



Vera Bradley

Corporate Responsibility and Sustainability Report

Fiscal 2020



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A Message From the Chief Executive Officer

EVERY DAY, WE HAVE THE PRIVILEGE OF INSPIRING AND CONNECTING WOMEN OF ALL AGES through our brands, our products, our people and our community efforts. Since our founding in 1982, Vera Bradley has nurtured and promoted a culture of inclusion and fairness and has been steadfastly focused on creating a future that is not only better, but is also more sustainable for all of our stakeholders. We want to ensure our Company continues to be a great place to work, shop and invest, and that the world is a better place to live.

Ensuring we have a sustainable business with strong performance, a solid balance sheet and a clear long-term strategy allows us to devote time and resources to the critical environmental, social and governance (“ESG”) parts of our business.

We want to be a leader on ESG issues that matter most to our stakeholders—our customers, our Associates, our shareholders and our communities. Vera Bradley is committed to being a positive force in the ESG movement. To engage our stakeholders, we must do more than generate financial returns. We must build a company that our stakeholders are excited to invest in and be a part of now and in the future. This means building upon and communicating our historical strengths of connecting and bringing women together as well as our positive social and environmental impact. We call this mission “VB Cares.”

During the past year, we have strengthened the communities we serve, developed and nurtured our nearly 3,000 Associates, openly engaged with the investment community and promoted good corporate governance. This report shares more details about our progress and our plans going forward. This document can be found on verabradley.com, and as we continue on our journey, you can find updates on our progress.

Before reading on, I want to express my sincere gratitude to our Associates and partners across the world for upholding our mission, living our values and supporting each other and the communities in which we live and work.



Robert Wallstrom, Chief Executive Officer

Note 1: In this report, any reference to Vera Bradley refers to the stand-alone Vera Bradley business (VB Direct and VB Indirect). Any reference to Vera Bradley, Inc. or the Company refers to Vera Bradley and Pura Vida combined.

Note 2: This report was prepared prior to the COVID-19 pandemic of early/mid 2020.



About the Company

History

1982

IT ALL STARTED WITH A FRIENDSHIP... Barbara Bradley Baekgaard and Patricia R. Miller came upon a colorful idea while traveling together in 1982 (on a girls' trip, of course!) Sitting in an airport during a long layover, Barb and Pat observed the need for more color and fun in women's luggage. When they returned to Indiana, they each borrowed \$250 and cut patterns on a family ping pong table — quickly turning a simple idea into an iconic American brand that is loved and carried by millions of women today.

Vera Bradley has since grown into an internationally recognized, iconic lifestyle brand providing beautiful solutions to its customers. Vera Bradley is a leading designer of women's handbags, backpacks, tote bags, luggage and travel items, fashion and home accessories and unique gifts. The brand's innovative designs, unique patterns and brilliant colors inspire and connect women unlike any other brand in the global marketplace. Vera Bradley offers a multi-channel sales model as well as a focus on service and a high level of customer engagement. While our headquarters are in Fort Wayne, Indiana, we reach much further through our community support and supply chain initiatives.

2019

OUR VERA BRADLEY, INC. FAMILY EXPANDED in July 2019 when we acquired a 75% interest in Creative Genius, Inc., which also operates under the name Pura Vida Bracelets ("Pura Vida"). Pura Vida, based in La Jolla, California, is a rapidly growing, digitally native and highly engaging lifestyle brand that deeply resonates with its loyal consumer following.

Much like Vera Bradley, Pura Vida began when two Southern California friends—Griffin Thall and Paul Goodman—took a college graduation trip to Costa Rica. They came across two artisans named Jorge and Joaquin, whose colorful string bracelets captured the simple beauty of Costa Rica. Sadly, Jorge and Joaquin were struggling to survive on their artisan wages, living with their family in a single room with three beds. Desperate to find some way to help, Griffin and Paul asked the artisans to make 400 bracelets to take home with them. Paul and Griffin put the bracelets on display in a local boutique, selling

out completely within just a few days. Griffin and Paul teamed up with Jorge, Joaquin and other Costa Rican artisans to create more handcrafted bracelets in endless color combinations—each one as unique as the person wearing it.

What started out as selling just a few bracelets a week has grown into a worldwide movement with millions of bracelets sold each year. The Pura Vida brand has a differentiated and expanding offering of bracelets, jewelry and other lifestyle accessories. Pura Vida's heritage is supporting artisans around the world and giving to a myriad of charities that are meaningful to their loyal customer base.

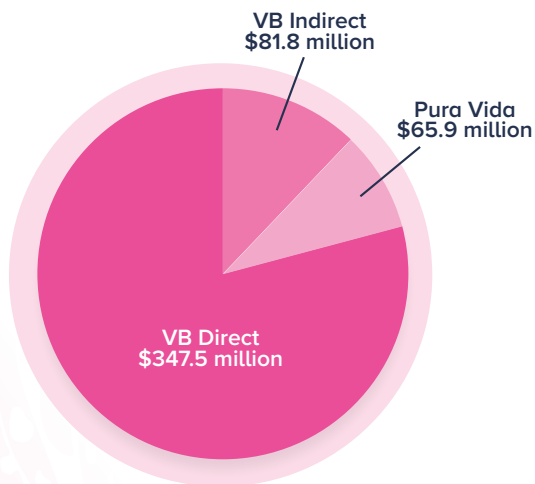
Company Overview

THE COMPANY HAS THREE REPORTABLE SEGMENTS in which we sell our products: Vera Bradley Direct ("VB Direct"), Vera Bradley Indirect ("VB Indirect") and Pura Vida. The VB Direct business consists of sales of Vera Bradley products through 88 Vera Bradley Full Line Stores and 63 Factory Outlet Stores in the United States, verabradley.com, the Vera Bradley Online Outlet site and the Vera Bradley Annual Outlet Sale in Fort Wayne, Indiana. The VB Indirect business consists of sales of Vera Bradley products to approximately 2,200 specialty retail locations, substantially all of which are located in the United States, as well as to select department stores, national accounts, third-party e-commerce sites, third-party inventory liquidators and royalties recognized through licensing agreements related to the Vera Bradley brand. The Pura Vida segment consists of sales of Pura Vida products through the Pura Vida websites, puravidabracelets.com and puravidabracelets.eu, and through the distribution of its products to wholesale retailers.

