

2019 Environmental Sustainability Report

Ross Stores, Inc.



ROSS®

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A Message From Barbara Rentler

To our associates, customers, neighbors, suppliers, and shareholders:

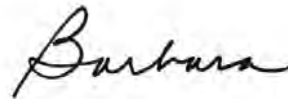
Now more than ever, it is important for businesses to take actions that drive environmental sustainability. The increased frequency and severity of natural disasters, like hurricanes and wildfires, have illuminated the need for organizations to meaningfully address climate change.

These developments have affirmed Ross' belief that we have a responsibility to invest in a sustainable future for the communities we serve, for the Company, and for the planet. This has been a long-standing priority and is reflected in our decades-long efforts to use less energy and fewer natural resources at our stores, distribution centers, and offices.

It is critical that we achieve business growth while simultaneously reducing greenhouse gas (GHG) emissions, waste sent to landfill, and the use of important resources. Yes, our environmental sustainability efforts lower costs and enhance our ability to deliver the value our customers expect, but they also help us to be a responsible corporate citizen.

As we continue our sustainability journey and advance our investments in meaningful initiatives, we look forward to sharing our progress.

Sincere regards,



Barbara Rentler

Chief Executive Officer
Ross Stores, Inc.



Introduction

At Ross, treating our environment with care is an extension of how we support the communities we serve.

A photograph of a Ross Dress for Less storefront. The building has a modern design with a light gray facade and vertical blue and gray stripes on the sides. The Ross logo is prominently displayed in large, blue, 3D letters. Below the logo, the words "DRESS FOR LESS" are written in a smaller, blue, sans-serif font. The entrance features large glass doors and windows, with a "Welcome to your Foot Square" sign visible inside. There are several blue and white accessibility signs (ADA) posted near the entrance. A small Ross logo is also visible on a sign to the right of the entrance.

ROSS
DRESS FOR LESS

About Our Company

We launched our off-price business almost four decades ago based on the premise that everyone loves a bargain. The six Ross Dress for Less® stores we opened in Northern California in 1982 have grown into the largest off-price apparel and home fashion chain in the United States, with 1,546 stores at the end of 2019 in 39 states, the District of Columbia, and Guam. dd's DISCOUNTS®, which we launched in 2004, had 259 stores in 19 states at year end.

