



# 2020 Corporate Social Responsibility Report

## Ross Stores, Inc.



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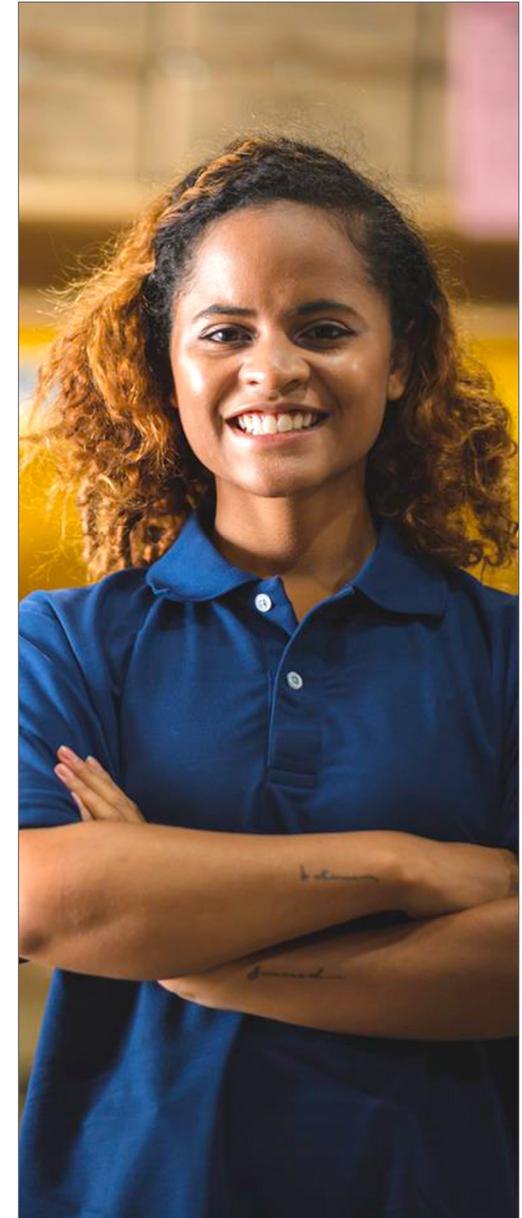
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# A Message from Our Chief Executive Officer

## To Our Associates, Customers, Neighbors, Suppliers, and Shareholders:

2020 was a year of major disruption filled with uncertainty and unpredictability. I am extremely proud of our Associates for how they overcame challenges and persevered to deliver value to our Customers and the communities we serve. While we navigated these difficult times, because of the talented individuals throughout the organization and our flexible business model we never stopped making progress on how we invest in our people and our communities.

At Ross our values have anchored us throughout this unprecedented time, enabling us to focus on empowering our Associates, supporting our communities, operating sustainably, and conducting business ethically. In this fiscal year 2020 report, you will learn about how we are investing in a sustainable future. A future that is inclusive. A greener world. A better tomorrow. Even through a historic global pandemic, racial and social unrest, and climate change, we remained steadfast in our commitment to people and the planet. While the years we spent strengthening

our resilience, flexibility, and sustainability efforts helped prepare us for 2020, we know that we need to do better and continue pushing forward.

As a Company, we are committed to promoting an inclusive culture and work environment in which our Associates are treated with dignity and respect and we celebrate their diversity of backgrounds, identities, and ideas. We believe that this helps foster our Associates' ability to grow, succeed, and contribute to the communities where they live and work. To support this, we launched employee resource groups as forums to help Associates connect with one another and further our ongoing diversity, equality, and inclusion efforts. We provided new digital learning and engagement opportunities, virtual internships, and continuing education opportunities for hundreds of our Associates and their dependents through the Stuart Moldaw Scholarship Program. In addition, we expanded philanthropic efforts by supporting organizations that help strengthen our

communities and through our Foundation to help create a brighter future for today's youth.

We will continue to take actions to improve the efficiency and the sustainability of our operations while minimizing our impact on the environment. For more than 20 years, we have identified how to use less energy and fewer natural resources. Last year we participated in the Carbon Disclosure Project Climate Change Questionnaire and published an Environmental Sustainability Report that announced our goal to reduce greenhouse gas (GHG) emissions by 30 percent per square foot by 2025 versus a 2017 baseline.

Ethical business practices are critically important to Ross and can be seen in the way we treat our constituents—from Customers and Associates to vendors and investors—throughout all of our communities. We will continue to be transparent, accountable, and intentional in our actions as we look ahead with renewed hope. We have turned a corner,



but we recognize the challenges that remain ahead. Our focus on preparing for that includes being dedicated to corporate social responsibility. As we conclude this extraordinarily challenging year, I thank our Associates for their hard work, determination, and tremendous contributions. We have always had strong teams; our history proves that. The 2020 teams, however, will go down in Ross history as the most resilient in the hardest of times.

We look forward to sharing our progress.

