

Her,
AT THE
HEART
OF US





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LETTERS
FROM OUR
LEADERSHIP

WORKING TOWARD A SUSTAINABLE FUTURE FOR HER AND FOR US

ascena has gone through a transformative year in 2019. As an enterprise, we continued to make meaningful progress in our work toward a sustainable future for our company, customers, and associates.

We made pivotal changes this year to position our company to deliver profitable growth. We are simplifying our business and becoming a more agile organization focused on meeting the needs of our customers—keeping her at the center of everything we do.

Through our deep understanding of our customer, we have learned that in addition to relevant product and access to our brands through multiple channels, our customer wants to know she is supporting brands that are committed to empowering women and girls and conducting business responsibly.

I am proud of the progress we have made since announcing our Responsibility strategy—Her, at the Heart of Us. Helping women and girls thrive is at the heart of our corporate vision and I am committed to this journey to meaningfully impact the lives of women and girls around the world.

We know that we have an opportunity to drive responsible business practices to support a better world for her. Shortly after beginning my tenure as CEO, I signed the CEO Action Pledge for Diversity and Inclusion and am proud that we have seen the diversity of our associates increase from 33% to 40% in the past year. We also extended our support for women and diverse associates by becoming a member of both Catalyst and the Hispanic Association on Corporate Responsibility (HACR).

Importantly, as a collective of brands dedicated to supporting ALL women and girls, we believe it is our responsibility to ensure everyone is included and welcome in our stores and workplace. Earlier this summer I signed the Open to All Pledge, a nationwide public engagement campaign to build awareness and understanding about the importance of protecting people from discrimination—and to defend the bedrock principle that when businesses open their doors to the public, they should be Open to All. The Open to All Pledge reflects our commitment to inclusivity and supports our efforts to stand up for the rights of our associates, customers, and business partners. Today, all of our brands' stores proudly display the Open to All Pledge.

Further, I am inspired by the efforts we are making to advance women in leadership and strengthen communities internally and externally as well as locally and globally. ascena's board of directors is now 50% female, and 98% of our brands' stores are run by women. This year, we are proud to be named one of the 2019 Best Employers for Diversity and 2019 Best Employers for Women.

Locally, we provide opportunities to give back to our customers and associates, who generously and actively participate, igniting movements across our brands to reach our goal to contribute \$250 million by 2025 on behalf of women and girls to the causes they care about. Thanks to our customers, in fiscal 2019 we have contributed over \$47 million to the Breast Cancer Research Foundation, the largest amount from any fashion brand.

Globally, we are working with our suppliers and stakeholders to empower women within the supply chain. We are also investing in programs to improve access to clean water and to reduce the company's carbon footprint.

Our mission is to provide all women and girls with fashion and inspiration for living confidently every day. As we streamline our business for sustainable growth, we are concentrating our efforts on meaningful initiatives that enhance our customers' experience with our brands.

IT IS OUR AIM TO MAKE A POSITIVE IMPACT ON THE LIVES OF WOMEN AND GIRLS, AND WE WILL CONTINUE TO MAKE PROGRESS FOR THE FUTURE OF OUR CUSTOMERS, ASSOCIATES, AND COMPANY.



GARY MUTO

CEO

ascena retail group, inc.

OUR RESPONSIBILITY PROGRESS

2019 marked a year of progress for ascena as we put our Responsibility strategy—Her, at the Heart of Us—into action. We advanced our commitments to sustainability and supply chain transparency, accomplished major charitable giving milestones, and engaged our associates to drive a culture committed to diversity, inclusion, and respect.

On a global scale, women represent the vast majority of the workers who make our beautiful products. We are committed to driving progress for women across our entire supply chain and drive programs to enable workplaces supporting women while engaging with our suppliers to enable this positive change.

We are proud to issue our 2019 Responsibility Progress Report, which provides an update on our journey since announcing our Responsibility strategy and goals in 2018. Over the last year, we have kept her at the heart of us by advancing her leadership, helping her thrive, and strengthening her communities. We conducted our first enterprise-wide carbon footprint analysis to calculate an emissions baseline, against which we will set ambitious reduction goals for our owned and operated facilities, as well as our Tier 1 suppliers.

We deepened our commitment to women's workplace empowerment across our supply chain by launching an e-learning platform for suppliers to implement best practices for supporting women at work. Additionally, we mobilized our community of women—especially our customers—to achieve a charitable giving record of \$25.5 million this year on behalf of women, girls, and the causes they care about. That continued generosity has propelled us to reach \$150 million, putting us 62% of the way toward the 2025 goal, to raise and contribute \$250 million.

We continue to operate cross-functionally to incorporate responsible business practices into our daily operations and business decisions, including increasing our sourcing of sustainable materials and working with suppliers and external stakeholders who share our commitments to operating ethically, reducing our environmental footprint, and positively impacting the communities where we work and live. Our associates are key to this progress; their dedication has advanced our sustainability commitments and inclusion efforts.

