

May 2019

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

On this website, we share an overview of our CSR program, including our Global Compliance program, our efforts to minimize our environmental footprint to build upon for the future, and the efforts we are making to improve the lives of those who work at and with the Company and the communities in which we do business.

GLOBAL COMPLIANCE

Chico's FAS, Inc., including its brands Chico's, White House Black Market, Soma and Telltale (the "Company") believes that every person has a right to safe, decent and humane working conditions. Our commitment to social responsibility is an integral part of the Company's culture and we require our suppliers to understand and comply with our Terms of Commitment to Ethical Sourcing ("Terms of Commitment"). Our Terms of Commitment are inspired by universally accepted human rights principles and the fundamental conventions of the International Labour Organization to reduce the risk that we become complicit in human rights violations. It sets forth our expectations for our suppliers regarding social, health and safety, environmental, and ethical performance. Suppliers that do business with the Company must contractually agree to comply with our Terms of Commitment before producing for us. While we do not own the factories where our products are manufactured, we are committed to forging strong partnerships with our suppliers so that the products we offer to our customers are produced under working conditions that are consistent with our Terms of Commitment and our values. With our complex supply chain, it is important for our continued success that we work with suppliers who operate responsibly and demonstrate a commitment to transparency and continuous improvement. We have implemented written guidelines, formal processes and management oversight so that our Terms of Commitment is not just words on paper, it is the way we conduct our business and require others to conduct business with us.

Global Compliance Governance

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

Assessing and Addressing Factory Conditions

The Company manufactures its products in approximately 31 countries. Our top 5 manufacturing countries are China, Vietnam, Indonesia, Nicaragua and India; each yielding at least 5% of our global unit volume.

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



Sourcing from approximately 31 Countries and 414 Factories as of 2018.

Monitoring and Auditing

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

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

For third-party brands sold through the Company's boutiques, our suppliers are required to provide the Company with satisfactory factory audits or suitable assurances of compliance on behalf of their suppliers to ensure that their practices are aligned with our Terms of Commitment.

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

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Production Risk Assessments

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

Supplier and Brand Collaboration

The Company realizes the significant advantages in collaborating with industry groups, trade organizations and other retailers to advance our high compliance standards. The Global Compliance Department is actively engaged in the communication with, and education of, our suppliers through the use of tools such as our Vendor Extranet, field visits, monthly conference calls with key suppliers, participation in multi-brand compliance summits and worker engagement programs. In addition to other social, safety and environmental training sessions, fire safety continues to be a priority across our supply chain. We partner with various industry associations to promote local fire safety training opportunities and encourage our suppliers to participate in these sessions.

Measuring Factory Improvements

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

Supply Chain Security

As part of our continued commitment to the safety and security of our supply chain, in 2003, the Company voluntarily partnered with US Customs and Border Protection (CBP) in the Customs – Trade Partnership Against Terrorism (C-TPAT) program earning the highest status (Tier 3) awarded by CBP. We are proud to report we have been able to maintain our Tier 3 status.

Animal Welfare

The Company supports and is committed to humane treatment of animals and we expect all suppliers to source the materials used in our products ethically and responsibly. Among other criterion, the following criteria must be met when sourcing materials from animals such as leather, feathers, hair/fur, bones and skins:

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

SUSTAINABILITY AND THE ENVIRONMENT

The Company has implemented several programs to reduce our environmental footprint and we have an ongoing commitment to identify new opportunities. The following practices have been adopted:

At our Stores

chico's

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

Soma

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- We utilize low flush toilets, high-efficiency HVAC units, high-efficiency LED lighting, and low-VOC paints and adhesives
- We actively monitor electricity usage to reduce wastefulness
 - In 2018, our Stores used 3% less electricity than in 2017, enough savings to power 200 houses for one year¹
- We provide our Associates with Material Safety Data Sheets (MSDS) for proper chemical and waste disposal

At our National Store Support Center

- We constructed our first office space designated as a Florida Green Commercial Building by the Florida Green Building Coalition
- We continue to proactively replace aged HVAC equipment, and convert to high-efficiency LED lighting
- We installed automated light sensors to reduce wastefulness
- We recycle all cardboard, paper products, and metal scrap
- We provide a fleet of bicycles and electric vehicles for on-campus transportation for our Associates
- We provide EV-charging stations for our employees' vehicles, free of charge
- We provide MSDS for proper chemical and waste disposal

At our Global Distribution Center

- We installed automated light sensors to reduce wastefulness
- We provide MSDS for proper chemical and waste disposal
- We repurpose inbound shipment cartons to use for our outbound shipments
- We factor green optimization efforts, like the SmartWay[®] certification program, in the selection of domestic ground transportation providers

In our Supply-Chain

- We consider potential partners' sustainability capabilities when selecting new suppliers
- We encourage our existing supply-chain partners to continuously improve their own sustainability efforts
- We conduct product testing for certain chemicals and other toxins to reduce the existence of substances of concern in our product lines
- In 2018, certain of our product lines were produced in factories that engage in one or more sustainability programs, including, but not limited to: ISO 14001 & 14064 certifications, SLCP, Bluesign, waste recycling, Zero Discharge of Hazardous Chemicals, the Better Cotton Initiative, VIP & WCP, HIGG and SAC membership

FAIRNESS & EQUALITY

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

All Associates deserve to be treated with respect and dignity. We are firmly committed to providing equal employment opportunities. We value diversity and recognize that building a company where Associates with unique backgrounds, experiences and viewpoints can work well together will benefit our business, our community and our society.

¹ Calculated according to data from the Department of Energy website.

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

HEALTH & WELLNESS

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

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

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

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

COMMUNITY ENGAGEMENT

Please see the Company website (www.chicosfas.com) and click on "Philanthropy" for details on our community engagement.

chico's

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

Soma