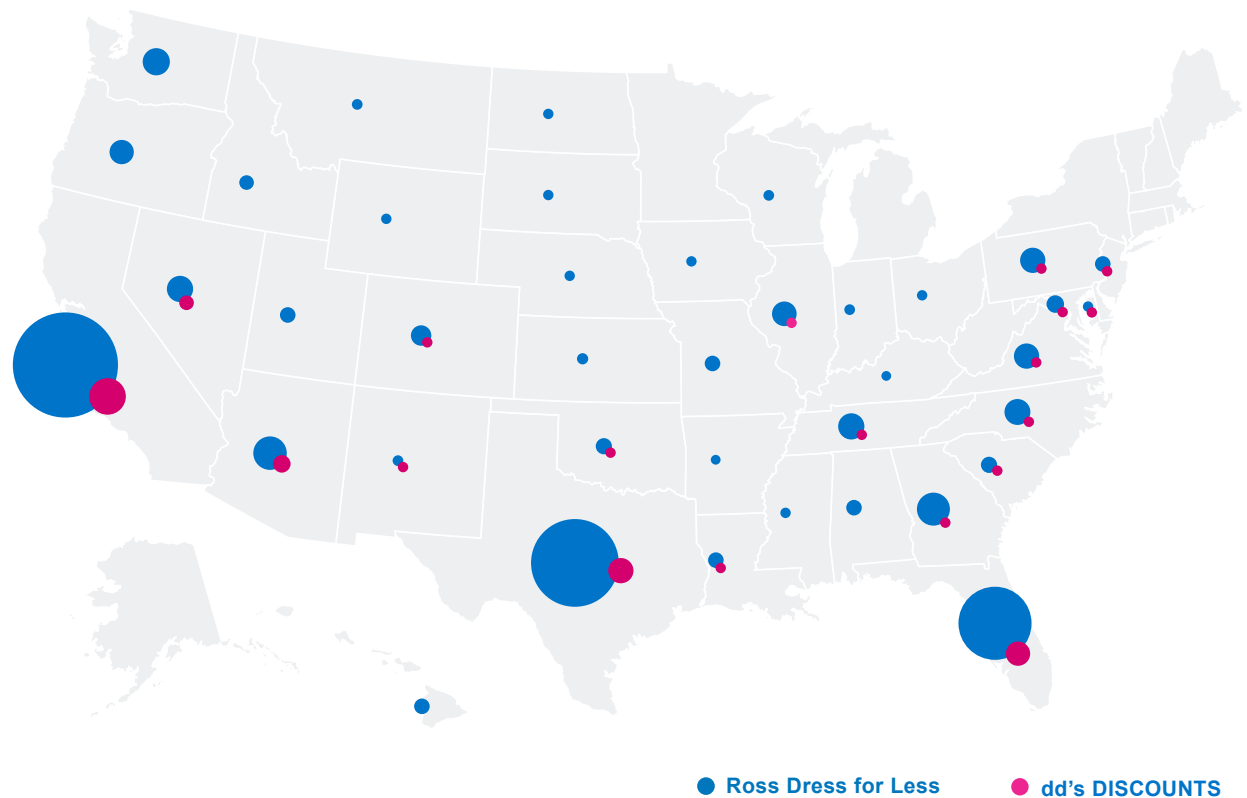
\$16 billion
annual revenue

39 states

88 net new
stores in 2019

1,805 stores

92,500 associates



About Our Report

This annual report covers our environmental sustainability progress achieved during our Fiscal Year 2019, which ended on February 1, 2020, as well as certain other events and initiatives that occurred outside of this reporting period. The structure and disclosures in this report were informed by several frameworks, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD).

For more information about our other Corporate Social Responsibility efforts, including Empowering Our Associates, Supporting Our Communities, and Conducting Business Ethically, please visit our website at <https://Corp.RossStores.com/Responsibility/>.



About Environmental Sustainability at Ross

Overview

At Ross Stores, treating our associates, our communities, and our environment with respect is a priority every day. Our efforts to be efficient and sustainable help us reduce our impact on the environment and generate cost savings, which we pass on to our customers. We've had a long-standing commitment to use less energy and fewer natural resources, and we continue to improve our performance year after year. While we have a number of programs today, our commitment to this area constantly requires new thinking and new approaches. As a result, we are always looking for ways to improve.

Materiality

We understand that the health of our environment is inextricably linked to the health of our Company. Environmental sustainability is an important issue for all businesses to consider when conducting operations, and the specific nature of our Company's operations has informed our sustainability policies and programs. We will continue to invest in meaningful initiatives that will help reduce our environmental impact while also creating business value.

We conducted a materiality assessment to determine which environmental sustainability issues are most important to our associates, stakeholders, and communities. We concluded that the most critical environmental issues in our operations are GHG emissions and waste. While water is not a significant area of impact for Ross, we are aware of the importance of water conservation and have programs in place to ensure that we are efficient with our water usage.

Program Oversight

To ensure that our environmental sustainability strategy is aligned with our business strategy and has the support and guidance to be successful, we have established robust program governance.

At the top of our sustainability program governance is our Board of Directors. The Audit Committee of the Board of Directors provides Board-level oversight of the sustainability program and climate risks and receives annual reports of the Company's environmental sustainability efforts.

Ross has also established the Environmental Sustainability Steering Committee (ESSC), which is made up of senior leaders across the Company, including those from Store Operations, Supply Chain, Property Development, Finance, Indirect Procurement, and Legal. The ESSC is responsible for identifying and managing risks and opportunities associated with climate change, informing and endorsing GHG emissions and waste reduction strategies, and identifying and supporting projects in pursuit of achieving these strategies. The ESSC also provides guidance to a dedicated sustainability team and helps align the program with the overall business strategy.