*Barbara*

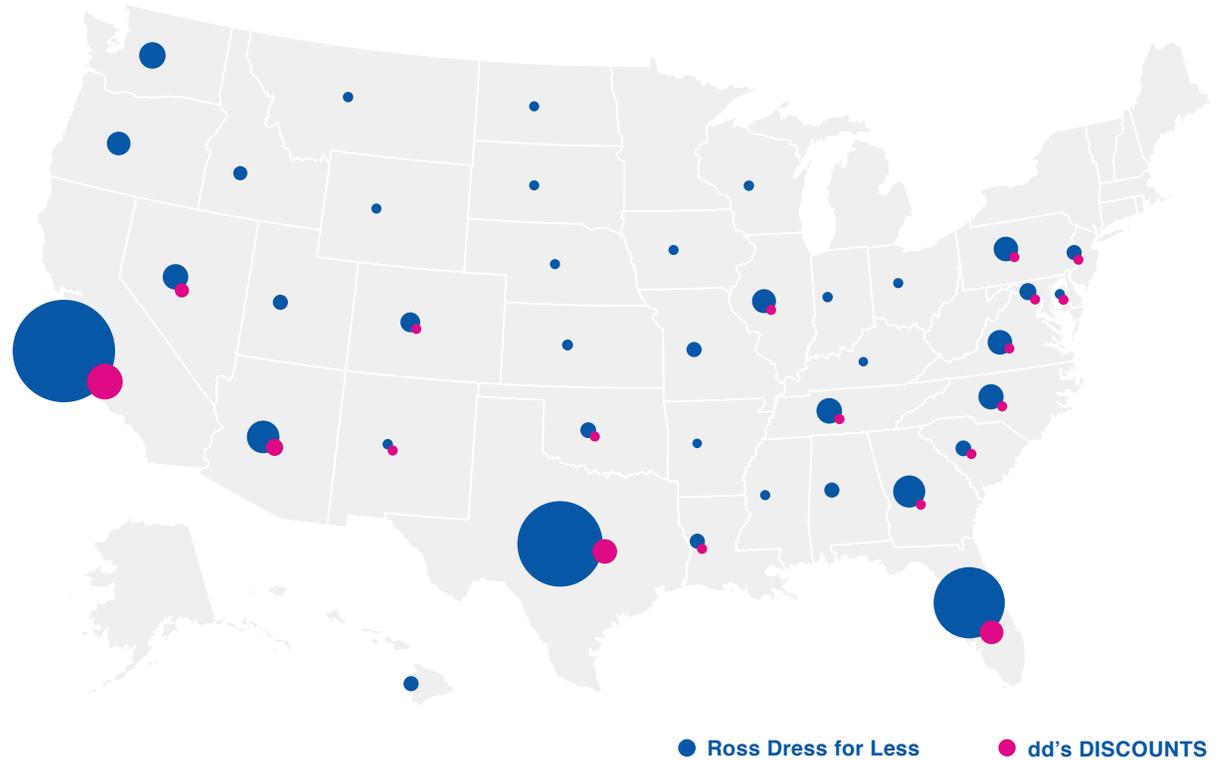
**Barbara Rentler**

Chief Executive Officer, Ross Stores, Inc.

# 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 1,585 Stores at the end of 2020 in 40 states, the District of Columbia, and Guam. dd's DISCOUNTS®, which we launched in 2004, had 274 Stores in 21 states at year-end.



<p><b>\$12.5B</b> Annual Revenue</p>	<p><b>1,859</b> Total Stores</p>	<p><b>40</b> States</p>	<p><b>54</b> Net New Stores in 2020</p>	<p><b>93,700</b> Associates</p>
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# About Our Report

**This annual report covers our corporate social responsibility efforts and achievements during fiscal year 2020, which ended on January 30, 2021, as well as certain other events and initiatives that occurred outside of this reporting period.**

The structure and the 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 CSR efforts, including how to apply for our grant programs, visit our [CSR website](#).



# About CSR at Ross

**While we have a number of CSR programs today, our commitment in this area constantly requires new thinking and fresh approaches. As a result, we are always looking for ways to improve. We have identified four pillars of our CSR program, each of which is covered in this report.**

## Empowering Our Associates

We strive to foster a work environment in which our Associates can grow, succeed, and contribute to the communities where they live and work.

## Supporting Our Communities

Through our community giving program, our Company and the Ross Stores Foundation partner with organizations that work in our communities to build academic achievement and life skills for young people who need them most.

## Operating Sustainably

Our sustainability efforts not only help us be responsible corporate citizens, but also lower costs and enhance our ability to deliver the value our Customers expect.

## Conducting Business Ethically

Ethical business practices play a critical role in our approach to maintaining transparent and effective governance.



# Empowering Our Associates





# Introduction and Highlights

**For nearly 40 years, our Associates have been responsible for our ability to deliver great values to our Customers.**

Having grown to employ almost 94,000 Associates, we are committed to promoting an inclusive culture that values and celebrates the diversity of backgrounds, identities, and ideas of all of our Associates and those who shop with us. We recognize that ensuring an inclusive work environment in which each Associate is treated with dignity and respect is key to their ability to grow, succeed, and contribute to the communities where they live and work.

To this end, our 2020 commitments included the following:

## Diversity and Inclusion Efforts:

- Growing our own
- Nurturing understanding
- Prioritizing diverse talent
- Enhancing CommUnity
- Recognizing diverse holidays and events

## Associate Hiring and Development Opportunities:

- Training and development programs
- Advancement opportunities
- Hiring in our communities
- Military Recruiting Program
- Equal Employment Opportunity (EEO) policy

## Making Our Company a Great Place to Work:

- A comprehensive total rewards package, including competitive pay and benefits
- Safe working environments, including COVID-19 mitigation measures
- Invitation to provide regular feedback
- Matching Gift Program
- Opportunities to volunteer in the community
- Scholarship program for Associates and their dependents

Ross opened **65**  
new locations, creating  
**2,600** new jobs

Associates completed  
more than **1.2M**  
e-learning courses

**86%** of managerial openings  
in Stores and field offices were  
filled by internal promotions



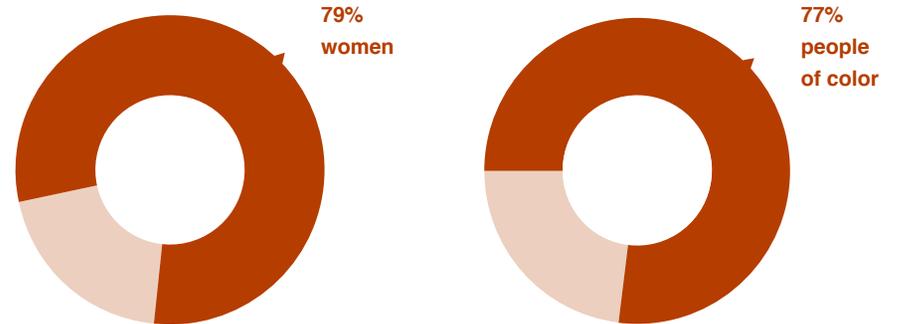
# Our Commitment to Diversity

Ross Stores, Inc., is committed to building diverse teams and an inclusive culture that respects, values, and celebrates the diversity of backgrounds, identities, and ideas of those who work and shop with us. We instill a culture of respect and dignity throughout the workplace through our policies, programs, and training. Throughout our Stores, Distribution Centers, and offices, we expect Associates to exhibit this in every interaction they have with Customers and fellow Associates alike.

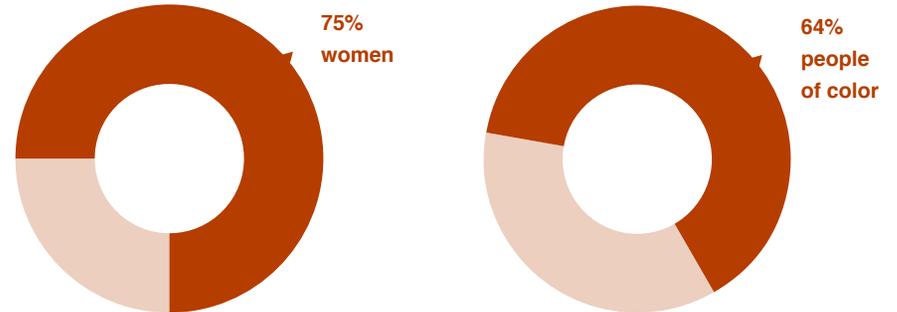
While Ross has always been dedicated to diversity and inclusion, we have made significant progress in advancing our commitments and growing our programs in recent years. We formalized the Office of Diversity, Equality, and Inclusion (DE&I) and established two leadership bodies: the DE&I Steering Committee and the DE&I Council. The DE&I Steering Committee is co-chaired by our Chief Executive Officer and Chief Operating Officer and comprises senior executives from across the Company who ensure that our DE&I strategy is integrated into how we work. The DE&I Council is composed of cross-functional senior leaders who are responsible for developing functional action plans that support our DE&I vision and objectives.