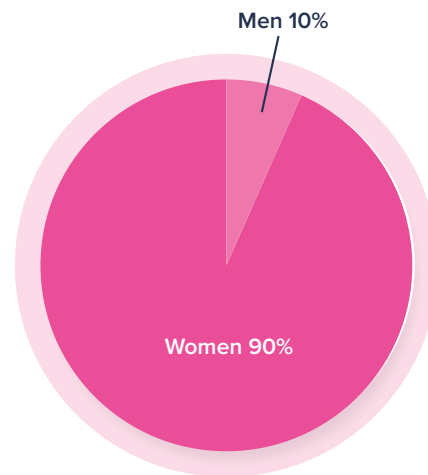
Vera Bradley, Inc. at a Glance

Revenues

Total consolidated net revenues
in fiscal 2020 totaled \$495.2 million.



Associate Population



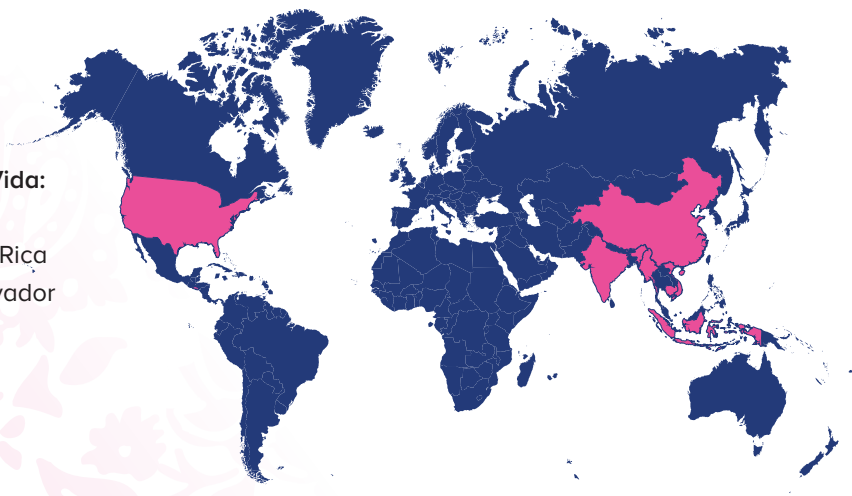
Key Supply Chain Countries

Vera Bradley:

Cambodia
China
India
Indonesia
Myanmar
United States
Vietnam

Pura Vida:

China
Costa Rica
El Salvador
India



Key Company Strengths and Investment Considerations

AUTHENTIC, ICONIC LIFESTYLE COMPANY

- Two powerful core brands: Vera Bradley and Pura Vida
- Devoted, emotionally connected, multi-generational consumer bases
- Alignment as casual, comfortable, conversational and fun lifestyle brands

UNIQUE, DISTINCTIVE PRODUCT OFFERINGS RECOGNIZED AROUND THE WORLD

- Heritage products and continued product innovation
- Unique collaborations with other iconic brands, which broadens customer bases

SOCIALLY CONSCIOUS COMPANY

- Supporting key causes and our communities to bring people together and create positive change
- Driving heightened consumer engagement
- Committed to being a positive force in the ESG movement

VISION 20/20 STRATEGIC PLAN GENERATING IMPROVED PERFORMANCE

- Clear path to sustainable revenue and EBIT growth
- Positioned to capitalize on future growth opportunities

SOLID BALANCE SHEET

- Ample cash and free cash flow generation

STRONG, ENTREPRENEURIAL CULTURE AND LEADERSHIP TEAM

- Essential skills and deep industry experience
- Special culture of innovation, giving and collaboration
- Teams aligned and committed to long-term success



Vision 20/20

In late fiscal 2018, the Company unveiled its strategic plan, Vision 20/20. Vision 20/20 is a three-year plan designed to restore our brand and business health and to build a platform for growth.

EACH YEAR OF THE PLAN HAS A DIFFERENT FOCUS:

FY 19

**Get Healthy:
Reposition and Stabilize**

FY 20

**Foundation For Growth:
Organic Growth/Planting
Seeds of Growth**

FY 21

**More Robust Growth:
Pursue New Growth**

In fiscal 2019, our goal was to get healthy. We successfully moved to a less clearance-driven model and meaningfully reduced our expense structure while retaining our keen focus on product design, creative process and customer centricity and engagement. We reduced clearance activity in our Full Line Stores and on our digital flagship, verabradley.com, by approximately 70% while increasing full-price selling in these two channels by over 20%.

IN FISCAL 2020, WE FOCUSED ON BUILDING
A PLATFORM FOR GROWTH THROUGH:

- Increased **Associate Ownership**, by focusing on innovation and being data-driven and customer-obsessed
- Improved **Operational Excellence**, by mitigating China tariffs and beginning the revamp of our information systems and processes
- **Growth** of comparable and total revenue, customer count and brand desirability resulting from compelling product, increased awareness (via targeted marketing and charitable and community initiatives) and focused retail distribution. In fiscal 2020, Vera Bradley comparable store sales grew 3.4% and customer count increased over 10%. And, an important part of our fiscal 2020 growth included the July 2019 Pura Vida acquisition.

In fiscal 2021, our key strategic priorities are **sustaining our corporate health** through operational excellence and our culture and **attaining robust growth** through enhanced customer engagement and continued product innovation.



Fiscal 2020 Corporate Performance

IN ADDITION TO THE JULY 2019 PURA VIDA ACQUISITION, FISCAL 2020 SAW MANY KEY ACCOMPLISHMENTS.

On the Financial Side

NET REVENUES TOTALED \$495.2 MILLION for fiscal 2020 compared to \$416.1 million for fiscal 2019, an increase of 19%. Comparable sales rose 3.4% for the year. Current year revenues included \$65.9 million from Pura Vida.

For fiscal 2020, the Company posted net income (before charges) of \$28.2 million, or \$0.82 per diluted share, compared to net income of \$20.8 million, or \$0.59 per diluted share, for fiscal 2019.

We ended the fiscal year with a solid cash, cash equivalent and investment position totaling \$73.8 million, while repurchasing over \$11.3 million of our common stock during the year.

For Vera Bradley

IN THE PRODUCT ARENA:

WE CONTINUED TO BUILD DOMINANCE in our key franchise areas of travel, campus and everyday, as well as our Top 10 items.

WE BROUGHT INNOVATION AND NEWNESS TO THE MARKET. We launched our first in a series of performance fabrics called Performance Twill, which is lightweight, durable and water-repellent, and introduced our ReActive Collection, crafted from fabric made of recycled plastic bottles. We also introduced our innovative, award-winning Lay Flat Collection, versatile travel pieces that unzip on three sides like traditional luggage for easy accessibility.

WE INCREASED PRODUCTION IN DUTY-FREE COUNTRIES and further decreased our reliance on China to approximately 25%, down from approximately 54% in fiscal 2019 and 70% in the year prior.

WE SUCCESSFULLY INTRODUCED COLLABORATIONS with several iconic brands, including Venus/Gillette, Starbucks, Crocs and Disney, to create and sell limited-edition product collections. We announced another exciting collaboration with Warner Bros. Consumer Products to create a Vera Bradley + Harry Potter back-to-campus and dorm line which will launch in summer 2020. These collaborations increase our brand exposure and provide momentum for growth.