Business unit leaders are critical members of our sustainability program. These leaders implement and oversee energy efficiency, energy management, and waste minimization efforts across the Company. When appropriate, the sustainability team provides support to aid in the success of sustainability efforts.

2019 Environmental Sustainability Achievements

Advancing our commitments



Developed our first GHG emissions target to reduce Scope 1 and 2 emissions per square foot by **30%** by 2025 against a 2017 baseline.

Increasing transparency



Reported our climate change management to **CDP's 2020 Climate Change Questionnaire**

Carbon reduction achievements



14% reduction in Scope 1 and 2 GHG emissions per square foot versus 2017

Nearly **100%** of stores have LED lighting

1.8 million over-the-road miles reduced annually through distribution route optimization

Waste reduction achievements



63% of waste diverted from landfill

100 thousand tons of cardboard recycled

Emissions and Energy

A cornerstone of our environmental efforts is managing our GHG emissions and energy to limit our contribution to climate change.



Overview

We recognize that climate change is one of the biggest challenges facing our world and that companies can play a significant role in helping mitigate its impacts. Our business, our associates, and our customers have felt the impact of extreme weather events across the country, and, as a company that was founded and is headquartered in California, we are conscious of the threat posed by wildfires. These direct physical risks, along with many others, will only become more severe as the climate continues to warm.

Our response to climate change is organized into three action areas: increasing efficiency, building resiliency, and lowering our impact. Throughout this section, you will find details about our years of work in these areas.

To reflect our growing commitment to environmental stewardship, **Ross has established a target to reduce our Scope 1 and 2 GHG emissions per square foot by 30% by 2025** against a 2017 baseline. We chose Scopes 1 and 2 for our first GHG target so we could focus on driving improvements

in our own operations and demonstrating the ability to drive value through GHG reduction initiatives. In time, we can apply this knowledge to opportunities throughout our supply chain.

Ross has established a target to reduce our Scope 1 and 2 GHG emissions per square foot by 30% by 2025

We also increased our commitment to transparency by submitting to the CDP Climate Change Questionnaire for the first time in 2020. Our CDP response includes our 2019 GHG footprint, as well as detailed information about our climate-related risks, opportunities, strategies, and management.



GHG Emissions Inventory Details

In this section, you will find a comprehensive GHG accounting of our Scope 1 and 2 impact and a limited measurement of our Scope 3 impact. We plan to continue expanding our measurement capabilities to further understand additional relevant Scope 3 categories.

Our 2019 GHG inventory was assembled in accordance with common industry standards, including guidelines from the Greenhouse Gas Protocol, The Climate Registry, and the US EPA Center for Corporate Climate Leadership. Our reported 2019 GHG Scope 1, 2, and 3 emissions were also verified by a third party to ensure accuracy and completeness.

GHG emissions are typically reported in terms of metric tons of carbon dioxide equivalent (MT CO₂e). To help organize GHG emissions data, we applied the Greenhouse Gas Protocol's scope definitions:

Scope 1: Direct emissions from sources owned or controlled by Ross (e.g., fuel used in company vehicles or burned in heating, ventilation, and air conditioning [HVAC] units for heat)

Scope 2: Emissions from the generation of electricity purchased by Ross (e.g., emissions produced by electric utilities)

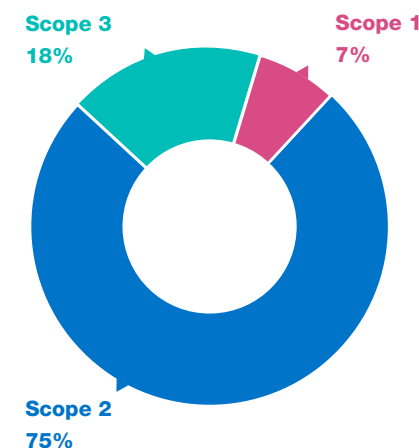
Scope 3: Indirect emissions that are influenced by Ross activities but are generated by sources not owned or controlled by Ross (e.g., business travel, transportation of products, customer use of merchandise)

Due to the impact of many of the efficiency efforts that we have pursued, **our absolute Scope 1 and 2 GHG emissions decreased by approximately 4%** between 2017 and 2019. The intensity of our **Scope 1 and 2 emissions per square foot decreased approximately 14%** over that same period, resulting in a GHG emissions intensity of 4.3 MT CO₂e per 1,000 square feet in 2019.