## 2020 Employee Data

### Total Company



### In Management Positions\*



\*Management positions include supervisors and above.

***“We believe that our differences make us stronger. Nowhere is that more apparent than when we look at our Associate population. It is precisely the act of supporting a workforce that reflects a diversity of backgrounds and experiences that plays a critical role in driving our success and delivering for our Customers. While our work continues—and there is surely much further to go—I am proud of our progress so far and enthusiastic about the future.”***

**—Susan Gordon, Group Vice President of Diversity, Equality, and Inclusion**



# Our Commitment to Diversity

## Growing Our Own

Ross invests heavily in its development programs, striving to provide the best learning opportunities for all Associates to grow within the Company.

Whether it is the Associate who started as a Fitting Room Attendant in one of our Stores nearly four decades ago who, after holding 13 different roles in their time with the Company, is retiring as a Senior Manager in our Corporate Office this year, or the Associate who has been with the Company for 31 years and held every field Store role there is, our Associates are able to advance their careers with us.

Our Chief Executive Officer, Barbara Rentler, started with the Company in 1986 as a Buyer and has held various positions with increasing impact throughout her career at Ross. Across the landscape of other Fortune 500 companies, her career trajectory and role as a female Chief Executive Officer stands out for prospective and current Associates.

Stories like these demonstrate the power of belonging and that opportunity is always in season at Ross.

## Nurturing Understanding

Over the course of 2020, we rolled out unconscious bias training, and Associates at every level of the organization learned practical guidelines for fostering an inclusive workplace. This training focused on building skills to support diversity and introduced language and tips related to bias, inclusion, and engaging in respectful conversations. We also implemented DE&I Overview Training for all Associates at the Vice President level and above and all Store Managers via 200 classes. Collectively, Store Supervisors, Distribution Center Directors, and all Corporate and Buying Office Associates completed more than 13,000 DE&I e-learning sessions.

To build on this momentum, we launched a dedicated DE&I portal for Associates, where we provided and continue to offer on-demand learning resources and guided roundtable discussions about a variety of topics. We also carried out our annual training on Ross' Code of Business Conduct and Ethics for full-time Associates and non-harassment training for all Associates.





# Our Commitment to Diversity

## Prioritizing Diverse Talent

Our Talent Acquisition team continues to broaden our hiring practices. All job posts include our DE&I commitment statement. We post jobs at all levels on diverse career sites such as the National Urban League, Hispanic Alliance for Career Enhancement, National Association of African Americans in Human Resources, and Professional Diversity Network, which ultimately shares our roles across 17 diversity hiring sites.

We also expanded our recruitment sources by establishing partnerships with organizations such as Out for Undergrad and the Black Retail Action Group, as well as by participating in diverse career fairs. Additionally, we partnered with several Historically Black Colleges and Universities in the recruitment of our Internship Class and Early Career positions.





# Our Commitment to Diversity

## Enhancing CommUnity

Investing in the communities where we operate is an important pillar of the Company, and we support organizations that work in our communities. In 2020 we made donations to diverse organizations, which you can read more about in the “Supporting Our Communities” chapter of this report.

And internally, despite not being able to gather in person due to the COVID-19 pandemic, we expanded our commitment to instill a sense of community among Associates by establishing CommUnity Networks. These are Company-recognized groups of Associates with common identities who come together for activities that represent the Company’s overarching DE&I vision and objectives.

Our CommUnity Networks are being developed to include various dimensions of diversity—such as race, gender, national origin, disability, sexual orientation, and military experience—as well as the people who support them. As we move forward, Associates will have the opportunity to launch additional CommUnity Networks. To date, these groups are helping us shape an even more inclusive environment, enabling networking opportunities, enhancing professional development, and amplifying commemorative holidays and dates of significance.

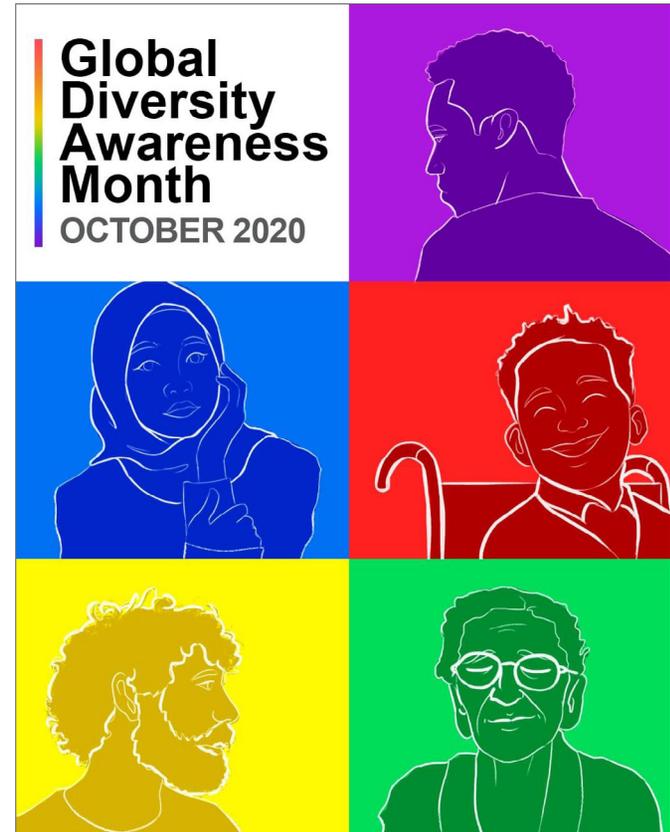
## Recognizing Diverse Holidays and Events

In 2020 we launched a robust calendar of annual commemorative observances to recognize the diversity of our Associates. These observances include International Women’s Day, Mental Health Awareness Month, Juneteenth, Pride Month, National Native American Heritage Month, Veterans Day, and many others.

Throughout the calendar year, observances are commemorated with internal and external touchpoints, such as the distribution of historical facts, educational resources, and Associate stories. CommUnity Networks are also supported in facilitating events and seminars for Associates.

Further, we recognized the need for Associates to have dedicated time to honor the breadth of diverse holidays and events that they may observe individually. We proudly established Diversity Day in 2020, an additional paid-time-off holiday that Corporate and Buying Office Associates are eligible to use. Whether it is participating in a Juneteenth celebration, a Pride march, a religious observance, Veterans Day, or other holidays and events, eligible Associates can choose to use Diversity Day in a way that is personally meaningful.

We spent a significant amount of time in 2020 listening and learning, and we look forward to expanding on this work. It is indeed our differences that make us stronger.