In addition to regularly sharing our progress, we are focused on increasing transparency through our reporting practices. Therefore, we are proud to share progress against our goals, disclose new workforce data, and announce a new update on the work we are doing to increase adoption of more sustainable packaging solutions and to reduce hazardous chemicals within our supply chain. For the first time this year, we are also reporting in reference to the Global Reporting Initiative (GRI) Standards: Core option, and we continue to align our strategy and measure our progress in line with the UN Sustainable Development Goals (UN SDGs).

**WE INVITE YOU TO LEARN MORE ABOUT
HOW WE CONTINUE TO KEEP HER AT THE
HEART OF US.**



**JEANNETTE
FERRAN ASTORGA**

Vice President, Corporate Responsibility
ascena retail group, inc.



Training, mentoring and inspiring high school girls from the US, Canada and Puerto Rico to become the next generation of women leaders. Snapshots of HERlead Leadership Forum 2019.



RESPONSIBILITY HIGHLIGHTS

PROGRESS AGAINST OUR 2025 GOALS



INSPIRING LEADERSHIP & OPPORTUNITY

GOALS	PROGRESS	PROGRESS NOTES
<p>Engage 100% of corporate People Leaders in strategies to broaden our impact for diversity, inclusion, and respect in the workplace.</p>	<p>Adjusted* Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Launched enterprise-wide Unconscious Bias training Hosted a Day of Understanding to encourage a safe space for associates to voice their perspectives and ideas on how we can further drive diversity, inclusion and respect across our culture <p>WHAT'S NEW</p> <ul style="list-style-type: none"> Holding Team Talks on unconscious bias education, providing an open forum for honest conversations <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Beginning to roll out unconscious bias education and other strategies to broaden our impact among distribution center and field associates
<p>Set baseline on number of women and girls impacted globally through our signature programs and collaborations.</p>	<p>On Track Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Impacted over 135,000 women and girls directly and indirectly with financial and in-kind product donations through HERlead** as well as our support for the Roslyn S. Jaffe Awards, Girls on the Run, and Dress for Success <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Continuing to track the number of women and girls impacted through our programs and collaborations
<p>Enable 100% of suppliers with tools to provide workplaces supporting women.</p>	<p>On Track Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Continued to enforce the Code of Conduct for Merchandise Suppliers, which is aligned to UN Sustainable Development Goal 5 (Gender Equality), with a focus on the issues women uniquely face in factories <p>WHAT'S NEW</p> <ul style="list-style-type: none"> Developing and implementing an e-learning tool, available to all suppliers, in September 2019, which provides interactive training on ascena's expectations of workplace conditions to support women in factories and furthers our work in support of UN Sustainable Development Goal 5 <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Creating best practice guidance to recognize suppliers' commitments to women's workplace empowerment that goes above and beyond compliance requirements

- = Initiating
- = In Progress
- = Near Completion
- = Complete

* Due date adjusted by one year to accommodate organizational updates.

** A collaboration between Vital Voices Global Partnership and ascena retail group, inc. Together we provide HERlead Fellows with mentorship, grants and other resources so they can learn through action and each realize their distinct visions for making a positive difference in the world.



GOALS	PROGRESS	PROGRESS NOTES
<p>Introduce mentorship programs for women and diverse associates to drive associate engagement and retention.</p>	<p>On Track  Due: Ongoing</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Introduced pilot mentoring programs for corporate associates, including a Working Parents mentoring program <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Continuing to provide associates with resources on identifying a mentor and building and maintaining mentoring relationships Continuing to explore additional mentorship and sponsorship program opportunities for both women@ascena, our Women's Leadership Initiative, and Patchwork, our multicultural Associate Resource Group (ARG)
<p>Improve the transparency of the hiring and development of women associates.</p>	<p>On Track  Due: Ongoing</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> 95% of our associates are women, 61% of our VP-and-above executives are women, 71% of our Directors-and-above are women, and 98% of our stores are led by women* 87% of promotions to women* Launched women@ascena, our initiative to support and empower more women leaders across our company Became a member of Catalyst, a global nonprofit committed to creating workplaces that work for women; provided associates with access to Catalyst's suite of resources, tools and research on creating inclusive work environments Named one of the 2019 Best Employers for Women for the second year in a row <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Continuing to share data related to the promotions of women associates in 2020 and beyond Deepening the collaboration between our Diversity & Inclusion (D&I) and Talent Acquisition teams to advance D&I recruiting strategies Identifying opportunities for women-focused professional development initiatives with Talent Strategy

* Excludes data from associates who have not specified a gender; and from our Bangalore IT office, which is not currently tracked through our HR systems (approximately 14%)