WE LAUNCHED CUSTOMIZATION, where our customers can design their own bag by mixing patterns and solids along with creating embroidered personalization on both the bag's interior and exterior.

ON THE DISTRIBUTION FRONT:

WE ONCE AGAIN IMPROVED THE QUALITY OF SALES in our Full Line Stores and on verabradley.com by increasing comparable full-price selling in these two channels by approximately 3%. This is on top of an increase of over 20% in the prior year.

WE CONTINUED TO RATIONALIZE AND STRENGTHEN OUR STORE BASE. We opened six new Factory Outlet Stores, relocated and expanded three of our top Factory locations, and closed 11 underperforming Full Line locations, ending the fiscal year with 88 Full Line Stores and 63 Factory Outlet Stores.

OUR ANNUAL OUTLET SALE gathered nearly 43,000 brand loyalists and generated sales of over \$6 million during the five-day event, highlighting our strong customer community.

OUR CUSTOMER SERVICE MODEL and newly implemented “voice of the customer” initiative continued to drive industry-leading customer satisfaction scores.

WE CONDUCTED SEVERAL LIMITED-DURATION ONLINE OUTLET FLASH SALES, allowing us to sell clearance merchandise in a more discreet manner.

IN THE MARKETING AREA:

WE COMPLETED THE INSOURCING OF OUR CUSTOMER DATA SCIENCE TEAM, added to our business analytics team and completed the rollout of our new customer data platform. The insights gained from our robust data now allow us to adjust our marketing mix and approach in real time. Consequently, we experienced a double-digit year-over-year increase in new customers.

OUR “DIGITAL FIRST” STRATEGY focused on targeted digital efforts and increased brand awareness, with total impressions up more than 170% to over 5.7 billion for the year.

INCREASED BRAND COLLABORATIONS AND INFLUENCER ENGAGEMENT show the strength and relevance of our brand and generated tremendous media buzz.

WE REINFORCED OUR POSITION as a total stakeholder-focused and socially conscious organization through our marketing and social media engagement.

UNDER THE UMBRELLA OF VB CARES, we continued to strengthen our community support and charitable initiatives that are relevant to our customers and that make a meaningful impact on those in need, particularly women and children.

For Pura Vida

PURA VIDA CONTINUED TO EXPERIMENT with and introduce new designs in their signature cord bracelets and jewelry and introduced new trends, including their mood ring and bracelet, enameled daisy collection, semi-precious stone charms, stone hoops and engravable collection.

Charity bracelets continued to be a big draw, with Pura Vida reaching over \$2 million in lifetime charitable contributions.

Pura Vida’s creativity and effectiveness in social media engagement is strong. They remain one of the most highly engaged brands in the accessories space, surpassing the 1.9 million mark in Instagram followers. They are consistently listed as one of the most, if not the most, engaged jewelry brands on Instagram.

Pura Vida ranks at the top of the industry for their New Promoter and Customer Satisfaction scores.



Our Culture, Mission and Core Values

Vera Bradley

AT ITS VERY CORE, VERA BRADLEY IS A BRAND FOR WOMEN, BY WOMEN. Since our beginning, we have been inspired by the needs and desires of real women at home and in the world, and we design thoughtful solutions—a balance of function and beauty, filled with special details—to make their lives easier. We're proud to connect women through their shared values, knowing this heartfelt connection can transform an ordinary day into an extraordinary one.

The Vera Bradley brand is casual, comfortable, conversational and fun. Our unique positioning is that we design solutions that inspire women—from all walks of life, around the country and the world, across generations—to live every day with joy, optimism and a dose of meaningful beauty.

Vera Bradley's Mission

To connect women through common values and a shared appreciation of meaningful beauty. Beauty is so much more than what you see on the surface.

TO US, IT MEANS:

BEAUTY IN SISTERHOOD: Every design reflects the values and sensibilities that bring us together, creating an opportunity for women to connect.

BEAUTY IN ACTION: We strive to bring kindness, empathy and joy to each initiative and every interaction.

BEAUTY IN COLOR: Pops of color and vibrant prints make every day feel brighter.

BEAUTY IN DETAILS: We anticipate women's needs to deliver thoughtful solutions to problems she hasn't yet discovered. We sweat the small stuff so she doesn't have to.

Vera Bradley's Core Values

We are guided by a set of six core values that are the cornerstone for all aspects of our business. The Company was founded and built upon these values, and our Associates continue to live by them every day.

KINDNESS

We treat our coworkers, partners and customers with care.
We are warm and welcoming to everyone.

INGENUITY

We continually strive for creative, beautiful solutions to solve real needs in her life.

TENACITY

We demonstrate drive to achieve results despite obstacles.
We hold fast to our values, always remaining authentic.

OPTIMISM

We choose a positive approach and believe that anything can be accomplished. We share positivity and encouragement wherever possible.

THOUGHTFULNESS

We value the well-being of others and act in a warm and considerate way.
We pay attention to the little things that transform ordinary into extraordinary.

EMPATHY

We act with a deep understanding of others, not a focus on self.

Pura Vida

PURA VIDA IS A STATE OF MIND. It means celebrating good fortune, living life to the fullest and not taking anything for granted. Our mission and core values support that state of mind.

Pura Vida's Mission

To provide sustainable jobs to artisans worldwide and raise awareness for charities with products that give back.

Pura Vida's Core Values

Like Vera Bradley, Pura Vida is guided by core values that help steer all business decisions.

DREAMING

This company was founded on the belief that we can make a difference in this world.

GOOD VIBES

We are an inclusive community and support new ideas.

QUALITY AND INTEGRITY

Whether it's our day-to-day work or the craftsmanship of our product, we hold ourselves to the highest standards.

ADVENTURE

We take action and constantly innovate while improving ourselves and the world around us.

SHARING THE LOVE

We give back to the community, whether it be our customers, our artisans or our team.



Governance Policies and Practices

VERA BRADLEY, INC. IS COMMITTED TO DOING THE RIGHT THING and acting ethically and appropriately. We believe that credibility, integrity, trustworthiness and our core values are critical components of the current and future success of our business.

Policies and Guidelines

The following policies and guidelines are in place and are actively enforced and monitored for compliance. Complete copies of the policies may be found on the investor relations page of our website, verabradley.com

CONFLICT OF INTEREST AND BUSINESS ETHICS POLICY

Our Conflict of Interest and Business Ethics Policy helps uphold high ethical standards in all of our operations by promoting ethical conduct and compliance with applicable laws, rules, regulations and standards. Vera Bradley recognizes that no code of ethics can replace the thoughtful behavior of an ethical director or employee, but such a code can provide guidance to help recognize and deal with ethical issues and to foster a culture of accountability.

