chico's Fasz

California Transparency in Supply Chains Disclosure June 1, 2015

This disclosure is made by Chico's FAS, Inc.¹ in accordance with the California Transparency in Supply Chains Act of 2010.²

Engagement in verification of product supply chains to evaluate and address risks of human trafficking and slavery:

The Company's Global Compliance Department conducts annual risk assessments, utilizing third party software, to identify areas of potential risk in our direct supply chain. We evaluate these potential risks and develop a course of action to address identified gaps prior to engaging in a business relationship with new suppliers.

Auditing suppliers to evaluate compliance with company standards for trafficking and slavery in supply chains:

Through third party auditors, the Company conducts on-site initial and follow-up audits of suppliers' factories to assess compliance with the Company's Terms of Commitment to Ethical Sourcing and applicable law. Depending upon a supplier's historic performance, these audits may occur on an unannounced and/or announced basis, annually and/or semi-annually. During the audit, a factory tour and confidential employee interviews are conducted. Deficiencies found are detailed in an audit report which includes a corrective action plan for the supplier. The supplier must complete and return the corrective action plan, which includes the supplier's proposal as to how the non-compliance finding(s) will be addressed. We review the corrective action plan for adequacy, and undertake any appropriate follow-up.

Supplier certification that product complies with laws regarding slavery and human trafficking:

At the outset of the business relationship and continuing on a regular basis, suppliers must certify compliance with the Company's Purchase Order Terms and Conditions, which require the supplier to represent and warrant compliance with all applicable law, including without limitation, the California Transparency in Supply Chains Act. In addition, suppliers must certify compliance with our Terms of Commitment to Ethical Sourcing, which Terms specifically reference our ban on all forced labor, slavery and human trafficking.³ Compliance with our PO Terms and Conditions and our Terms of Commitment to Ethical Sourcing is assessed and verified through the auditing process described above.

While we believe that a spirit of continuous improvement is critical to a long-term and healthy relationship with our suppliers, if a supplier is unwilling or unable to meet our expectations and satisfy its contractual commitments, materially or repeatedly, the business relationship will be ended.

Maintenance of internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking:

The Company requires its employees and contractors to adhere to its Code of Ethics, which includes our ethical sourcing requirements. Violation of the Code may result in the imposition of discipline, up to and including, termination. The Company has established an independent third party hotline (888.361.5813) to encourage reporting of any suspected unethical or illegal conduct.

Training on human trafficking and slavery for company employees and management who have direct responsibility for supply chain management:

Company employees involved in supply chain-related management are required to complete initial and bi-annual training to aid them in identifying and addressing human trafficking and slavery in our direct supply chain. As part of our Vendor Summits, Global Compliance also provides this training to the attendees.

¹ This disclosure is made by Chico's FAS, Inc. on behalf of its brands, Chico's, White House | Black Market, Soma Intimates and Boston Proper.

² This disclosure updates Chico's FAS, Inc.'s initial disclosure dated January 1, 2012.

³ <u>http://chicosfas.com/files/doc_downloads/CHS_TOCES_June2013.pdf</u>