STRENGTHENING COMMUNITIES

GOALS	PROGRESS	PROGRESS NOTES
<p>Launch Diversity & Inclusion as a strategic business imperative.</p>	<p>Complete & Continuing to Track ●●●●●</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> • Launched D&I as a strategic business imperative in 2018 • Named one of the 2019 Best Employers for Diversity • Realized a 7% increase in underrepresented groups across total enterprise workforce, bringing ascena's diverse associate representation to 40% <p>WHAT'S NEW</p> <ul style="list-style-type: none"> • Engaging the Board on strategic plans supporting our commitment to the CEO Action Pledge for Diversity & Inclusion • Increasing transparency by reporting on the diversity of new hires: in 2019, nearly half of new hires (45%) came from underrepresented groups <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> • Developing a comprehensive, enterprise-wide D&I dashboard to define specific D&I priorities for each of our business segments
<p>Launch D&I Committees and Associate Resource Groups (ARGs) on each corporate campus.</p>	<p>Adjusted* ●●●●○ Due: 2019</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> • Launched D&I Committees across five of our six corporate campuses • Launched new ARG chapters, including: ascenaPRIDE, Working Parents and Patchwork • Five of our six corporate campuses completed D&I survey to better understand associates' interests, needs, and priorities <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> • Increasing ARG membership, events, and initiatives
<p>Reach 1 million pounds of donated store fixtures and materials through our community impact program.</p>	<p>Complete ●●●●● Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> • Exceeded goal ahead of target; donated 1,126,566 pounds of store fixtures and materials to nonprofit organizations, including those providing women with professional development programs and training
<p>Align product donations to organizations committed to supporting women and girls.</p>	<p>Complete and continuing to track ●●●●● Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> • Increased our support of organizations supporting women and girls by aligning in-kind product donations to benefit their missions and programs • Made \$6.3 million of in-kind donations, benefitting 20 organizations supporting women and girls, a \$3.95 million increase of in-kind donations from last year • Provided 20 nonprofit organizations with dresses for women in need through Ann Taylor Get a Dress, Give a Dress campaign benefitting Delivering Good

* Due date adjusted by one year to accommodate organizational updates.



GOALS	PROGRESS	PROGRESS NOTES
<p>Commit to setting environmental impact reduction goals in our supply chain to reduce our footprint and mitigate climate change risks to local communities.</p>	<p>On Track  Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Engaged with all strategic Tier 1 suppliers as well as the Premium Fashion segment's top 20 mills to measure their environmental performance through the completion of the Sustainable Apparel Coalition's Higg Facilities Environmental Module (Higg FEM)* Engaged with all strategic Tier 1 suppliers (factories producing approximately 40% of overall apparel volume) as well as the Premium Fashion segment's Top 20 Mills (43% of Premium Segment volume as of July 2019) that have submitted Higg FEM self-assessments. Two-thirds of these mills will have completed onsite verifications by end of calendar year Expanded the scope of factories to be evaluated for Environmental Performance through ascena's Vendor Scorecard <p>WHAT'S NEW</p> <ul style="list-style-type: none"> Setting a baseline on environmental impact across our supply chain, with a focus on strategic Tier 1 suppliers Developing a dashboard to track, visualize, and deliver data on key suppliers' environmental impact <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Setting environmental reduction targets for our supply chain Developing a roadmap to achieve these targets
<p>Extend our policies and best practices across the enterprise to drive humane and ethical sourcing.</p>	<p>On Track  Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Implemented a mohair ban in 2018, covering all private label products across the enterprise <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Publishing an enterprise-wide Animal Welfare policy
<p>Collaborate with more suppliers in water access efforts in local communities, helping women and families secure access to safe drinking water.</p>	<p>On Track  Due: 2022</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Installed three AquaTowers and five AquaHomes, and sponsored three Community Education projects in our global supply chain communities through our collaboration with the Planet Water Foundation, providing approximately 3,000 people with access to clean drinking water in India and Vietnam; ascena associates and vendors volunteered during these installations <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Sponsoring additional AquaTowers, AquaHomes, and Community Education Projects in strategic sourcing regions

*Tier 1 suppliers are finished good facilities, the Premium Fashion segment consists of the Ann Taylor, LOFT and Lou & Grey brands, the Higg Facility Environmental Module (Higg FEM) is a sustainability assessment tool that standardizes how facilities measure and evaluate their environmental performance.



GOALS	PROGRESS	PROGRESS NOTES
<p>Commit to setting an ambitious enterprise-wide carbon reduction target.</p>	<p>On Track  Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Completed enterprise-wide carbon footprint analysis of ascena operations, including stores, corporate campuses and distribution centers; set baseline to inform carbon reduction target <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Releasing carbon reduction target in 2020
<p>Launch recycling and waste minimization awareness programs in all corporate campuses.</p>	<p>On Track  Due: 2020</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Piloted 3D sampling technology to reduce waste associated with ordering samples during the product design and fit sampling processes Continued to educate our associates about ways to reduce their waste footprint and increase recycling rates through ongoing communications and by providing recycling stations in common areas throughout our corporate campuses including pantries, conference rooms, and cafeterias <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Extending recycling and waste minimization awareness programs across our corporate campuses, with a focus on printing and single-use plastics
<p>Achieve zero-waste certification in distribution center and fulfillment facilities.</p>	<p>On Track  Due: 2025</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Began evaluation of zero-waste certification programs Repurposed 3.9 million vendor cartons to pack product—an 11% increase from last year—and recycled over 3,500 tons of cardboard, the equivalent of 140,000 trees saved* <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Launching Working Group to continue to drive and work towards zero waste certification
<p>Educate customers and associates on product end of life, sustainable fashion, and lifestyle through communications and marketing activations.</p>	<p>On Track  Due: Ongoing-</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Made sustainable fashion and lifestyle education available to all associates during Earth Month 2019 Launched collections across our brands, including LOFT's first capsule collection for Earth Month and Lane Bryant's Eco-Chic Collection Leveraged our company-wide Sustainable Materials Working Group to continue driving adoption of sustainable materials and sustainable practices across the enterprise <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Educating our customers and associates on sustainable materials, sustainable care instructions, and other ways to reduce environmental impact through increased communications