CODE OF ETHICS FOR SENIOR FINANCIAL OFFICERS

In addition to the Conflict of Interest and Business Ethics Policy, the Senior Financial Officers (the Chief Executive Officer, Chief Financial Officer and Corporate Controller of the Company) are bound by additional provisions relating to business ethics, confidentiality, conflicts of interest, compliance with laws and accounting standards and documentation.

VENDOR CODE OF CONDUCT

Each of our vendors are responsible for adhering to a strict Vendor Code of Conduct that requires ethical and responsible conduct in all of our operations as well as respect for the rights of all individuals and the environment.

CORPORATE GOVERNANCE GUIDELINES

Our Corporate Governance Guidelines provide a structure within which our directors and management can effectively pursue the Company's objectives for the benefit of its shareholders. These Guidelines serve as a framework within which the Board may conduct its business.

DISCLOSURE POLICY

This policy governs the disclosure of material, non-public information in a manner designed to provide broad, non-exclusionary distribution of information as required by the Securities and Exchange Commission in Regulation Fair Disclosure (Reg FD) so that the public has equal access to the information.

INSIDER TRADING POLICY

The Insider Trading Policy outlines our obligation to prevent insider trading and seeks to ensure that our Associates avoid the severe consequences associated with violations of insider trading laws and other relevant securities laws. This policy also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company.

STOCK OWNERSHIP GUIDELINES

These guidelines require directors and executives to maintain a significant ownership stake over their tenure with the Company, ensuring that the interests of directors and executives are closely aligned with those of shareholders and that they seek to perpetuate enduring shareholder value.

Board of Directors

VERA BRADLEY UTILIZES AN INDEPENDENT BOARD OF DIRECTORS to instill governance and independence of the Company and to help ensure the utilization of high ethical standards in the operation of the business.

Board members are elected annually. The Board formally meets at least four times each year. At each meeting, independent board members meet in an executive session in the absence of non-independent board members.

EACH BOARD MEMBER HAS THE FOLLOWING BASIC RESPONSIBILITIES:

- To support the mission and purpose of the Company, and to abide by its Articles of Incorporation, Bylaws and policies.
- To be diligent in preparation for, attendance at and participation in Board meetings and related activities on behalf of the Company.

- To ensure that the financial and business affairs of the Company are, to the best of the Board member's awareness, managed in a responsible manner.
- To act always in good faith and in the best interest of the Company, above any personal interest.
- To maintain the confidentiality of sensitive or proprietary information obtained as a result of Board service.

THE PRIMARY DUTIES OF THE BOARD INCLUDE MAXIMIZING LONG-TERM STAKEHOLDER VALUE BY:

- Ensuring that the Company operates in a legal, ethical and socially responsible manner.
- Selecting, evaluating and offering substantive advice and counsel to the CEO and working with the CEO to develop effective measurement systems that will evaluate and determine the Company's degree of success in creating long-term economic value for its shareholders.
- Reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions.
- Overseeing the Company's capital structure and financial policies and practices.
- Assessing major risks facing the Company and reviewing options for their mitigation.
- Providing counsel and oversight on the selection, evaluation, development and compensation of executive officers and providing critical and candid feedback on their performance.

Various committees assist the Board in its oversight of, among other things, risk assessment and risk management. Each Committee is comprised of independent directors.

AUDIT COMMITTEE

Our Audit Committee reviews and recommends to the Board of Directors internal accounting and financial controls as well as accounting principles and auditing practices to be employed in the preparation and review of our financial statements. They also review the fairness of related party transactions. Our Audit Committee assists the Board in its oversight of our policies relating to risk assessment and risk management generally, with particular focus on our management of major financial risk exposures.

COMPENSATION COMMITTEE

Our Compensation Committee reviews and determines policies, practices and procedures relating to the compensation of executive officers, including the CEO, and the establishment and administration of certain employee benefit plans for executive officers. The Compensation Committee has the authority to administer our 2010 Equity and Incentive Plan and to advise and consult with our officers regarding managerial personnel policies. Our Compensation Committee assists the Board in assessing the nature and degree of risk that may be created by our compensation policies and practices, ensuring both their appropriateness in terms of the level of risk-taking and consistency with our business strategies.

NOMINATING, CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

Our Nominating, Corporate Governance and Sustainability Committee assists the Board of Directors with its responsibilities regarding the identification of individuals qualified to become directors, the selection of the director nominees for the next annual meeting of shareholders and the selection of director candidates to fill any vacancies on the Board of Directors. It also has responsibility for the Company's ESG efforts, including reviewing and making recommendations to the Board regarding the Company's ESG strategy and compliance with corporate governance, environmental sustainability and social responsibility. The Committee also reviews our efforts to audit our suppliers to ensure compliance with our Vendor Code of Conduct. Additionally, the Committee is responsible for succession planning for the CEO and tenure and retirement policies for directors.

2020 Women on Boards, a nonprofit education and advocacy campaign committed to raising awareness about the value of gender-diverse boards with at least 20% female directors, named Vera Bradley a "Winning Company" for our commitment to board diversity. The Vera Bradley Board includes three (out of ten) female directors. According to MSCI, researchers have found that companies with three or more female directors tend to outperform, on average, companies where this threshold is not achieved.

Engaging Stakeholders

VERA BRADLEY BELIEVES that it is critical to engage its different stakeholders in order to understand their views, values and ideas and to design a more responsible environment for all involved. We seek to engage and have open dialogue with our customers, Associates, retail partners, shareholders and other partners.

STAKEHOLDER	ENGAGEMENT METHODS	TOPICS DISCUSSED
Customers	Store Interactions, VB Customer Service Center, Social Media, Surveys, Focus Groups	Product feedback and satisfaction; marketing; environmental and sustainability initiatives
Associates	Surveys, Town Halls, Focus Groups	Engagement; satisfaction; concerns; suggestions; general feedback; environmental and sustainability initiatives
Retail Partners	Retail Advisory Board	Product feedback; brand initiatives; environmental and sustainability initiatives
Shareholders	Meetings, Investor Conferences	Feedback on performance and strategic initiatives; environmental and sustainability initiatives
Other Partners	Partners Summit, Global Vendor Summit	Company initiatives, business practices and standards, sustainability, responsible sourcing
Communities	VB Cares, The Vera Bradley Foundation for Breast Cancer, Paid Volunteer Time Off, Community Organization Support	Environmental issues, supporting women and children, community-specific needs
Industry	Industry Associations and Meetings	Sustainable initiatives, responsible sourcing, human and labor rights, environmental issues



Associate Engagement

COLLECTIVELY, THE COMPANY'S SUCCESS is built upon the unique value of each person's contributions. As a Company founded by women, for women, we especially are proud of our Company's opportunities for females. In fact, approximately 90% of the Associates that work at Vera Bradley, Inc. are women.

