those successes with you.

4



## APPENDIX

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SASB Standards



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UN Sustainable Development Goals



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Factory Usage Baselines



# LIST OF SASB STANDARDS ADDRESSED IN THIS REPORT<sup>18</sup>

## APPAREL, ACCESSORIES & FOOTWEAR

Topic	Accounting Metric	Code	Chico's FAS
<b>Management of Chemicals in Products</b>	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	Learn More in our <a href="#">Responsible Supply Section – Chemicals Management</a> Pg. 46
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	Learn More in our <a href="#">Responsible Supply Section – Chemicals Management</a> Pg. 46
<b>Environmental Impacts in the Supply Chain</b>	Percentage of Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2 [PARTIAL]	Learn More in our <a href="#">Responsible Supply Section – Due Diligence and Promoting Sustainable Operations</a> Pg. 42 & 49
	(1) Percentage of Tier 1 supplier facilities that have been audited to a labor code of conduct, (3) Percentage of total audits conducted by a third-party auditor	CG-AA-430b.1 [PARTIAL]	Learn More in our <a href="#">Responsible Supply Section – Due Diligence</a> Pg. 42
<b>Labor Conditions in the Supply Chain</b>	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audit	CG-AA-430b.2	Learn More in our <a href="#">Responsible Supply Section – Due Diligence</a> Pg. 42
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	Learn More in our <a href="#">Responsible Supply Section – Supporting Sustainable and Ethical Practices, Due Diligence and Partner Engagement</a> Pg. 41, 42 & 44
<b>Raw Materials Sourcing</b>	Description of environmental and social risks associated with sourcing priority raw materials	CG-AA-440a.1	Learn More in our <a href="#">Responsible Supply Section – Sustainable and Ethically Sourced Materials</a> Pg. 46
Activity Metric		Code	Chico's FAS
<b>Number of Tier 1 suppliers</b>		CG-AA-000.A [PARTIAL]	Learn More in our <a href="#">Responsible Supply Section – Getting to Know Our Supply Chain &amp; Partners</a> Pg. 40

18. Chico's FAS has not disclosed data related to certain SASB Standards or portions thereof. Such standards are omitted from these tables or marked as "PARTIAL" in the SASB Code column in these charts to indicate partial reporting.

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# LIST OF SASB STANDARDS ADDRESSED IN THIS REPORT

## E-COMMERCE

Topic	Accounting Metric	Code	Chico's FAS
<b>Data Privacy &amp; Advertising Standards</b>	Description of policies and practices relating to behavioral advertising and user privacy	CG-EC-220a.2	Learn More in our <a href="#">Information Security and Privacy Section – Promoting Privacy Controls</a> Pg. 66
<b>Data Security</b>	Description of approach to identifying and addressing data security risks	CG-EC-230a.1	Learn More in our <a href="#">Information Security and Privacy Section – Maintaining a Robust Cybersecurity Program</a> Pg. 64
<b>Employee Recruitment, Inclusion &amp; Performance</b>	Employee engagement as a percentage	CG-EC-330a.1 [PARTIAL]	Learn More in our <a href="#">Women's Empowerment Section – Fostering Engagement</a> Pg. 28
	Percentage of gender representation for (1) management, (2) technical staff, and (3) all other employees	CG-EC-330a.3 [PARTIAL]	Learn More in our <a href="#">Women's Empowerment Section</a> Pg. 22
<b>Product Packaging &amp; Distribution</b>	Discussion of strategies to reduce the environmental impact of product delivery	CG-EC-410a.2 [PARTIAL]	Learn More in our <a href="#">Circularity Section – Embarking on Packaging Circularity</a> and <a href="#">Sustainable Operations Section – Greenhouse Gas Emissions</a> Pg. 56 & 72

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# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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UN SDGs	UN SDG Targets	Chico's FAS Goals Alignment
 <p><b>Achieve gender equality and empower all women and girls</b></p>	<p>5.1 – End all forms of discrimination against all women and girls everywhere d</p> <p>5.2 – Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation</p> <p>5.5 – Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p>5.c – Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>	<p>Develop expanded product assortments using customer and Associate input to create solutions that give comfort and joy to women of all shapes, colors and sizes</p>
 <p><b>Ensure availability and sustainable management of water and sanitation for all</b></p>	<p>6.3 – By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>6.4 – By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>	<p>Analyze, disclose, and engage with our Tier 1 factories on their total water consumption, energy use and waste output and identify opportunities to reduce their impact by at least 1 percent per year over the next 3 calendar years</p>
 <p><b>Ensure access to affordable, reliable, sustainable and modern energy for all</b></p>	<p>7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<p>Analyze, disclose, and engage with our Tier 1 factories on their total water consumption, energy use and waste output and identify opportunities to reduce their impact by at least 1 percent per year over the next 3 calendar years</p>
 <p><b>Reduce inequality within and among countries</b></p>	<p>10.2 – By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p>10.3 – Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard</p> <p>10.4 – Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p>	<p>Continue to enhance the racial and ethnic diversity of our workforce by focusing on recruiting and retention efforts</p> <p>Develop expanded product assortments using customer and Associate input to create solutions that give comfort and joy to women of all shapes, colors and sizes</p>