* Based on EPA estimates



GOALS	PROGRESS	PROGRESS NOTES
<p>Extend product life cycle through recycling, upcycling, and collaborations contributing toward our journey to a circular commitment.</p>	<p>On Track  Due: Ongoing</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Enabled our customers and associates to give their gently used clothing and accessories a second life through Give Back Box, through an in-store drive at LOFT stores during Earth Month; our brands donated nearly 6,700 boxes, totaling approximately 80,350 pounds in 2019 Lou & Grey released a line of limited edition upcycled products <p>WHAT'S NEW</p> <ul style="list-style-type: none"> Launched Infinitely LOFT, LOFT's new rental service, following successful launch of Ann Taylor Infinite Style in 2017 <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Continuing to explore circular options to extend the life of our products
<p>Increase sustainable raw materials sourcing in our apparel, focusing on more sustainable natural and synthetic fibers.</p>	<p>On Track  Due: Ongoing</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Increased volume of cotton sourced through the Better Cotton Initiative (BCI) in Premium Segment brands from 15% to 18%, equating to 1,400 metric tons of Better Cotton through BCI* Conducted raw materials footprint analysis across our Premium segment to inform the development of new sustainable materials targets <p>WHAT'S NEW</p> <ul style="list-style-type: none"> Converting polyester content of our highest volume core fabric in LOFT denim to REPREVE® recycled polyester, which will be in product beginning in fall 2019 and equate to 2.2 million plastic water bottles being recycled into polyester based on the annual volume <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Developing an enterprise-wide sustainable materials strategy with a focus on our highest-volume materials: cotton, polyester, and rayon Exploring opportunities to extend support of BCI across the enterprise
<p>NEW GOAL Launch an enterprise-wide hazardous chemical phase-out strategy within our supply chain.</p>	<p>On Track  Due: 2025</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Aligned the enterprise around one Restricted Substances List (RSL), which is based on the American Apparel & Footwear Association (AAFA) RSL <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Creating an RSL vendor verification process across the enterprise Developing ascena's enterprise-wide Chemical Management and Product Safety Working Group, with a comprehensive hazardous chemical reduction strategy and roadmap

* BCI data is based on calendar year 2018



GOALS	PROGRESS	PROGRESS NOTES
<p>NEW GOAL Increase adoption of more sustainable packaging solutions.</p>	<p>On Track ● ○ ○ ○ Due: Ongoing</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Conducted an inventory analysis of customer-facing packaging materials to identify opportunities for more sustainable options Conducted an inventory analysis of on-garment trim Introduced re-usable tote bags as a standard option across all Lou & Grey stores Evaluated product and customer poly bags to more sustainable options <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Transitioning customer product packaging (store and e-commerce) to sustainable alternatives, including bags, boxes, and tissue Converting a greater volume of packaging material to be recyclable or sustainably sourced Converting price tickets and on-garment marketing trim including, hang tags, and matchbooks to more sustainable options, beginning with the Premium segment



PROMOTING HEALTH & WELL BEING

GOALS	PROGRESS	PROGRESS NOTES
<p>Advance support of the Breast Cancer Research Foundation (BCRF) to commit to 1.2 million research hours by 2022.</p>	<p>On Track ● ● ● ○ Due: 2022</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Funded 947,280 research hours to date, putting us 79% of the way toward our goal <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Continuing to drive fundraising campaigns through all of our women's brands
<p>Expand women's empowerment initiatives to a broader group of women in our supply chain, and extend our global reach and impact through increased training.</p>	<p>On Track ● ● ○ ○ Due: 2022</p>	<p>WHAT WE'VE DONE</p> <ul style="list-style-type: none"> Announced a new goal to source 100% of Lou & Grey private label apparel from factories that have implemented HERproject* training by the end of 2020; Lou & Grey is currently sourcing 75% of private label apparel from factories implementing HERproject training <p>WHAT'S NEXT</p> <ul style="list-style-type: none"> Enrolling 10 new factories in the HERproject program across India and Vietnam Developing a new approach to increase and measure suppliers' efforts to promote women's empowerment in the workplace

* An initiative in collaboration Business for Social Responsibility (BSR)





SUPPLY CHAIN SPOTLIGHT

WE STRONGLY BELIEVE THAT THE QUALITY OF OUR PRODUCTS DEPENDS UPON AN ENGAGED AND EMPOWERED GLOBAL SUPPLY CHAIN. WE STRIVE TO ENSURE THAT EVERY WORKER'S DIGNITY AND HUMAN RIGHTS ARE RESPECTED.



SUPPLY CHAIN SPOTLIGHT

In 2018, we committed to reporting progress on our integrated program to collaborate with merchandise suppliers that share our values and deliver a responsible supply chain. We are proud to begin sharing our audit data in support of this commitment.