Our long-term success depends on talented and engaged Associates.

Equal employment opportunities are available to all persons at Vera Bradley, Inc. without regard to race, sex, sexual orientation, gender, gender identity, gender expression, marital status, age, color, religion, creed, national origin, ancestry, mental or physical disability, medical condition, genetic information, military or veteran status or any other category protected under applicable federal, state or local law. We put this into practice through our hiring, training and annual affirmative action program.

The Company considers its relationships with its Associates to be good. The Company's Associates are not represented by unions or covered by collective bargaining agreements.

Leaders by Design

OUR ASSOCIATES ARE OUR BIGGEST ASSET and when they win, we all win. We recognize everyone in the Company has the ability to lead by example and influence others in a positive way that ultimately provides meaningful value and will make us stronger. Our long-term initiative, Leaders by Design, encourages our Associates to grow as leaders through new Associate orientation and onboarding, formal training programs, mentorship programs, job shadowing and career-pathing programs and development, including THE LEADERSHIP CHALLENGE®, a globally recognized, research-based leadership development program designed to enhance leadership effectiveness.

THE BASIC PRINCIPLES OF LEADERS BY DESIGN ARE:

WE ARE ALL LEADERS

Leadership is our ability to influence those around us. Regardless of your role or function, leadership is everyone's business.

WE ARE INTENTIONAL

Leadership doesn't just happen by accident—it's a part of everything you say and do. A good leader is self-aware; knowing your strengths and blind spots means you can improve and elevate your leadership brand.

WE CREATE VALUE

Leadership is about creating value through and with people. When we do this, we create value and results for the company, customers, shareholders—all.

WE CARE

Leaders care about the well-being of each other, both professionally and personally, and work to create value in the lives of our customers and Associates.

The Leadership Challenge®

THE PILOT CLASS FOR THE LEADERSHIP CHALLENGE® Workshop began in 2010. Since then, the 12-month program has continued to cultivate emerging leaders within our Company, with over 90 Associates completing the program. With a foundational curriculum based on the book *The Leadership Challenge®* and the work of authors James M. Kouzes and Barry Z. Posner, Vera Bradley's program aims to, among other things:

- Enhance participants' level of influence in the organization
- Build high-performing teams
- Unify leaders around a common leadership model
- Increase Associate engagement
- Encourage cross-company collaboration
- Retain and invest in key leaders
- Build deeper bench strength

Candidates are selected to participate in The Leadership Challenge® Workshop through executive nomination and approval by Human Resources.

THE PROGRAM IS BUILT AROUND THE FIVE PRACTICES OF EXEMPLARY LEADERSHIP®:



THE MULTI-FACETED PROGRAM CONSISTS OF SEVERAL COMPONENTS:

Leadership	Action Planning	Manager Mentors
One-on-One Coaching	Team Development	Direct Report Toolkits

A Life Well Lived

VERA BRADLEY CARES ABOUT THE WELL-BEING OF OUR ASSOCIATES and knows that this encompasses more than just their work life. That is why we launched our 2017 program, A Life Well Lived, to encourage our people to balance their professional accomplishments with the other dimensions of their lives—including social, financial, physical and community aspects. We offer a robust series of free programs and learning opportunities throughout the year in each of these areas for our Associates.

Associate Engagement Survey

EVERY YEAR, WE CONDUCT AN ASSOCIATE ENGAGEMENT SURVEY in order to better understand our Associates' insights into our Company's strengths and opportunities. In 2019, we had outstanding participation, with 88% of our Associates sharing their candid feedback. Our 2019 overall engagement score was in the upper quartile compared to peer companies, which was exceptional and best in class. The feedback gave us insight into improvement opportunities and was instrumental in decisions we made to shape, strengthen and improve our Company. As a result of the survey feedback, we have made meaningful improvements to benefits, career development, compensation, wellness programs and our facilities over the past few years.

Ethics Hotline

VERA BRADLEY PRIDES ITSELF ON CONDUCTING BUSINESS ETHICALLY and consistently with our Corporate values of Kindness, Ingenuity, Tenacity, Optimism, Thoughtfulness and Empathy. Associates should always conduct business with integrity and in full compliance with regulations, legislation and our own corporate operating policies and procedures. We depend on each and every Associate to safeguard our organization's reputation and protect us from financial and legal harm.

In that vein, Vera Bradley provides an Ethics Hotline toll-free number and online portal to enable Associates to report any concern about misconduct. A third party administers the hotline and portal. Information is treated confidentially and is used to respond to and investigate the report.

We take these reports very seriously and work to take appropriate action with each issue. While we can't always provide the person making the report with detail as to how the issue has been resolved due to confidentiality, the reporting Associate is notified when the case has been closed.

Associate Safety

Associate safety and well-being is of paramount importance to our Company. We have a comprehensive Safety Manual that emphasizes our high standard of safety throughout all operations of the organization. The Safety Manual addresses a variety of topics including reporting injuries, OSHA compliance and emergency procedures (related to workplace violence, active shooters, severe weather and blood-borne pathogens, among others). Policies are routinely communicated and training is provided to Associates as appropriate.

Annual Risk Assessment

Annually, we compile a Risk Register detailing key potential risks to the organization, their implications and strategies to address the risks as well as assessments of likelihood, severity, velocity and priority for each identified risk. The Risk Register is reviewed with the Board of Directors at least once per year.



Charitable Initiatives

VERA BRADLEY, INC. IS COMMITTED to supporting the communities in which we do business. Whether helping near Pura Vida's home offices in La Jolla, California, close to our Vera Bradley hometown of Fort Wayne, Indiana, or near our retail stores and factories, we strive to make the world around us a better place. Our primary focus is improving the lives of women and children. As we generate profits, we can invest funds in our stakeholders, in turn improving lives and driving brand advocacy. Driving brand advocacy generates more profits, and the cycle continues.