GHG Emissions Summary Table

GHG Emissions Category	2017 (baseline) MT CO ₂ e	2019 MT CO ₂ e
Scope 1	18,310	23,175
Scope 2	258,826	242,511
Total Scope 1 & 2	277,136	265,686
Total Scope 1 & 2 per 1,000 sq ft	5.0	4.3
Scope 3 – Business Travel	28,963	8,557
Scope 3 – Fuel- and energy-related activities (not in Scope 1 & 2)	(Not measured)	51,105
Total Scope 1, 2 & 3	306,099	325,348

2019 GHG Emissions by Scope



Energy Overview

As an off-price retailer, the majority of the GHG emissions and energy consumption that we control comes from electricity. In 2019, the purchase of electricity to operate our facilities represented 87% of our total energy consumption, as measured in megawatt hours (MWh). The great majority of that purchased electricity was used to operate our Ross Dress for Less and dd's DISCOUNTS stores.

Because electricity consumption is such a large part of our energy usage and emissions, an important part of our GHG management strategy addresses electricity use in our buildings. Our investments in lighting, heating systems, and insulation have enabled us to reduce electricity use, and we have teams committed to finding new and better ways to achieve energy efficiency.

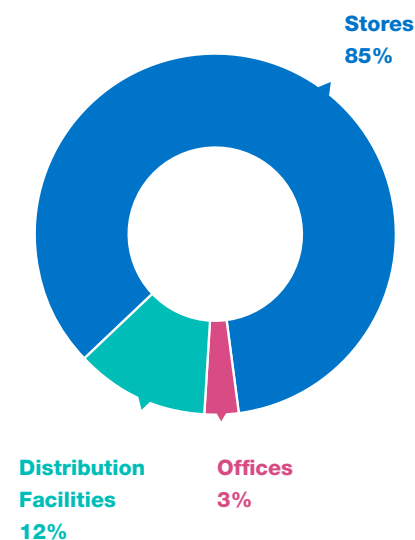
We endeavor to decrease our energy intensity year over year, which reduces our environmental impact and costs.

2019 Energy Consumption by Source

Source	2019
Electricity	679,702 MWh 2,446,927 gigajoules (GJ)
Natural Gas	95,922 MWh 345,319 GJ
All Other Sources*	7,038 MWh 25,337 GJ
Total	782,662 MWh 2,817,583 GJ
Total Energy Intensity	12.7 MWh per 1,000 sq ft 45.6 GJ per 1,000 sq ft

*Other fuel sources include diesel, gasoline, propane, and fuel oils.

Total Electricity Usage by Location



Energy Efficiency in Stores

Most of the electricity purchased for our stores is used for lighting and climate control. For many years, we have invested in numerous energy-saving technologies to make these processes more energy efficient.

One energy-efficiency investment is our LED lighting program. Starting in 2015, we made LED lighting standard for all new stores and began retrofitting our existing stores with LEDs. For a typical Ross Dress for Less and dd's DISCOUNTS store, an LED retrofit project involved replacing all existing lamps with LEDs, which lowered electricity usage of each store. As of the end of 2019, we had LED lighting in nearly 100% of our stores.

We also use high-efficiency HVAC units whenever possible. This equipment utilizes variable speed fan technology to lower the energy required to push air through our stores.

In 2019, Ross piloted an advanced building energy management system to refine the operation of our lighting and HVAC equipment in our stores. By adding precision to our energy management, we

shave off unnecessary electricity use. The technology also allows us to easily adjust occupancy schedules, lighting levels, and temperatures across our stores. Additionally, this system allows for remote diagnosis of HVAC issues to quickly identify and correct inefficiencies. Changes can be made within a matter of minutes to respond to requests to relieve pressure on the electricity grid during critical periods (like heat waves).