We monitor factories manufacturing branded products against the [Code of Conduct for Merchandise Suppliers](#). Third-party auditors conduct audits on behalf of each brand, the vast majority of which are unannounced. We prioritize audits based on business volume and past social compliance performance, and manufacturing factories are rated using the ascena SCALE ranking system. The ascena Responsibility Center of Excellence (CoE) supply chain sustainability team rates each manufacturing location on its performance during both monitoring and remediation. We are focused on helping our vendors' factories achieve continuous improvement and best-in-class compliance performance. ascena's remediation framework is rooted in a risk-based approach to determine the level of remediation activities that are recommended and required. To drive continuous improvement, we work with factories to create realistic goals, which allow them to demonstrate progress and results within an agreed-upon timeframe.

We conduct pre-sourcing audits for new factories and continuously audit approved factories approximately every 12-18 months. In Fiscal Year 2019, we audited 638 factories across our sourcing regions.



Participant in HERProject for Lou & Grey

2019 FACTORIES AUDITED BY REGION

ASIA		
COUNTRY	NUMBER OF FACTORIES	PERCENT OF TOTAL FACTORIES AUDITED
Bangladesh	20	3.1%
Cambodia	10	1.6%
China	367	57.5%
India	67	10.5%
Indonesia	47	7.4%
Philippines	4	0.6%
South Korea	2	0.3%
Sri Lanka	8	1.3%
Taiwan	1	0.2%
Thailand	3	0.5%
Vietnam	67	10.5%
Total	596	93.4%

EMEA		
COUNTRY	NUMBER OF FACTORIES	PERCENT OF TOTAL FACTORIES AUDITED
Jordan	2	0.3%
Madagascar	1	0.2%
Morocco	2	0.3%
Turkey	4	0.6%
Total	9	1.4%

AMERICAS		
COUNTRY	NUMBER OF FACTORIES	PERCENT OF TOTAL FACTORIES AUDITED
Canada	1	0.2%
El Salvador	1	0.2%
Guatemala	13	2.0%
Mexico	3	0.5%
Nicaragua	1	0.2%
USA	14	2.2%
Total	33	5.2%

NEW FACTORY APPROVAL

In fiscal year 2019, our CoE supply chain sustainability team assessed 223 new factories and approved 75% of these factories to manufacture branded products. All of these suppliers were required to adhere to the [Code of Conduct for Merchandise Suppliers](#). The code defines our expectations for transparent, ethical, and responsible manufacturing and specifically addresses our critical issues such as business integrity/corruption, discrimination, harassment, forced labor, child labor, unauthorized subcontracting, and violations of standards on minimum wage, health and safety, environmental conditions, and freedom of association. Factories found with a critical issue are not approved.



Participants in HERProject for Lou & Grey

BETTER WORK

In countries where Better Work* operates, we accept [Better Work](#) assessments in lieu of our own audits. Better Work aims to reduce duplicate audits and conflicting remediation messages by centralizing assessment and corrective action and training opportunities to improve labor compliance standards.

Better Work factories are required to follow the remediation steps and recommendations provided by the Better Work team. The CoE team reviews the Better Work Progress Report and Improvement Plan, as well as the regular updates provided by Better Work country representatives for the improvement status within the Better Work Cycle. Depending on the severity of the issue, our team may require vendors and factories to conduct trainings in addition to the general Better Work program requirements of completing the Better Work Progress Report and Improvement Plan.

We continue to increase our collaboration with Better Work. We now source from 137 factories enrolled in Better Work's program, representing a 44% increase since FY18.

* Better Work is a partnership between the UN's International Labour Organization and the International Finance Corporation, a member of the World Bank Group. Better Work is a partnership that reduces duplicate audits and conflicting remediation messages by centralizing assessment and corrective action and training opportunities to improve labor compliance standards of the country.

Participants in HERProject for Lou & Grey



Planet Water and ascena volunteers in Bangalore, India sharing the school-based Water-Health and Hygiene Education programs with students at the Government Higher Primary School, Harpanhalli Village.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

THIS REPORT WAS PREPARED IN REFERENCE TO THE GRI STANDARDS: CORE OPTION, A WIDELY ADOPTED METHOD FOR SUSTAINABILITY REPORTING.