# Hiring, Training, and Advancement



**Throughout our organization, we recognize and appreciate the importance of attracting, retaining, and developing our Associates—and we have a number of key programs to do so.**

## **Training and Development Programs**

Our training and development programs empower Associates to do their best and realize their full potential. Throughout the year, Associates, managers, and executives are supported in achieving their career goals through a variety of learning and development opportunities: e-learning, instructor-led training, on-the-job training, feedback and coaching, and career development.

We offer custom courses that complement the personal training and the individual development plans that begin the first day an Associate comes to work with us. Despite the inability to hold in-person meetings and trainings in 2020, we maintained our commitment to Associate development by providing digital learning and engagement opportunities. We conducted our in-person learning events virtually and expanded the number of classes offered and the reach of our digital courses. In 2020 our Associates completed 1.2 million e-Learning courses.

Ross searches for the best and brightest on college campuses around the country for our suite of full-time, hands-on internship programs. Despite the challenges of COVID-19, we were able to offer a modified, virtual internship experience in 2020. For more information about internship opportunities, visit the [Campus section](#) of the Careers website.

Due to the diverse nature of our workforce, several of our Distribution Centers offer on-site Spanish and English as a Second Language classes. This program breaks down barriers and improves communication while also providing Associates an opportunity to learn a second language.

Read more about our commitment to training and development on our [Careers website](#).



# Hiring, Training, and Advancement

In 2020



**86%** of managerial openings in Stores and field offices were filled by internal promotions



**80%** of Store leaders started at Ross and dd's DISCOUNTS as hourly retail Associates



## Advancement Opportunities

We are committed to offering Associates interested in leadership roles the opportunity to gain the training and the experience they need to advance within the Company. We are proud that so many current managers and executives started their careers with us as retail Associates.

In 2020, 86 percent of our managerial position openings in Stores and field offices were filled with internal promotions, and 80 percent of Store leaders—including Area Supervisors, Assistant Store Managers, and Store Managers—started at Ross and dd's DISCOUNTS as hourly retail Associates. Overall, nearly 40 percent of supervisors and above across the Company were promoted in 2020.

Learn more about the opportunities at Ross Stores and the career journeys of some of our Associates by visiting our [Careers website](#).



# Hiring, Training, and Advancement

## Hiring in Our Communities

When we open a new Distribution Center, Ross Dress for Less Store, or dd's DISCOUNTS Store, we make it a priority to hire from within the community.

We host job fairs and partner with such agencies as the YMCA and local Employment Development Department offices to source talent. As a result, about 90 percent of our workforce in Distribution Centers and Stores comes from local communities, which ensures that our presence supports the local economy and area residents.

**In 2020 Ross opened  
65 new locations,  
creating 2,600 jobs**

## Military Recruiting Program

We are proud to support the men and women of our United States Armed Services when they choose to reenter civilian life and our local communities.

As Ross continues to grow, we are committed to enhancing our leadership by attracting, hiring, developing, and retaining veterans through our Military Recruiting Program.

This program aligns the teamwork, leadership, and problem-solving skills that veterans learned in the military with the talent needs of our high-growth organization. In addition to traditional veteran partnerships, the Military Recruiting Program participates in the Employer Support of the Guard and Reserve program and the Military Spouse Employment Partnership program of the U.S. Department of Defense.

In fiscal year 2020, we hired more than 1,200 veterans and nearly 800 military spouses. Visit our Careers website to read more about our [Military Recruiting Program](#).

## Equal Employment Opportunity Policy

Ross is an EEO employer committed to a diverse and inclusive workplace. For more information, refer to our full [EEO statement](#).





# A Great Place to Work

**We strive to be a great place to work, where all of our nearly 94,000 employees—including both full- and part-time Associates—feel welcome, safe, supported, and valued every day.**

Our ongoing commitment includes providing competitive pay and benefits, a safe working environment, recognition for achievements, a platform to share opinions and ideas, opportunities to give back, support for educational advancement, and significant discounts and rewards.

## Competitive Benefits and Total Rewards Package

Ross offers full-time Associates a package that includes competitive pay, a comprehensive benefits package, a merchandise discount, and other benefits.

Ross offers competitive wages and benefits in all of our geographic markets.

## Featured Benefits

- One of the most popular benefits is our Associate discount program. Associates receive year-round discounts on in-Store purchases, plus periodic double discounts at certain times of year. In 2020, our Associates saved more than \$38 million on their purchases.
- For our part-time Store Associates in particular, one featured benefit is flexible scheduling.
- For our Distribution Center Associates, our bonus plan gives full-time, hourly, and temporary workers the opportunity to increase their earnings by meeting higher levels of productivity.

For more information about our competitive benefits and total rewards package, visit our [Careers Website](#) and explore the “Career Areas.”





# A Great Place to Work

## A Safe Work Environment

We are committed to providing a safe and secure environment in which our Customers and Associates can shop and work.

We operate in a manner that promotes safe Stores and work practices and follows all state and federal regulations. It is our priority to:

- Incorporate safety best practices throughout our operations
- Be prepared with emergency response protocols and crisis management training to keep Customers and Associates safe
- Offer Associates a hotline to register concerns and obtain support
- Develop and deploy programs to be compliant with health and safety laws
- Provide high-quality safety training and support materials to all of our Associates
- Maintain neat, clean, and organized Stores

We also offer interested Buying Office Associates free certification in basic first aid, cardiopulmonary resuscitation, and automated external defibrillator use. These programs, combined with the dedication of our Associates, have helped foster a culture in which safety is a top priority.

## COVID-19 Safety Measures

In early 2020, to prioritize the safety and well-being of our Customers and Associates and help slow the spread of COVID-19, we temporarily closed all Store locations, Distribution Centers, and Buying and Corporate Offices. We also instituted work-from-home capabilities for many of our Associates.

In mid-May 2020, based on local government and health mandates, we began a phased reopening process, and by the end of June the vast majority of our Stores and all of our Distribution Centers were operating again.

In support of the health and safety of our Associates, Customers, and the communities we serve, our Stores reopened with significantly enhanced COVID-19-related safety measures:

- Provided all Associates with personal protective equipment
- Changed Store layout and signage to facilitate social distancing
- Implemented additional cleaning and sanitation processes
- Monitored the health of Associates before they began their shifts
- Limited the number of Customers allowed in each Store based on established guidelines
- Encouraged Associates to share any safety concerns with their manager so that they could be promptly addressed

yes!  
your safety comes first



ROSS





# A Great Place to Work

## Inviting Feedback Regularly

To ensure that we are living up to our commitment to our Associates, we offer many opportunities for them to share feedback and make suggestions throughout the year.

Ross conducts surveys in multiple languages in our Stores, Distribution Centers, and Buying and Corporate Offices, from which we learn and improve. We consistently see high participation rates, indicating that our Associates want their voices heard, resulting in positive outcomes.