We have designed our new store prototype to be efficient, with the understanding that investments in the earliest stage of store development pay off for years to come. For instance, we use thicker, higher-quality insulation than is required by code and white roofs whenever possible to deflect heat. These actions lower the demand on our HVAC systems, which lowers our energy usage, environmental impact, and costs.

Through initiatives like those listed above, the total electricity consumption across all stores in 2019 was flat compared to 2017, despite the fact that we added 183 net new stores over that period.



Energy Efficiency in Distribution Centers

Ross' distribution and warehouse facilities represent a smaller portion of our electricity consumption and, on average, use less energy per square foot to operate than our stores.

Highlights of our energy management program in 2019 include:

- We utilize an “air purging” program that uses natural air to cool our facilities. During the day, the sun heats up our buildings. At night, when temperatures drop, we purge the hot air from the building and welcome fresh, naturally cool air into the building. This allows us to avoid several hours of air conditioning, thereby saving energy costs. What's more, the purging program reduces our electricity demand during high-peak daytime hours and therefore reduces pressure on the electricity grid.
- We use highly efficient conveyor systems with variable frequency drives, sensors, and automation that shuts off equipment when not in demand.

- We have LED lighting and sensors that shut off lights when areas of a facility are not in use. Many of our facilities also have skylights to take advantage of natural light.
- We use battery-powered forklifts and material handling equipment to move merchandise within many of our distribution facilities. In general, this battery-operated equipment is more energy efficient and has a lower overall cost of ownership when compared to its fuel-powered counterparts.

All of these approaches help our distribution centers reduce air pollution, limit GHG emissions, and achieve significant cost savings.



Energy Efficiency in Offices

In 2014, we moved our headquarters to a new campus, which achieved Leadership in Energy & Environmental Design (LEED) Gold certification from the U.S. Green Building Council, with features that increase our associates' comfort while also minimizing our impact on the environment.

The sustainability features of our headquarters include energy management equipment such as high-efficiency HVAC equipment, Energy Star appliances, and lighting with motion sensors and daylight controls. Additionally, we converted our interior and exterior lighting to LEDs. We also enabled lower-emission transportation options by locating the campus close to public transportation, having on-site electric vehicle charging stations, and providing bicycle storage and changing facilities.



Energy Efficiency in Product Transportation

Ross does not own our fleet of trucks. However, because we know the impact of transporting our products is likely a relevant source of indirect emissions, we employed several strategies in 2019 to make product transportation more sustainable:

- Shipments were consolidated where possible to reduce the number of trips to stores each day.
- Approximately 39% of our products were shipped by rail, which is less polluting than standard ground transportation.
- Over 80% of our transportation partners participated in the SmartWay Transport Partnership, a U.S. Environmental Protection Agency program that improves fuel efficiency and reduces air pollution.
- The capacity of each trailer was maximized through floor-loading and removing unnecessary packaging, leading to fewer shipments.
- A project to optimize the delivery routes in a number of our markets resulted in a reduction of more than 1.8 million over-the-road miles.



Energy Efficiency in Travel

Ross has a robust field leadership organization to support stores located across the country. One of the key functions of our field leaders is to visit and provide direct guidance to stores in their area, which means many of these leaders spend a lot of time on the road. To help lower the GHG impact of these visits, Ross has a corporate fleet program that is primarily made up of hybrid vehicles.



Waste Management and Recycling

The second focus area of our environmental sustainability program is managing and reducing our waste footprint.

Overview

The waste we generate is one of our Company's most material impacts, and we work hard to manage and reduce our waste footprint.

We encourage associates in our stores, distribution centers, and corporate offices to participate in practices that increase our recycling, reduce waste, and decrease our use of natural resources. These efforts allow us to divert waste from landfill.



Waste Diversion from Landfill*

We measure the percentage of our waste that we divert from landfill across our retail operations. This measurement includes all stores and Ross-controlled distribution centers and warehouses.