DISCLOSURE NUMBER	TITLE	RESPONSE
GRI 102: GENERAL DISCLOSURES		
I02-1	Organization profile – Name of the organization	ascena retail group, inc. (“ascena”)
I02-2	Activities, brands, products, and services	ascena retail group, inc. (Nasdaq:ASNA) is a national specialty retailer offering apparel, shoes, and accessories for women under the Premium Fashion (Ann Taylor, LOFT, and Lou & Grey), Plus Fashion (Lane Bryant, Catherines and Cacique), and Value Fashion (Dressbarn) segments, and for tween girls under the Kids Fashion segment (Justice). ascena retail group, inc. through its retail brands operates ecommerce websites and approximately 3,400 stores throughout the United States, Canada, and Puerto Rico.
I02-3	Location of headquarters	933 MacArthur Boulevard, Mahwah, NJ 07430
I02-4	Location of operations	2019 10-K Store Locations, p. 6 International Operations, p. 7 Properties, p. 26
I02-5	Ownership and legal form	ascena is a publicly traded company on the NASDAQ
I02-6	Markets served	2019 10-K General, p. 3 Brands and Products, p. 4-6 Store Locations, p. 6 International Operations, p. 7 Properties, p. 26
I02-7	Scale of the organization	2019 10-K General, p. 3 Employees, p. 9 Store Locations, p. 6 International Operations, p. 7 Net Sales, p. 5, Capital Risks, p. 21-23 Properties, p. 26 Selected Financial Data, p. 29
I02-8	Information on employees and other workers	Female, Full-Time: 10,158 Female, Part-Time: 33,831 Female, Total: 43,989 Male, Full-Time: 1,650 Male, Part-Time: 560 Male, Total: 2,210 Gender Undeclared, Full-Time: 556 Gender Undeclared, Part-Time: 5,551 Gender Undeclared, Total: 6,107 Note: As of August 3, 2019 Excludes data from associates who have not specified a gender; and from our Bangalore IT office, which is not currently tracked through our HR systems (approximately 14%)
I02-9	Supply chain	2019 10-K General, p. 3 Brands and Products, p. 4-6
I02-10	Significant changes to the organization and its supply chain	2019 10-K Enterprise transformation, p. 3-4 Operational risk, p. 11-21 Capital Risks, p. 21-23 Management’s Discussion and Analysis of Financial Condition and Results of Operations, 30-53 2019 Proxy Statement Compensation, Discussion and Analysis, p. 21-52

DISCLOSURE NUMBER	TITLE	RESPONSE
102-12	External initiatives	<p>General Responsibility: Business for Social Responsibility (BSR), UN Women's Empowerment Principles (UN WEPs), American Apparel & Footwear Association (AAFA)</p> <p>Human Rights & Safe Workplaces: Better Work, Sustainable Apparel Coalition (SAC), Social and Labor Convergence Project (SLCP), BSR HERproject, UN WEPs</p> <p>Diversity & Inclusion: CEO Action for Diversity & Inclusion: UN WEPs, Catalyst, Hispanic Association on Corporate Responsibility (HACR)</p> <p>Environmental Sustainability: SAC, Better Cotton Initiative (BCI), Textile Exchange, BSR</p>
102-14	Strategy – Statement from senior decision-maker	CEO Letter
102-15	Key impacts, risks, and opportunities	<p>2019 10-K Risk Factors, p. 10 Macroeconomic and Industry Risks, p. 10-11 Operational Risks, p. 11-21 Capital Risks, p. 21-23 Legal and Regulatory Risks, p. 23-26</p>
102-16	Ethics and Integrity – Values, principles, standards, and norms of behavior	<p>Our Leadership Principles</p> <p>Code of Conduct for Merchandise Suppliers</p>
102-17	Ethics and Integrity – Mechanisms for advice and concerns about ethics	<p>Code of Business Conduct</p> <p>Associates may share concerns regarding ethics via the ascena Retail Group Business Conduct Helpline</p>
102-18	Governance – Governance structure	<p>Board of Directors</p> <p>Board Committees</p> <p>Corporate Governance Guidelines</p>
102-22	Governance – Composition of the highest governance body and its committees	<p>2019 10-K Information About Our Executive Officers, p. 9</p> <p>Board of Directors</p> <p>Board Committees</p> <p>2019 Proxy Statement Board Composition, p. 6-20</p>
102-23	Governance – Chair of the highest governance body	<p>2019 10-K Information About Our Executive Officers, p. 9</p> <p>2019 Proxy Statement Board Composition, p. 6-20</p>
102-24	Governance – Nominating and selecting the highest governance body	<p>2019 Proxy Statement Election of Directors, p. 6-20</p>
102-25	Conflicts of interest	<p>2019 Proxy Statement Director independence, p. 12 Corporate Governance Guidelines, p. 14 Related Party Transactions, p. 80</p> <p>Corporate Governance Guidelines</p> <p>Code of Ethics for Senior Financial Officers</p> <p>Code of Business Conduct</p>