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

UN SDGs	UN SDG Targets	Chico's FAS Goals Alignment
 <p><b>Ensure sustainable consumption and production patterns</b></p>	<p>12.2 – By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.4 – By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p> <p>12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p> <p>12.6 – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>12.7 – Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>	<p>Explore and quantify value-added sustainable packaging opportunities to reduce landfill waste by having our brands align on and adopt at least one opportunity per year over the next 3 years</p> <p>Introduce 2-3 fabrics, innovations, technologies and other efficiencies in our product design, development and manufacturing every year over the next 3 years to reduce our environmental footprint</p> <p>Implement Higg Index sustainability reporting for the top 80% of our vendors and factories</p>
 <p><b>Take urgent action to combat climate change and its impacts</b></p>	<p>13.2 – Integrate climate change measures into national policies, strategies and planning</p>	<p>Analyze, disclose, and engage with our Tier 1 factories on their total water consumption, energy use and waste output and identify opportunities to reduce their impact by at least 1 percent per year over the next 3 calendar years</p>
 <p><b>Strengthen the means of implementation and revitalize the global partnership for sustainable development</b></p>	<p>17.16 – Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries</p> <p>17.17 – Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships</p> <p>17.19 – By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries</p>	<p>Promote ESG reporting that aligns with stakeholder expectations and regulatory disclosure recommendations</p>

## TIER 1 FACTORY USAGE BASELINES

CEO Letter

Board Letter

About Chico's FAS

ESG Commitment

Customer Led

Product Obsessed

Digital First

Operationally Excellent

Our Path

Appendix



<b>WATER</b>	<b>Number of Factories Reporting</b>	<b>Factories Reporting, as a % of total units</b>	<b>Water, in Kilogallons (KGal)</b>
Total Usage	55	51.44%	268,957
Recycled	10	2.52%	6,303
Discharged	48	49.57%	67,556



<b>WASTE</b>	<b>Number of Factories Reporting</b>	<b>Factories Reporting, as a % of total units</b>	<b>Waste, in Tonnes</b>
Total	55	51.53%	121,769
Recycled	38	39.18%	1,518
Incinerated	15	22.03%	323
Landfill	27	35.13%	3,983



<b>ENERGY</b>	<b>Number of Factories Reporting</b>	<b>Factories Reporting, as a % of total units</b>	<b>Energy, in MWh</b>
Total	52	49.5%	20,845.14
Recycled	52	49.5%	9,472.18

## ABOUT THIS STATEMENT

Unless otherwise indicated, this 2021 Impact Report (the “ESG Report”) and related website disclosure cover our fiscal year ended January 29, 2022.

This Report and related website disclosure contain statements concerning our current expectations, assumptions, plans, estimates, judgments and projections about our business, strategies, programs, targets, commitments, goals, initiatives, objectives, expected actions and other statements that are not historical fact. These are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, words or phrases such as “aims,” “intends,” “could,” “may,” “will,” “expects,” “plans,” “believes,” “anticipates,” “estimates,” “targets,” “projects,” “should,” “strives,” “goal,” “envision” and “would” and similar expressions identify forward-looking statements. These forward-looking statements are based largely on information currently available to our management and are subject to various risks and uncertainties that could cause actual results, performance or achievements, including the achievement of our goals, plans, targets or commitments, to differ materially from historical results or those expressed or implied by such forward-looking statements. Although we believe our expectations are based on reasonable estimates and assumptions, they are not guarantees of future actions, results, performance or achievements. There is no assurance that our expectations will occur or that our estimates or assumptions will be correct, and we caution investors and all others not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: (i) our ability to achieve our stated goals, (ii) the potential adverse effects of unusual and infrequently occurring events, such as weather-related disasters, terrorist acts, geopolitical conflicts or public health events (such as the COVID-19 pandemic), and of governmental and societal responses thereto; (iii) our ability to successfully execute and achieve the expected results of our business, strategies and the programs discussed herein; and (iv) the factors described in Item 1A, “Risk Factors” in our most recent Annual Report on Form 10-K and, from time to time, in Item 1A, “Risk Factors” of our Quarterly Reports on Form 10-Q.

The information contained in this Report and the related website disclosure also are subject to the accuracy of our data collection and analysis methods, which are subject to future evolution and calibration. Such information is subject to additional uncertainties since there are limitations inherent in our data collection and analysis methods. While we consider information from external resources to be reliable, we do not assume responsibility for its accuracy. Additionally, all data, statistics and metrics included in this Report and the related website disclosure are non-audited, are not prepared in accordance with generally accepted accounting principles, are subject to the quality and comprehensiveness of the reporting received by the Company from internal and external sources and may be based on assumptions believed to be reasonable at the time of preparation that may be subject to revision. Therefore, certain data, statistics and metrics included in this Report and the related website disclosure may be approximate and/or estimated values. Please also note that the availability of data, statistics and metrics varies from section to section in this Report and the related website disclosure.

The goals, plans, targets and commitments in this Report and the related website disclosure are aspirational; as such, no guarantees or promises are made that they will be met or successfully executed. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in our reports filed with the SEC carefully in evaluating the forward-looking statements in this Report and the related website disclosure. We 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 are made as of the date this Report and the related website disclosure were originally published, unless otherwise indicated. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.