**This figure is approximate. We expect that the accuracy of our waste measurements will improve as this program matures.*

Minimizing Waste in Stores

In 2019, approximately two-thirds of our operational waste was generated in our stores, and a significant portion of that was cardboard. Because they represent such a large part of our waste footprint, cardboard boxes are an important part of our effort to reduce our waste and demonstrate our commitment to be a responsible retailer.

**We recycled
approximately 40,000
tons of cardboard through
the backhaul recycling
program in 2019**

A majority of our stores participate in a cardboard recycling program in which used boxes are back-hauled to a regional facility, baled, and delivered to a recycling partner. This effort to recycle quickly adds up. Across participating stores, we recycled approximately 40,000 tons of cardboard through the backhaul recycling program in 2019, and we expect this number to continue to grow each year.

Other recycling and waste reduction programs in our stores:

- **Reusable bags:** We sell branded reusable bags at our stores and encourage customers to use reusable shopping bags.
- **Shopping bags with recycled content:** All the plastic and paper shopping bags that we provide to customers contain recycled material.
- **Carrying strips:** Instead of giving large bags for oversize items, we offer adhesive carrying strips that allow our customers to handle their purchases while using a fraction of the plastic.
- **Reusable hangers:** When possible, we avoid single-use hangers and have a reuse program for store hangers.
- **Other diversion programs:** In certain geographies, we have pursued other diversion efforts, such as organic waste programs.



Minimizing Waste in Distribution Centers

Our distribution centers receive merchandise from many countries. We process and ship these goods to stores across the country, typically in cardboard boxes. We use a packing and shipping system that minimizes the number of boxes and trucks required to deliver merchandise, as well as a system to recycle the millions of boxes we receive each year. As a result, we recycled over 60,000 tons of material generated in our distribution centers in 2019, and this measure grows each year.

We continue to test new recycling systems at our distribution centers and stores. In 2019, we piloted a plastic wrap recycling program. We also recycle our wooden pallets.

These efforts divert tons of waste from going into landfills. As an added benefit, they also help us reduce waste disposal costs.

**We recycled over 60,000
tons of material generated
in our distribution centers
in 2019**

Another effort that helped us divert waste from landfills, while also supporting communities, was donating non-sellable merchandise that was delivered to our distribution centers. We partner with local nonprofits to distribute the merchandise to the community. In one case, we donated professional clothes to nonprofits helping people prepare for job interviews.



Minimizing Waste in Offices

The small changes in how we operate our offices also have a positive impact on the planet. Examples of the initiatives that we had in place in 2019 include the following:

- At our Dublin headquarters, 100% of company-provided flatware and utensils are reusable or compostable, and we encourage the use of reusable plates and cutlery.
- We minimize the environmental impact of printing by using paper that has postconsumer content; setting printers to print double-sided; and using large-capacity, refurbished printer toners that result in less plastic, steel, aluminum, and rubber waste compared to traditional toners. We also have a program to recycle office paper.
- The majority of our associates receive electronic paychecks, which reduces paper use.
- Hydration stations are available to reduce single-use plastic bottle waste.
- An e-waste recycling program handles damaged or obsolete electronic equipment.





Environmental Sustainability in the Supply Chain

Ross expects our suppliers to comply with applicable environmental laws.

Environmental Sustainability in the Supply Chain

The majority of the apparel, footwear, accessories, and home-related merchandise sold in our stores is purchased from suppliers after they have been produced to other retailers' specifications. We require that vendors sell us only products that comply with applicable laws, including those related to environmental protection and product safety, and we will not knowingly purchase products made in violation of established environmental or consumer product safety requirements.

Additionally, we maintain a large supply chain with a network of over 7,500 suppliers to give us flexibility in the event that any of our individual suppliers are impaired by climate-related issues.

For more information on our ethical business practices, please see <https://Corp.RossStores.com/Responsibility/Conducting-Business-Ethically>.