The Vera Bradley Foundation for Breast Cancer

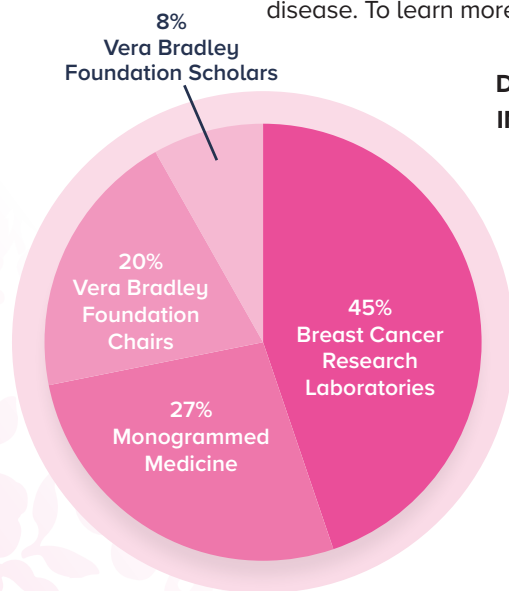
THE VERA BRADLEY FOUNDATION FOR BREAST CANCER (the "Foundation") raises funds for breast cancer research to find a cure and to improve the lives of the many affected by this disease. Moved by the loss of their dear friend, Mary Sloan, Vera Bradley's co-founders embraced the cause and began supporting breast cancer research. Since its formation in 1998, the Foundation has contributed \$34.6 million solely to support the groundbreaking research being conducted at the Vera Bradley Foundation Center for Breast Cancer Research (the "VB Center") at Indiana University School of Medicine in Indianapolis, Indiana, which was named in honor of the Vera Bradley Foundation in 2018 in recognition of two decades of their philanthropic support. The VB Center is part of the Indiana University Melvin and Bren Simon Cancer Center (the "IU Cancer Center"). In August 2019, the IU Cancer Center was designated a Comprehensive Cancer Center, the highest level of recognition awarded by the National Cancer Institute for research excellence.

The VB Center is focused on developing and improving therapies for some of the most difficult-to-treat types of breast cancer, such as triple negative breast cancer, as well as creating personalized patient treatments it has termed "Monogrammed Medicine." We have always been proud to direct our fundraising dollars to the breast cancer research being conducted in our home state of Indiana, which supports and positively impacts research taking place around the globe. For specific details about the progress being made as a result of our financial support, please visit verabradley.org/promising-progress

The Foundation typically raises funds through its annual signature events, including the Vera Bradley Foundation for Breast Cancer Classic, a weekend of sporting events including golf, yoga and pickleball, and Tickled Pink: A Gathering of Girlfriends, which unites more than 400 Vera Bradley enthusiasts for a behind-the-scenes brand experience. In addition to events led by the Foundation, there are also individual donors, dedicated friends, Vera Bradley retail partners and other committed supporters nationwide who host a variety of events and fundraisers.

Another successful initiative of the Foundation is its “Round up at the Register” program, which allows customers who visit retail stores or purchase online to round up their total to the nearest dollar and donate those proceeds to the Foundation. Vera Bradley matches a portion of the donations received from the round-up program.

Vera Bradley is dedicated to eradicating breast cancer as a life-threatening disease. To learn more, visit verabradley.org



DONATION ALLOCATION TO INDIANA UNIVERSITY SUMMARY:

45% BREAST CANCER RESEARCH LABORATORIES

New project funding is provided for researchers, all with a single focus: better outcomes for patients.

27% MONOGRAMMED MEDICINE

Monogrammed Medicine research considers individual variables in genes, environment and lifestyle when developing prevention and treatment strategies. Combining this information yields therapies tailored to each patient.

20% VERA BRADLEY FOUNDATION CHAIRS

Funding these allows for the expansion of expertise in the VB Center at Indiana University School of Medicine.

- Vera Bradley Foundation Chair in Oncology
- Vera Bradley Foundation Chair in Breast Cancer Innovation
- Vera Bradley Foundation Chair in Breast Cancer Discovery
- Vera Bradley Foundation Chair in Breast Cancer Research

8% VERA BRADLEY FOUNDATION SCHOLARS

Post-doctoral fellows who are training with members of the breast cancer research program are provided with specific funding to pursue breast cancer research projects, including those that support Monogrammed Medicine.

Blessings In A Backpack

DURING THE 2019 BACK-TO-SCHOOL SEASON, Vera Bradley celebrated its second season partnering with Blessings in a Backpack. This non-profit organization mobilizes communities, individuals and resources to provide food for the millions of elementary school children across America who might otherwise go hungry.

In 2019, working with Blessings in a Backpack, we donated 50,000 backpacks to children in need throughout the United States. Vera Bradley hosted several backpack packing events, school carnivals and annual back-to-school distribution events in select markets, including New York, Los Angeles, Chicago, Nashville, Charlotte and Panama City. Each event culminated in backpack giveaways and appearances by celebrities, including principal dancer of the American Ballet Theatre Misty Copeland, racing legend and NBC Sports motorsports analyst Dale Earnhardt Jr. and his wife Amy, singer and songwriter Lauren Alaina, actor Bailee Madison and NBA legend Shaquille O'Neal.

Vera Bradley launched an awareness and fundraising campaign benefiting Blessings in a Backpack in its stores and on verabradley.com during back-to-school 2019. With the support of our customers, we were able to donate \$162,308 to the organization, which prevented over 1,250 kids from going hungry.

Aung Zayar Min Orphanage

VERA BRADLEY TEAMED UP WITH A MYANMAR SUPPLIER, Kanaan, to serve their community in South Asia by constructing a new school building at the Aung Zayar Min Orphanage in the nation's capital of Yangon. In spring 2019, working together, we replaced an existing, structurally unsafe building with a new 4,000 square foot facility. The facility has safe housing for 50 students along with two classrooms that can accommodate up to 40 students each. We value our suppliers and are especially thrilled to team up with Kanaan on such an impactful project.

Vera Bradley is seeking similar opportunities to improve the lives of women and children in other countries in our supply chain.

New Hope Girls

NEW HOPE GIRLS IS A NON-PROFIT ORGANIZATION that provides jobs for vulnerable women and refuge for girls rescued out of the darkest places in the Dominican Republic. Women sew and create beautiful bags in the New Hope Girls workshop with 100% of the proceeds supporting the New Hope Girls safe house. The organization's mission is to "create a place of light and life for girls and women from dark and difficult places, restoring identity and purpose for the future."

Vera Bradley's friendship with New Hope Girls began in 2016 when the Company helped the organization renovate its on-site shipping containers into a fully equipped, self-sustaining industrial sewing workshop that currently employs several sewers. The Company continues to champion New Hope Girls' cause by offering ongoing business mentoring.

In 2019, we took our relationship to the next level by partnering with New Hope Girls to create a limited-edition mini-collection, Vera Bradley + New Hope Girls, which launched on International Women's Day, March 8, 2019. The 2019 collection included their signature hobo bag as well as a coordinating travel pouch. The Vera Bradley + New Hope Girls 2020 collection was expanded to include a tote bag in addition to the hobo bag and travel pouch and also launched on International Women's Day. The styles were designed and sewn by New Hope Girls artisans and featured colorful Vera Bradley prints created exclusively for the partnership. Both collections were offered on verabradley.com and in the Company's Full Line Stores.