## Matching Gift Program

Ross established our Matching Gift Program to support our Associates' generosity. The program is available to all full-time Ross and dd's DISCOUNTS Associates. All eligible charitable donations are matched dollar-for-dollar—up to a total of \$500 per calendar year.

In 2020 hundreds of Associates participated in the Matching Gift Program, resulting in approximately \$300,000 donated to more than 475 diverse nonprofits across the country.



***“The Matching Gift Program is one of my favorite Ross programs because it is a way for Ross to support local causes that are meaningful to individual Associates. Since its inception, they have matched my donations to more than a dozen different organizations.”***

**—Ross Associate**



# A Great Place to Work

## Volunteering in the Community

We are proud that many of our Associates volunteer in the communities around our Stores and offices.

Associates from our Corporate and Buying Offices can participate in our Volunteer Time-Off Program. Our Store Associates give back to the community by hosting in-Store fundraisers for our national partners: Boys & Girls Clubs of America (BGCA) and First Book.

For details about these activities, see the “Supporting Our Communities” chapter of this report.

## Scholarship Program for Associates and Their Dependents

The Stuart Moldaw Scholarship Program was established in 2009 to honor the life of Stuart G. Moldaw—Ross’ founder and Chairman Emeritus—for his lifelong commitment to education. Stuart was a tireless advocate for many community efforts. His legacy lives on through this program that provides Ross Dress for Less and dd’s DISCOUNTS Associates and their dependents with tuition assistance for undergraduate, graduate, and vocational/technical education.

Recipients are selected on the basis of academic record, financial need, demonstrated leadership, and participation in school and community activities. Recipients may apply to renew their awards for up to three additional years.

Applications from Associates and their dependents are accepted beginning in February. For more information, visit the [scholarship website](#).



# Supporting Our Communities





# Introduction and Highlights



**Investing in the communities where we operate is an important pillar of our CSR program.**

We support organizations that help strengthen our communities, with an emphasis on programs that build academic achievement and life skills in the young people who need them most.

We also have a long-standing commitment to supporting the health and safety of our communities; promoting diversity, equality, and inclusion locally and nationally; and responding to issues that affect our Associates and Customers nationwide. In the difficult year of 2020, this included taking decisive action in response to challenges caused by the COVID-19 pandemic, social injustices, and natural disasters.

Contributed to more than **1,000** different charities

Raised more than **\$4M** for Boys & Girls Clubs of America

Donated **\$1.5M** to local and national organizations providing essential COVID-19 relief services



# Our Philanthropic Mission



Ross Stores, Inc., established the Ross Stores Foundation to help us achieve our philanthropic mission. The Ross Stores Foundation is a hallmark of our steady commitment to investing in the communities where we operate.

## **Ready with Ross: Preparing today's youth for a bright tomorrow**

We invest in brighter futures by supporting programs that unlock the full potential of the next generation. With a goal of building competence, confidence, and character in young people, Ross Stores, Inc., and the Ross Stores Foundation partner with organizations that work in our communities to build academic achievement and life skills.

We provide support through donations from our Foundation and Company, donations from our Customers during in-Store fundraisers, and the engagement of our Associates through volunteerism and workplace giving.



# Our National Community Partners



**BOYS & GIRLS CLUBS  
OF AMERICA**

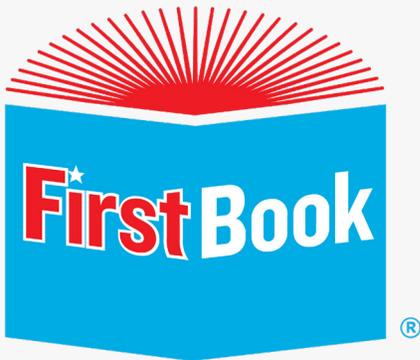
## Boys & Girls Clubs of America

For more than a decade, Ross and Boys & Girls Clubs of America have worked together to help children achieve academic success, build confidence, and lead healthy lives.

Ross believes in BGCA's mission to enable all young people to reach their full potential as productive, caring, responsible citizens.

We have “adopted” more than 38 local BGCA regional or citywide organizations, which include more than 100 local Clubhouses nationwide. In the adopted Clubs, the Ross Stores Foundation offers an annual grant and scholarship program for high-achieving college-bound high school seniors. Ross is also a national sponsor of BGCA's Power Hour, an after-school homework-help program.

During Power Hour, Club members receive support in completing their homework to improve their academic performance and develop a sense of personal responsibility. Our Foundation and Company—together with our generous Customers and Associates—have contributed more than \$30 million to BGCA throughout the life of our partnership.



## First Book

Reading is one of the strongest predictors of a child's future success—in school and in life. Yet millions of kids across the country lack access to books.

To address this need, dd's DISCOUNTS partners with First Book, a nonprofit organization dedicated to providing new books to children in need. In partnership with First Book, dd's DISCOUNTS' Customers and Associates help turn local kids into readers, learners, and leaders by equipping them with new, high-quality books. Since 2009 together we have donated more than 1.7 million new books to kids in need.



# Our National Community Partners

## In-Store Fundraising and Customer Donations

Ross is grateful for the hard work of our Associates and the generosity of our Customers, which have helped fuel tremendous support for our national community partners over the years.

### Ross “Help Local Kids Learn” Fundraiser for BGCA

Every year Associates at all of our Ross Dress for Less Stores across the United States lead a fundraiser to benefit BGCA. During the fundraiser and throughout the year, we work to establish strong connections between our Stores and the local Clubs.

The 2020 “Help Local Kids Learn” fundraiser was held in February, before COVID-19 lockdowns began. The campaign exceeded our goal, raising more than \$4 million for BGCA’s Power Hour and local Clubs, thanks to the incredible support of our Customers.

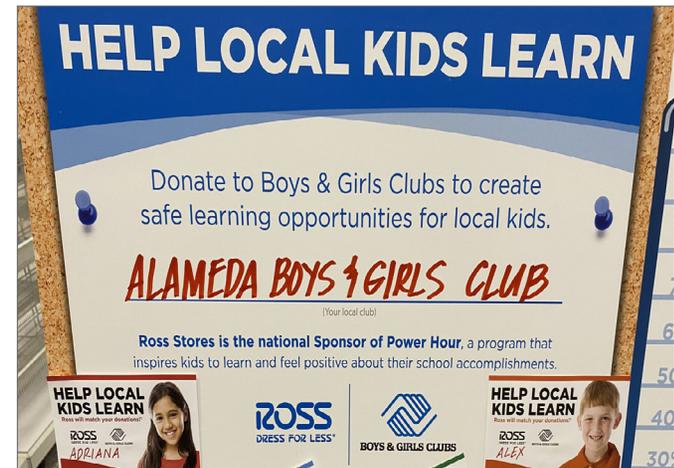
### dd’s DISCOUNTS “Youth Literacy Fundraiser” for First Book

dd’s DISCOUNTS runs an annual back-to-school fundraiser with First Book. When checking out at the register, our Customers are invited to make a donation that goes directly to local educational programs. The local programs then choose the right books for their students, based on age, language, and need. Every Customer donation at a dd’s DISCOUNTS Store means First Book can deliver more great books to children.