DISCLOSURE NUMBER	TITLE	RESPONSE
102-31	Review of economic, environmental, and social topics	The Board of Directors' review of environmental and social topics is obtained through the updates it receives from the Leadership and Corporate Governance Committee (LCGC). The LCGC reviews environmental and social topics regularly.
102-32	Highest governance body's role in sustainability reporting	Reviewed by all relevant business personnel.
102-33	Communicating critical concerns	2019 Proxy Statement Communicate with Board of Directors, p. 20 Corporate Governance Guidelines Stockholder Communications with Board, p. 5
102-40	List of stakeholder groups	Associates, investors, suppliers, workers in our supply chain, non-governmental organizations ("NGOs"), customers
102-41	Collective bargaining agreements	2019 10-K Employees, p. 9
102-50	Reporting period	Fiscal year 2019: August 5, 2018 - August 3, 2019
102-51	Date of most recent report	Oct 2018
102-52	Reporting cycle	We issue a full Responsibility Report biennially and a Responsibility Progress Report each year in between.
102-53	Contact point for questions regarding the report	Corporate.Affairs@AscenaRetail.com
102-54	Claims of reporting in accordance with the GRI Standards	We have sought to prepare this report in reference to the GRI Standards: Core option.
102-55	GRI content index	GRI Content Index
102-56	External assurance	This report has not received external verification.
GRI 201: ECONOMIC DISCLOSURES		
201-1	Direct economic value generated and distributed	2019 10-K Selected Financial Data, p. 29
201-3	Defined benefit plan obligations and other retirement plans	2019 10-K Employees, p. 9 Employee Benefit Plans, p. F-40 - F-41
GRI 301: MATERIALS DISCLOSURES		
103-1, 103-2, 103-3	Management approach	In 2019, we began developing a more specific strategy for increasing the use of sustainable materials in our apparel and we are in the process of developing a more sustainable packaging strategy. No data is yet reported. We will follow up on the performance of our forthcoming goals in future reports.
301-1	Materials used by weight or volume	The highest volume raw materials used in our Premium Fashion segment's apparel include: Cotton (34%), Polyester (29%), Rayon (17%), Viscose (7%), and Nylon (4%)*. We hope to baseline and share similar data for our other brands along with data related to our use of sustainable materials in future reporting. * This data is from 2018
301-2	Recycled input materials used	We are currently determining the best way to measure the percentage of recycled input materials used in our apparel. We look forward to sharing this data in future updates.

DISCLOSURE NUMBER	TITLE	RESPONSE
GRI 302: ENERGY		
302-1	Energy consumption within the organization	<p>Total fuel consumption with the organization from non-renewable sources: 202,833GJ</p> <p>Total consumption for: - Electricity: 1,574,634GJ - Cooling: 891GJ - Steam: 5,217GJ</p> <p>Total Energy Consumption: 1,783,575GJ</p> <p>* Note: This data is from 2018 and has been independently compiled</p>
302-3	Energy intensity	<p>Energy intensity ratio for the organization: 0.0588613</p> <p>* Note: This data is from 2018 and has been independently compiled</p>
GRI 305: EMISSIONS		
305-1	Direct (Scope 1) GHG Emissions	<p>Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent: 15,823 MTCO2e</p> <p>Gases included in the calculation: CO2, CH4, N2O, HFCs</p> <p>Base year for the calculation: 2018</p> <p>* Note: This data is from 2018. These figures also include emissions associated with Maurices and Dressbarn, which will not be included in future years.</p>
305-2	Indirect (Scope 2) GHG Emissions	<p>Gross location-based energy indirect (Scope 2) GHG emission in metric tons of CO2 equivalent: 196,039 MTCO2e</p> <p>Gases included in the calculation: CO2, CH4, N2O</p> <p>Base year for the calculation: 2018</p> <p>* Note: This data is from 2018. These figures also include emissions associated with Maurices and Dressbarn, which will not be included in future years.</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>Gross other indirect (Scope 3) GHG emission in metric tons of CO2 equivalent: 24,609 MTCO2e</p> <p>Calculation tools used: ascena's supply chain emissions reporting and reduction efforts begin with our strategic suppliers. Therefore, the Scope 3 emissions reported are based on data provided by our strategic suppliers through Higg FEM. Factories producing approximately 40% of ascena's apparel volume have completed onsite verifications and submitted their Higg FEM modules.</p>
305-4	GHG emissions intensity	<p>GHG emissions intensity ratio for the organization: 0.00699</p>
GRI 306: EFFLUENTS AND WASTE		
306-1	Water discharge by quality and destination	<p>Total Volume of Planned and Unplanned Water Discharges: 5,897,916 cubic meters Industrial Wastewater: 1,462,033 cubic meters Domestic Wastewater: 3,187,199 cubic meters Combined Wastewater: 1,248,685 cubic meters</p> <p>Standards, methodologies, and assumptions used: Facilities that completed Higg FEM reported on their wastewater treatment. All strategic Tier 1 suppliers measure their environmental performance through completion of Higg FEM.</p> <ul style="list-style-type: none"> • Industrial wastewater: Water used in production, lubrication, cooling, maintenance, cleaning of production machines, etc. • Domestic wastewater: Water used in toilets, showers, kitchens, cleaning, etc. • If they reported that their Industrial and Domestic wastewater was treated together, their wastewater amount was reported as Combined wastewater • The total volume is the sum of Industrial, Domestic, and Combined wastewater