Empowering women and caring for those in need has been at the heart of Vera Bradley's culture since the very beginning, so there is great synergy between our brand and what New Hope Girls is doing to improve the lives of women and girls in the Dominican Republic. From the sales of the collections, we were able to donate \$25,000 to New Hope Girls in both 2019 and 2020.

Community Support

VERA BRADLEY BELIEVES that it should give back to the community where the Company began and that has been so instrumental in our success. That is why Vera Bradley supports and engages with over 40 non-profit organizations in the Fort Wayne metropolitan area and throughout Northeast Indiana that align with our core values and improve the lives of women and children.

A FEW ORGANIZATIONS THE COMPANY SUPPORTS ARE:

- Boys & Girls Club
- Cancer Services of Northeast Indiana
- Charis House
- Riley Children's Hospital
- Sexual Assault Treatment Center
- YWCA
- Habitat for Humanity

We offer eight hours of Volunteer Time Off to each Associate every year. Each Associate may use these hours to volunteer for the cause of his or her choice.

Vera Bradley also supports various charitable organizations in the many communities where we have retail stores.

Pura Vida

AT PURA VIDA, GIVING BACK has always been at the core of what they do, which is why they created their Charity Collection. Over the last few years, Pura Vida has partnered with more than 175 charities around the world to donate over \$2 million to causes their customers care about. They are always striving to do more and are constantly on the lookout for more charities that can benefit from Pura Vida Bracelets.

Pura Vida's supported charities include cancer, health, environmental, animal and humanitarian causes.



Industry Collaborations

Sustainable Apparel Coalition

VERA BRADLEY JOINED THE SUSTAINABLE APPAREL COALITION (“SAC”) in 2016. The SAC is the apparel, footwear and textile industry’s leading alliance for sustainable production and is comprised of over 250 global members across multiple sectors. The SAC works to collaboratively transform the apparel industry through the application of standardized measurement. The Company believes the ability to benchmark itself against similar companies’ sustainability efforts will help drive industry improvement.



NO COMPANY ALONE CAN SHIFT THE EXISTING INDUSTRY PARADIGMS.

To ignite the change required to redefine how the industry is run, peers and competitors come together as a united front, adhering to the Coalition’s set of core collaboration values that are designed to further impactful change across the industry. Through SAC membership, brands, retailers and manufacturers commit to transparency, the sharing of best practices and making meaningful improvements, a full-circle collaboration that benefits all involved.”

apparelcoalition.org/collaboration-impact/

The Higg Facility Environmental Module

THROUGH INVOLVEMENT WITH THE SAC, our manufacturers access the Higg Facility Environmental Module (Higg FEM). This self-assessment measures the environmental performance of individual factories with respect to environmental management systems, water and energy use, waste and chemical management and more. These measurements are standardized at industry scale, giving our manufacturers guidance on improvement hot spots and outlining current industry best practices. Vera Bradley uses the Higg FEMs from our manufacturers when considering future sustainability initiatives within our supply chain.

Vera Bradley intends to partner with strategic vendors to review current SAC Facilities Environmental Scores and pilot a program that increases awareness and understanding of resources and systems being used in these facilities.



Supply Chain

Raw Materials Sustainability Plan

OUR OWN CONSUMER INSIGHTS INDICATE that 69% of our existing customers consider the environmental impact of a brand to be important or very important. We agree. We want to be a responsible steward of the planet's resources and be recognized as a brand that cares for people, the environment and the best possible utilization of resources.

We are cognizant of smart design and the impact of our design choices. We think about durability so that our products have long lives. We use high-quality, sustainable raw materials, and our design team works closely with our sourcing team to assure we are designing to value, only including elements that our customers truly feel are important.

We are in the process of analyzing every one of our major fabrications, and our goal is to introduce a sustainable alternative for each in the future, without sacrificing beauty or functionality. Our objective is that our synthetic fabrics will be updated with more sustainable options and our cotton will have an ecological value that will align with our sustainability commitments over the long-term. We are working this year to establish clear metrics and time-bound objectives to be able to measure and meet our sustainability goals.

Our desired outcome is to utilize eco-friendly raw materials; in this way, we can do the right thing for the planet while keeping our customers highly engaged with a relevant brand offering.

Our ReActive Collection, made of recycled Polyethylene terephthalate (rPET) plastic, was introduced in January 2020 with this goal in mind. This was the first step in the sustainability commitment of our brand. The new line of luggage, bags and accessories was designed to make a lighter impact on the planet and enable customers to make more eco-friendly choices, as each yard of fabric is made from 16 recycled bottles.

Responsible Sourcing

AT THE HEART OF VERA BRADLEY'S SUSTAINABILITY STRATEGY is our supply chain. The Company is committed to continuing sustainability conversations with our suppliers in efforts to make improvements along our supply chain. We focus on building long-term business relationships with a limited number of top-performing factories. We have strict requirements that suppliers must meet before we will enter into a relationship with them.

Throughout our 35-plus year history, our collaborative relationships with our suppliers have always been a very valuable part of our business. In today's marketplace, supply chain efficiencies are key to keeping our Company competitive and our customers satisfied.

Now, more than ever, it has become critical to work together with suppliers who share our commitment to these standards and practices and who support our mission by following our transportation, packaging and invoicing guidelines. Our focus is on safe, responsible manufacturing so that workers and the environment are protected and products meet our high product standards.

We continually monitor our suppliers. Vera Bradley outlines expectations and high standards for our vendor relationships. The Company's Supplier Manual addresses and covers, in detail, a myriad of information including social responsibility, materials development, product development, fabric and color standards, samples, testing, quality and packaging. Our Vendor Code of Conduct is a part of the Supplier Manual and sets the minimum criteria for starting or maintaining a business relationship with us.

Our Vendor Code of Conduct demonstrates our commitment to:

- A standard of excellence in every aspect of our business and in every corner of the world
- Ethical and responsible conduct in all of our operations
- Respect for the rights of all individuals
- Respect for the environment

Our Supplier Code of Conduct commits all suppliers and sub-contractors to meet standards of ethical and responsible conduct, human rights and individual rights, worker rights and environmental regulations. We work to ensure that all of our suppliers follow appropriate standards with respect to forced labor, child labor, working hours, paid overtime, minimum wage, anti-discrimination, freedom of association, the environment, health and safety. We confirm compliance with this Code of Conduct through a comprehensive audit process

that includes inspections of manufacturing facilities and employer-provided housing, reviews of books and records relating to employment matters and private interviews with employees. Immediate corrective action is required for any instance of non-compliance. We expect continuous improvement from our factories. Results of the audits are shared quarterly with the Nominating, Governance and Sustainability Committee of our Board of Directors. We are in the process of updating our factory audit process to ensure continuous improvement in our supply chain; this will be rolled out mid-fiscal 2021.