In 2020, given uncertainty, shutdowns, and school closures, dd’s DISCOUNTS pivoted from the annual in-Store fundraiser and instead gave grants for new books to local schools and organizations partnered with First Book. Through this initiative, more than 48,000 books were distributed to communities that dd’s DISCOUNTS serves nationwide.

*“I would like to THANK our friends at dd’s DISCOUNTS and the Ross Stores Foundation for making this amazing opportunity possible for our students. Thanks to your support, we are able to provide our students with new books that they can take home, enjoy, learn from, and share with their siblings.”*

**—Spokesperson for El Toyon Elementary School, National City, California**





# Our National Community Partners

## Coin Shortage Donation Collection

In July 2020, as economic activity slowed as a result of the COVID-19 pandemic, our country experienced a coin shortage due to a drop in cash circulation.

Many businesses, including Ross Dress for Less and dd's DISCOUNTS Stores, were unable to order coins as they normally would. When faced with this challenge, the Stores stepped up to execute a creative solution that also benefitted our national community partners. If our cashiers could not provide exact change or have the Customer use an alternative form of payment, Customers were invited to round up their purchase to the nearest dollar and donate the difference to BGCA or First Book. Once again our Customers stepped up and raised a sizable, unexpected gift of more than \$370,000 combined for BGCA and First Book.





# Our National Community Partners

## Grand Openings

As our Company grows, so do our partnerships with BGCA and First Book.

Whenever we open a new Ross Dress for Less or dd's DISCOUNTS Store, we make a donation to a local Boys & Girls Club or First Book literacy partner. In 2020 we donated to more than 65 local partners near our newest Stores.

For example, when a new Ross Dress for Less Store opened in Marinette, Wisconsin, we donated to Park Elementary School, allowing the school to purchase new books for its book vending machine. Below is what the school posted on its social media platforms.

*“Check out all of these amazing brand-new books for our book vending machine! They were donated and sponsored by the new Ross Store in Marinette! So many wonderful titles featuring so many different genres. We are so grateful to the Ross Store for their generous donation and their partnership with First Book to provide these to our students! What an amazing partner for our school!”*





# Community Giving Near Our Offices and Stores

**Ross invests in regions where we have a strong business presence to contribute to nonprofit organizations that serve the communities that we and our Associates call home.**

## Regional Giving Program

Our Regional Giving Program is one important way that Ross fulfills its philanthropic mission to help prepare today's youth for a bright tomorrow. Through the Regional Giving Program, we invest in grants to nonprofits, schools, and government programs in communities where Ross and our Associates have a large presence.

In 2020 we redesigned the Regional Giving Program to provide grants of \$10,000, \$20,000, or \$30,000. This program allows us to have a deeper and more meaningful impact on organizations making strides to build academic achievement and life skills in the young people who need them most. In 2020 we supported 22 different charitable organizations through two Regional Giving Program grant cycles.

Please see our [Regional Giving Program Guidelines](#) for more information.





# Community Giving Near Our Offices and Stores

**In addition to our Regional Giving Program, Ross proudly supports several other local charities and initiatives where we work and live.**

## Buying Offices

Key Buying Offices are located in New York and Los Angeles. These offices support numerous fashion- and community-related charities. In addition, our Buying Offices provide internships and scholarships to students interested in retail careers as part of the Fashion Scholarship Fund. To support our communities, our Associates are active in donating clothing, home goods, and toys to support local families through our partnerships with organizations like Good+ Foundation in both New York and Los Angeles.

## Corporate Offices

Ross proudly supports several initiatives near our Corporate Headquarters in the San Francisco Bay Area that share our mission to create brighter futures for our youth. For example, Ross sponsors the Golden State Warriors' "Read to Achieve" program and the Oakland Athletics' "Home Run Readers" program—both of which highlight the importance of reading, imagination, and academic achievement to Bay Area youth.

## Distribution Centers

Ross Stores' Distribution Centers are located in Southern and Central California, Central Pennsylvania, and South Carolina. Nonprofit organizations that serve a community near our Distribution Centers may be eligible to apply for a donation through our Regional Giving Program. Additionally, our Distribution Centers seek out opportunities to donate products to local organizations. In 2020 this included sizable donations of hand sanitizer and personal protective equipment, which were in high demand due to the COVID-19 pandemic. For example, we donated more than half a million bottles of hand sanitizer to Boys & Girls Clubs across the country.

## Store-Based Giving Program

The Ross Store-Based Giving Program provides support—primarily in the form of gift cards—to federal tax-exempt 501(c)(3) organizations, schools, and government programs serving a community within 25 miles of a Ross Dress for Less or dd's DISCOUNTS Store.

In 2020 Ross donated to nearly 1,000 different local community nonprofits through the Store-Based Giving Program.

Visit our [Store-Based Giving Guidelines](#) to learn more about our program and eligibility requirements.





# Responding to Disasters

Every year disasters affect communities across the United States and around the world. Supporting our Associates, Customers, and neighbors in times of need has always been important to us, which is why the Ross Stores Foundation supports the American Red Cross. The Red Cross has the knowledge, expertise, and resources to quickly and efficiently help communities affected by all types of disasters.

In recent years, the Ross Stores Foundation has donated to American Red Cross Disaster Relief, powering the organization's response efforts for hurricanes, wildfires, tornadoes, floods, and more. In 2020 our contributions ensured that the Red Cross could respond quickly to the hundreds of wildfires that burned across the country, with several taking place near our Stores, Distribution Centers, and Dublin Corporate Office, as well as Hurricane Laura, which brought extreme winds and heavy rainfall to Louisiana and other parts of the Southeast.

Through the years, our support has helped the Red Cross provide shelter, meals, mental health services, and many other types of immediate relief in the aftermath of disasters, mainly in the United States.

The American Red Cross name, logo, and copyright materials are used with its permission with no express or implied endorsement.





# Responding to the COVID-19 Pandemic

During the unprecedented COVID-19 pandemic, Ross Stores, Inc., has been committed to supporting our Associates and neighbors in the communities where we operate.

At the onset of the COVID-19 pandemic, we quickly took action to prioritize the safety and well-being of our Customers and Associates, as noted in the “Empowering Our Associates” chapter of this report. At the same time, the Company and the Ross Stores Foundation jointly pledged \$1.5 million in donations to local and national organizations providing essential COVID-19 relief services, as well as additional support to our Associates during these challenging times.

Donations to our nonprofit partners, including the Boys & Girls Clubs of America and First Book, were made to help address critical needs, provide educational resources to students, and expand support services for families of first responders. Additional donations funded food banks in New York City, Northern California, and Southern California and the distribution of personal protective equipment for healthcare workers.