Appendix

GRI Reference Data Table

The table below references GRI 103: Management Approach 2016, GRI 302: Energy 2016, and GRI 305: Emissions 2016.

Impact Area		Disclosure Number	Description	Location
Energy	Management Approach	103-1	Explanation of the material topic and its boundary	2020 CDP Response; 2019 Environmental Sustainability Report – Materiality (pg. 6), Program Oversight (pg. 6), Energy and Emissions – Overview (pg. 9), Energy and Emissions – Energy Overview (pg. 11)
		103-2	The management approach and its components	
		103-3	Evaluation of the management approach	
	GRI 302: Energy	302-1 SASB CG-MR-130a.1	Energy consumption within the organization	2020 CDP Response; 2019 Environmental Sustainability Report – Energy and Emissions – Energy Overview (pg. 11)
		302-3	Energy intensity	2019 Environmental Sustainability Report – Energy and Emissions – Energy Overview (pg. 11)
		302-4	Reduction of energy consumption	2020 CDP Response; 2019 Environmental Sustainability Report – Energy Efficiency in Stores (pg. 12)
Emissions	Management Approach	103-1	Explanation of the material topic and its boundary	2020 CDP Response; 2019 Environmental Sustainability Report – Materiality (pg. 6), Program Oversight (pg. 6), Energy and Emissions – Overview (pg. 9), Energy and Emissions – GHG Emissions Inventory Details (pg. 10)
		103-2	The management approach and its components	
		103-3	Evaluation of the management approach	
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG Emissions	2020 CDP Response; 2019 Environmental Sustainability Report – Energy and Emissions – GHG Emissions Inventory Details (pg. 10)
		305-2	Energy indirect (Scope 2) GHG Emissions	
		305-3	Other indirect (Scope 3) GHG Emissions	
		305-4	GHG Emissions intensity	
		305-5	Reduction of GHG Emissions	

TCFD Framework Reference Table

Recommended Disclosure Topic	Location
Governance	
Describe the board's oversight of climate-related risks and opportunities.	2020 CDP Response; 2019 Environmental Sustainability Report – Program Oversight (pg. 7)
Describe management's role in assessing and managing climate-related risks and opportunities.	
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	2020 CDP Response
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree C or lower scenario.	
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks.	2020 CDP Response
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2020 CDP Response; 2019 Environmental Sustainability Report – Energy and Emissions – GHG Inventory Details (pg. 10)
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2019 Environmental Sustainability Report – Energy and Emissions – Overview (pg. 9)

Forward-Looking Statements

This report contains forward-looking statements, which are based on current assumptions and expectations. The principal forward-looking statements in this report include sustainability targets, commitments, initiatives, assumptions, and expectations. The words “plan,” “expect,” “target,” “anticipate,” “estimate,” “believe,” “forecast,” “projected,” “guidance,” “outlook,” “looking ahead,” and similar expressions identify forward-looking statements. All forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from management’s current expectations. The factors underlying our forward-looking statements are dynamic and subject to change. As a result, our gear, packaging, and environmental sustainability report speaks only as of the date it was published and does not reflect our outlook at any other point in time. Risk factors for Ross Dress for Less® and dd’s DISCOUNTS® include, without limitation, uncertainties and potential for further significant business disruptions and safety regulations and other requirements arising from the recent and ongoing COVID-19 pandemic,

including potential requirements for disposable protective gear, packaging, and extra cleaning and use of disinfectant products; changes in federal, state, or local laws and regulatory requirements pertaining to health and safety or to use and disposal of materials; changes in how we operate our buildings, including adjustments to climate control and lighting schedules; shifts in energy use resulting from remote working and travel restrictions; adjustments to our merchandise shipping modes and routes to accommodate changes in our supply chain; and business and competitive pressures or limitations in the apparel or home-related merchandise retailing industry. Other risk factors are set forth in the Company’s SEC filings including, without limitation, the Form 10-K for Fiscal Year 2019, and Fiscal Year 2020 Form 10-Qs and 8-Ks on file with the SEC.

We do not undertake to update or revise these forward-looking statements.