DISCLOSURE NUMBER	TITLE	RESPONSE
GRI 308: SUPPLIER ENVIRO. PERFORMANCE		
103-1, 103-2, 103-3	Management Approach	<p>In 2018, we announced a public goal to set environmental impact reduction goals for our supply chain in order to mitigate climate change risks to local communities. In support of this goal, we have:</p> <ul style="list-style-type: none"> • Engaged with all strategic Tier 1 suppliers as well as the Premium Fashion segment's Top 20 Mills to measure their environmental performance through the completion of the Sustainable Apparel Coalition's Higg Facilities Environmental Module (Higg FEM) • Expanded the scope of factories to be evaluated for environmental performance through ascena's Vendor Scorecard • Set a baseline on environmental impact across our supply chain, with a focus on strategic Tier 1 suppliers • Developed a dashboard to track, visualize, and deliver data on key suppliers' environmental impact
308-1	Supplier Environmental Assessment - New suppliers that were screened using environmental criteria	100% of new suppliers audited by ascena's audit program (excluding mutual recognition audits) are assessed against local regulations that are essential for business operations.
GRI 401: EMPLOYMENT		
103-1, 103-2, 103-3	Management Approach	<p>At ascena, we believe the knowledge, experience, skill and passion of associates are our most valuable assets. We are committed to creating an environment where talent thrives. We offer a blended learning approach to our associates that focuses on the 3 Es (experience, exposure and education) and empowers associates to take control of their own development, while being supported by their leader.</p> <p>CEO Gary Muto recently signed the CEO Action for Diversity & Inclusion, joining over 700 leaders in a coalition to support an inclusive workplace and cultivate a trusting environment where all ideas are welcome.</p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our Careers
GRI 404: TRAINING AND EDUCATION		
103-1, 103-2, 103-3	Management Approach	<p>At ascena, we're committed to creating an environment where our talent thrives. We invest in associate development and strive to make every associate feel empowered to own their career journey and growth as we support them in the process. Our associates have access to ascena University, home to a wide variety of self-guided resources, instructor toolkits, and instructor-led training, all tied to ascena's Leadership Principles. We also foster a culture of learning through Development Days, through which associates participate in a series of presentations, workshops, and interactive events created using the 3E (experience, exposure, and education) Framework.</p>
404-3	Percentage of employees receiving regular performance and career development reviews	Our associates participate in a formal review process annually.

DISCLOSURE NUMBER	TITLE	RESPONSE
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
103-1, 103-2, 103-3	Management approach	In 2018, ascena launched Diversity and Inclusion (D&I) as a strategic business imperative. Since then, we have established D&I Committees across five of our six corporate campuses and inaugurated new Associate Resource Group (ARG) chapters, including ascenaPRIDE, Working Parents, and Patchwork Multicultural chapters. Each corporate campus has also conducted a D&I survey to better understand associates' interests, needs, and priorities related to D&I, and we have rolled out unconscious bias education across the organization. CEO Gary Muto signed the CEO Action for Diversity & Inclusion, joining over 700 leaders in a coalition to support trusting and inclusive workplaces where all individuals and ideas are welcome. To further this commitment, Gary Muto also signed the Open to All Pledge, a nationwide public engagement campaign to build awareness and understanding about the importance of protecting people from discrimination —and to defend the bedrock principle that when businesses open their doors to the public, they should be Open to All.
405-1	Diversity of governance bodies and employees	Board of Directors: 60% women (as of F19 close) * VP-and-above executives: 61% women * Directors-and-above: 71% women * Stores led by women: 98% * Women associates: 95% * Includes US workforce data
GRI 406: NON-DISCRIMINATION		
103-1, 103-2, 103-3	Management approach	Discrimination is prohibited by our Code of Business Conduct . We take proactive steps to create an environment free from discrimination and address any issues that come to our attention in a timely and appropriate manner.
406-1	Incidents of discrimination and corrective actions taken	We take all allegations of incidents of discrimination seriously and take all necessary actions when these are brought to our attention.
GRI 407: FREEDOM OF ASSOCIATION		
407-1	Freedom of Association and Collective Bargaining – Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Code of Conduct for Merchandise Suppliers
GRI 408: CHILD LABOR		
408-1	Significant risk of child labor in operations and suppliers	ascena's Code of Conduct for Merchandise Suppliers includes child labor and is covered in all audits. Suppliers undergo social, labor and environmental assessments to assess compliance with the Code of Conduct for Merchandise Suppliers.
GRI 409: FORCED OR COMPULSORY LABOR		
409-1	Forced or Compulsory Labor – Operations and suppliers at significant risk for incidents of forced or compulsory labor	CA Transparency in Supply Chain Code of Conduct for Merchandise Suppliers
GRI 412: HUMAN RIGHTS ASSESSMENT		
103-1, 103-2, 103-3	Management approach	Supply Chain Spotlight Code of Conduct for Merchandise Suppliers
412-1	Operations that have been subject to human rights reviews or impact assessments	Supply Chain Spotlight

DISCLOSURE NUMBER	TITLE	RESPONSE
GRI 413: LOCAL COMMUNITIES		
103-1, 103-2, 103-3	Management Approach	ascena is committed to supporting the local communities in which we live, work, and operate, with a particular focus on advancing leadership and opportunity as well as health and well-being for women and girls.
413-1	Operations with local community engagement, impact assessments, development programs	We participate in community engagement activities in many of the areas where we live and work.
GRI 414: SUPPLIER ASSESSMENT		
103-1, 103-2, 103-3	Management Approach	Supply Chain Spotlight
414-1	Supplier Social Assessments – New suppliers that were screened using social criteria	Supply Chain Spotlight
414-2	Supplier Social Assessments – Negative social impacts in the supply chain and actions taken	Supply Chain Spotlight



LOFT associates in LOFT PRIDE T-shirts. 35% of proceeds of sales donated to GLSEN.