*“On behalf of the entire City Harvest team, I want to extend a heartfelt thank you to the Ross Stores team for all of the incredible support given to City Harvest over the last year. Your generosity came at a critical time, and thanks to your efforts, you helped City Harvest to feed more than 762,000 New Yorkers in need—truly an incredible impact!”*

—City Harvest





# Promoting Diversity, Equality, and Inclusion

In 2020 important racial and social justice conversations and protests across the country highlighted the need to do much more to address long-standing racial inequalities.

As part of Ross' commitment to maintaining an inclusive Company and supporting the communities where we live and work, the Ross Stores Foundation donated \$500,000 to three organizations working to bring social justice for Black Americans: the National Association for the Advancement of Colored People (NAACP), the NAACP Legal Defense and Educational Fund, Inc. (LDF), and Boys & Girls Clubs of America (BGCA). These organizations are committed to fighting racism; conducting litigation, advocacy, and public education; and funding forums for youth to share their voices, listen, and heal. In addition, Ross and its Customers donated more than \$4 million to BGCA to help young people from diverse backgrounds all across the country achieve and succeed.

Ross also supports social justice organizations through our Matching Gift Program. Ross matches donations made by full-time Associates to qualified organizations—up to \$500 per year.

Our donations are just one part of our larger effort to address racial equity. You can read more about our commitment in the “Empowering Our Associates” chapter of this report.

**NAACP**

**LDF**  
DEFEND EDUCATE EMPOWER



**BOYS & GIRLS CLUBS  
OF AMERICA**



**MATCHING  
GIFT PROGRAM**



# Associate Volunteering, Drives, and Donations

*“Not all superheroes wear capes—some work at Ross! Year after year, you have continued to rise to the occasion, putting a smile on the faces of hundreds of our members through donating backpacks filled with school supplies and a warm coat for winter. Each member smiles from ear to ear as they try on and model their new coat or backpack. Thank you, Ross Associates, for graciously taking the time to put a smile on a child’s face.”*

— Boys & Girls Clubs of Oakland



**Our Associates routinely give back to their communities and play a key role in our charitable programs, demonstrating the true strength of the Ross community.**

As described in the “In-Store Fundraising and Customer Donations” section of this report, our Associates are the force that drives the success of the annual in-Store fundraisers for our national community partners, BGCA and First Book. Though the COVID-19 pandemic curtailed most in-person volunteering efforts with BGCA and First Book in 2020, in past years Ross Associates participated in local BGCA Club events and career readiness workshops and worked with First Book to read and distribute books to children in local educational programs.

Even during the challenges of COVID-19, Ross Associates participated in a variety of fundraisers and volunteering efforts to support local and national charitable organizations.

Examples include:

- Associates in our Corporate and Buying Offices supported our annual Back to School Drive to give young students across the country backpacks and school supplies.
- In New York, Associates participated in a virtual fundraiser to contribute to City Harvest and help keep food on the table for New Yorkers in need.
- Each year Ross holds a Season of Giving that supports charitable partners through fundraisers that provide Thanksgiving meals and fulfill children’s winter wishes for coats and toys.
- Volunteers gifted their time for several virtual activities with our nonprofit partners, including writing motivational letters for local students and coaching and judging student entrepreneurship ideas.
- Associates support hundreds of causes each year through the Matching Gift Program.

# Operating Sustainably





# About Environmental Sustainability at Ross

## Overview

At Ross we believe in investing in a sustainable future. This means improving the efficiency and the sustainability of our operations to minimize our impact on the environment. Our focus on identifying new opportunities to use less energy and fewer natural resources dates back more than 20 years, and we continue to make improvements on these initiatives.

While we have a number of programs to increase energy efficiency and reduce waste, our commitment to this area requires a constant focus and dedication to identifying and implementing improvements.

Last year we advanced our commitment to transparency by participating in the CDP 2020 Climate Change Questionnaire, receiving a B on our first disclosure. We also published our first Environmental Sustainability Report that announced our goal to reduce greenhouse gas emissions by 30 percent per square foot by 2025 versus a 2017 baseline. We remain committed to taking actions that drive environmental sustainability while also creating business value, and we look forward to continuing to share our progress.

## Our Focus

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 operations has informed our sustainability policies and programs.

We conducted an 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 in our water usage.

## Program Oversight

To ensure that our environmental sustainability strategy is aligned with our business strategy and has the leadership 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 assists the Board with oversight

of the sustainability program and climate risks and receives annual reports on the Company's environmental sustainability efforts.

Ross has also established the Environmental Sustainability Steering Committee (ESSC), which comprises senior leaders from 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 those strategies. The ESSC also provides guidance to a dedicated Sustainability team and helps align the program with the overall business strategy.

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



# 2020 Environmental Sustainability Achievements

## Commitment to transparency



**B** score received on CDP's 2020 Climate Change Questionnaire

## Carbon reduction



**29%** reduction in Scope 1 and 2 GHG emissions per square foot versus 2017\*

\*These results were influenced by operational challenges due to the ongoing COVID-19 pandemic, which resulted in a temporary reduction in our absolute GHG emissions.