Manufacturers are required to take appropriate steps to ensure that the provisions of our Vendor Code of Conduct are communicated to their employees, including the prominent posting of a copy of the Code of Conduct, in the local language and in a place readily accessible to employees, at all times.

We prefer mills that have clean operations (solar energy, control of water waste, etc.) and tanneries that have Leather Working Group (LWG) certification.

Vera Bradley is committed to making an impact where we conduct our operations overseas. Before onboarding a supplier, we research the supplier's involvement with the local community. For example, one of our suppliers set up a school for factory workers' families, several suppliers have set up housing for those who need it and still others are working on building similar infrastructures in their communities. In our supply chain, we seek partnerships with factories that are earnestly focused on the well-being of the workers and their children.

We are also aware of reports documenting the systemic use of forced child and adult labor in the harvest of cotton in Uzbekistan and Turkmenistan. We stand in firm opposition to this forced labor. As such, we will not knowingly source Uzbek or Turkmen cotton for the manufacturing of any of our products until the respective governments end this practice, and it is our expectation that our suppliers communicate our concern for this issue down the supply chain. To uphold this commitment, we signed the Pledge Against Child and Adult Forced Labor in Uzbek Cotton and the Turkmenistan Cotton Pledge Agreement in October 2018. Until the International Labor Organization independently verifies the elimination of this practice, we will maintain this pledge.

We support ending the violence and human rights violations in the mining of certain minerals from a location described as the "Conflict Region," which is situated in the eastern portion of the Democratic Republic of the Congo and surrounding countries. In order to ensure the products we manufacture or procure are "conflict free," we ask our suppliers to provide written evidence documenting that raw materials used to produce gold, tin, tantalum and tungsten originate from outside the "Conflict Region" or, if they originate

from within, that the mines and smelters be certified as “conflict free” by an independent third party. We use third-party source intelligence to monitor this certification.

Vera Bradley believes that it should not, through its sourcing practices, finance or benefit armed groups in conflict-torn areas. In accordance with this policy, it is our expectation that our suppliers will not knowingly source materials from areas that directly or indirectly finance or benefit armed groups.

Other Initiatives Underway

WE HAVE SEVERAL ADDITIONAL ENVIRONMENTAL AND SOCIAL INITIATIVES underway that we expect to implement by the end of fiscal 2021.

THEY INCLUDE:

- Eliminating double-walled cartons and replacing them with single-walled cartons, using 30% to 40% less paper and reducing the amount of ocean/truck freight in select locations
- Moving to implementation of 100% post-consumer waste recycled polybags in select locations
- Assessing the use of FSC (Forest Stewardship Council) paper for all hangtags and paper packaging
- Piloting an internal waste consumption project at our factories, using textile waste to make bedding for local underprivileged people
- Mandating clean, filtered water availability for all factory workers
- Conducting a human rights/social responsibility survey of our Tier 1 suppliers
- Executing a “Clean by Design” mill improvement program in three textile mills to reduce water and energy use as well as the impact on the environment
- Reviewing our Tier 2 (trim and small imports) compliance audit for improvements and modernization
- Joining the Leather Working Group (LWG) and restricting sourcing of leather to LWG approved tanneries, which are focused on producing leather in an eco-responsible way.



Corporate Environmental Initiatives

AT VERA BRADLEY, WE ARE FOCUSED ON DOING THE RIGHT THING and living true to our core values, and this shapes how we see our role in the world. That is why we will continue to support sustainable practices and look for new ways to improve upon what we do every day.

In 2015, Associates from a variety of departments with a passion for corporate responsibility started the Sustainability Committee (formerly the Shear Responsibility Committee), our committee dedicated to the cause. As a result, we have implemented several initiatives which encourage sustainability and foster a “green” mindset in all aspects of our business.

Corporate Office

- We eliminated Styrofoam in our Associate café, instead offering biodegradable to-go containers for food, as well as converting from plastic to paper straws.
- We encourage Associates to use non-disposable plates and silverware, reducing the amount of containers ending up in landfills.
- All single-use coffee and plastic cups were removed from our corporate office. We gave every Associate a reusable, stainless steel mug and the café provides reusable ceramic mugs in each oasis.
- We collaborate with OmniSource to set up electronics recycling days for Associates.
- We continued converting to High Efficiency LED bulbs at our Design Center.
- We have implemented a business management system for our HVAC and lighting—our facility lights turn off if there is no activity in an area of the building, lowering lighting energy consumption, and through the implementation of an “unoccupied state,” we have reduced HVAC energy consumption.
- We are collecting greenhouse gas emission data at our corporate campus to create a baseline for future reductions.

Distribution Center and Supply Chain

- Implementation of Autobag® bagging machines and pre-opened bags will eliminate approximately one million shipping labels annually
- We collect and donate beauty products to local organizations to prevent them from entering the landfill
- Automated returns system saves 342 trees and 7,800 kW-hour of energy a year
- Our 2017 switch to paperless invoice documentation now saves approximately 56 trees a year
- We held an Associate sample sale for our distribution center Associates to lessen our waste and also reward those who work so hard to keep our supply chain running smoothly; proceeds were donated to a local charity selected by the Associates
- Similar to the Corporate Office, we have implemented a business management system for HVAC and lighting
- We implemented an advance replace program whereby customers may email photos of defective merchandise to us rather than physically returning the product, reducing the amount of cardboard packaging being used
- We eliminated 30 million desiccant (Silica gel) packs per year by using Micro Pak recyclable Polyethylene (PE) sheets instead

Retail Stores

- We installed smart thermostats and focused on keeping doors closed to reduce energy consumption
- We have started replacing all store lighting with high efficiency LED lighting to further reduce energy consumption
- We are converting our plastic and paper shopping bags to reusable shopping bags to eliminate single-use plastic bags

Annual Outlet Sale in Fort Wayne

- We converted to reusable mesh bags from disposable plastic bags



Closing Remarks

WE HOPE THIS REPORT makes clear that “VB Cares” and that we are committed to improving environmental, social and governance practices at Vera Bradley, Inc.

OUR ONGOING ESG GOALS INCLUDE:

ASSOCIATE

Continue to develop and drive programs focused on Associate well-being and engagement

ENVIRONMENTAL

Minimize impact and conserve natural resources

SOCIAL

Increase stakeholder (customers, Associates, investors, and communities) engagement of our social efforts/impact

GOVERNANCE

Continue to strengthen corporate governance standards and practices around our ESG Initiatives

We recognize that enhancing sustainability and upholding social responsibility is an ongoing effort, and we are challenging ourselves to continually make improvements within the organization. We look forward to documenting these improvements on a routine basis.