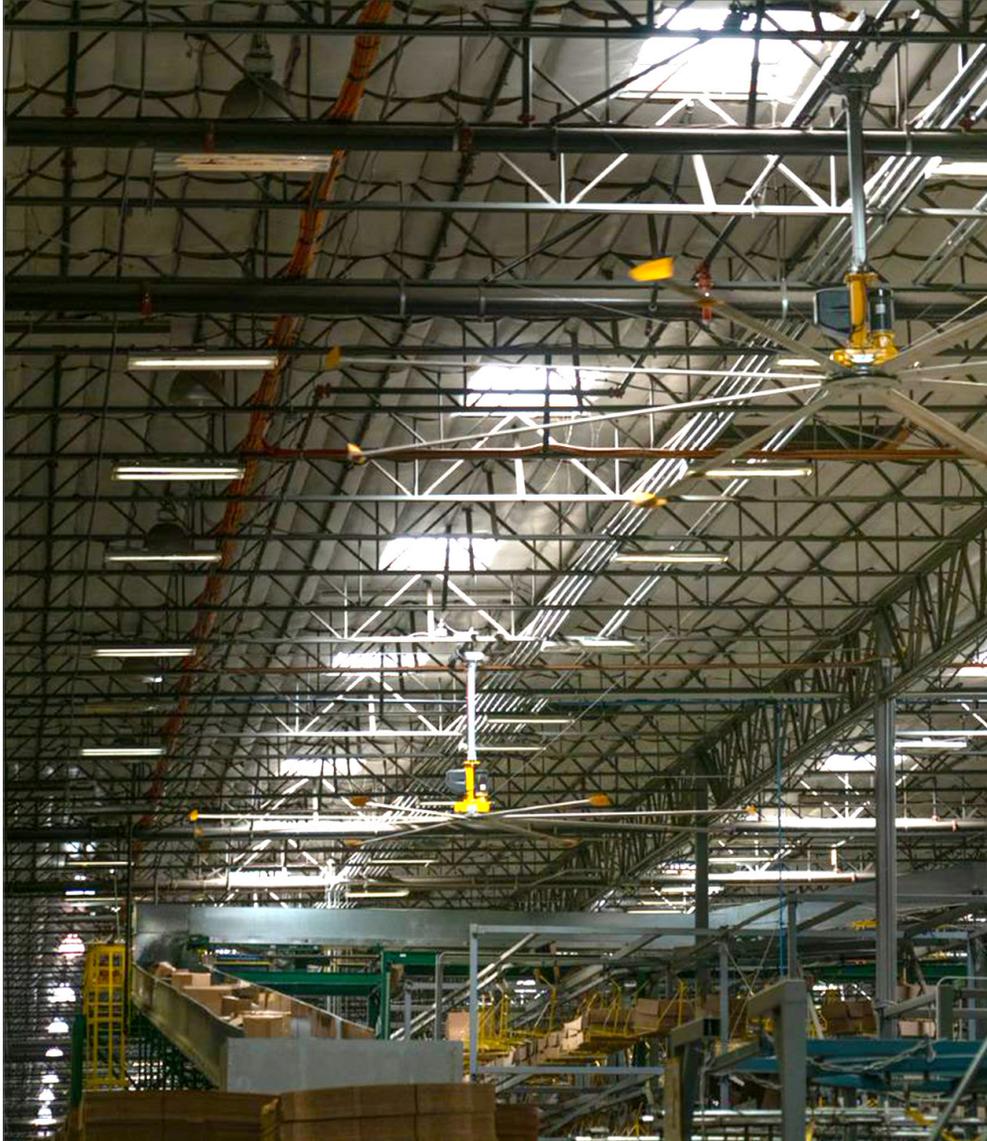
## Waste reduction



**67%** of waste diverted from landfill



# Emissions and Energy Overview



As the planet, our business, our Associates, and our Customers continue to feel the impact of climate change, we recognize that companies can and must play a significant role in helping mitigate its impacts.

As a Company that was founded and is headquartered in California, we are conscious of the threat posed by the increased prevalence of wildfires. In addition, we have Stores and operations across the United States and Guam and have felt the impact of extreme weather events that have been intensified by climate change, such as floods, heat waves, hurricanes, and winter storms. These direct physical risks, along with many others, will only become more severe as the planet continues to warm.

Our response to climate change is organized into three action areas: increasing efficiency, building resiliency, and lowering our impact. This section outlines our years of work in these areas.

Ross established a target to reduce our Scope 1 and 2 GHG emissions per square foot by 30 percent by 2025 against a 2017 baseline. Although in 2020 we experienced a reduction of 29 percent in emissions per square foot against this baseline, these results were influenced by operational challenges due to the ongoing COVID-19 pandemic, which resulted in a temporary reduction in our absolute GHG emissions. After considering these factors, we believe that our reduction in emissions per square foot against our 2017 baseline would have been approximately 23 percent, which is ahead of the pathway to achieve our target.

We also increased our commitment to transparency by submitting to the CDP Climate Change Questionnaire for the first time in 2020, receiving a B on our submission. We responded to CDP again in 2021, and our response includes our 2020 GHG footprint, as well as detailed information about our climate-related risks, opportunities, strategies, and management.

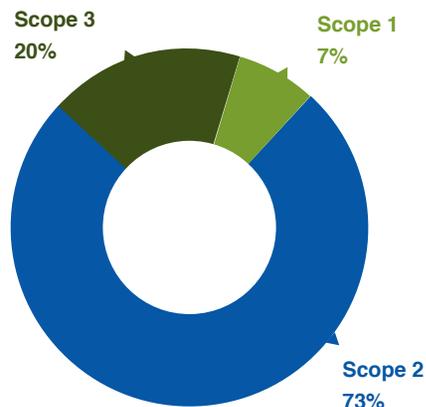


# GHG Emissions Inventory Details

This section contains 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 2020 GHG inventory was assembled in accordance with industry standards, including guidelines from the Greenhouse Gas Protocol, The Climate Registry, and the U.S. Environmental Protection Agency's Center for Corporate Climate Leadership. Our reported 2020 GHG Scope 1, 2, and 3 emissions were also verified by a third party to ensure accuracy and completeness.

## 2020 GHG Emissions by Scope



GHG emissions are typically reported in terms of metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e). We have organized our GHG emissions to align with the Greenhouse Gas Protocol's scope definitions.

**Scope 1** emissions are direct GHG emissions from sources that are owned or controlled by Ross.

**Scope 2** emissions are from the generation of energy and electricity purchased by Ross.

**Scope 3** emissions are from sources not owned or controlled by Ross.

Our absolute Scope 1 and 2 GHG emissions decreased approximately 15 percent between 2019 and 2020. Energy-efficiency initiatives contributed to this decrease,

but a significant portion of the reduction was due to the impact of the ongoing COVID-19 pandemic. In early 2020, to prioritize the safety and well-being of our Customers and Associates and help slow the spread of COVID-19, we temporarily closed all Store locations, our Distribution Centers, and Buying and Corporate Offices. While these facilities were closed, they obviously used significantly less energy to operate and generated fewer GHG emissions.

The intensity of our Scope 1 and 2 emissions per square foot decreased approximately 18 percent between 2019 and 2020 and by 29 percent between our GHG emissions intensity baseline year of 2017 versus 2020. These results were greatly influenced by the fact that, even though we added square footage in 2020, we reduced our absolute Scope 1 and 2 GHG emissions, as mentioned above.

## GHG Emissions Summary

GHG Emissions Category	2017 (baseline) MT CO <sub>2</sub> e	2019 MT CO <sub>2</sub> e	2020 MT CO <sub>2</sub> e
<b>Scope 1</b>	18,310	23,175	20,816
<b>Scope 2</b>	258,826	242,511	205,898
<b>Total Scopes 1 &amp; 2</b>	<b>277,136</b>	<b>265,686</b>	<b>226,714</b>
<b>Total Scopes 1 &amp; 2 per 1,000 sq. ft.</b>	<b>5.0</b>	<b>4.3</b>	<b>3.5</b>
<b>Scope 3: Business Travel</b>	28,963	8,557	3,194
<b>Scope 3: Fuel- and energy-related activities (not in Scope 1 &amp; 2)</b>	(Not measured)	51,105	54,338*
<b>Total Scope 1, 2, &amp; 3</b>	<b>306,099</b>	<b>325,348</b>	<b>284,246</b>

\*Measurement expanded in 2020 to include energy loss from transmission and distribution of electricity to Ross facilities.

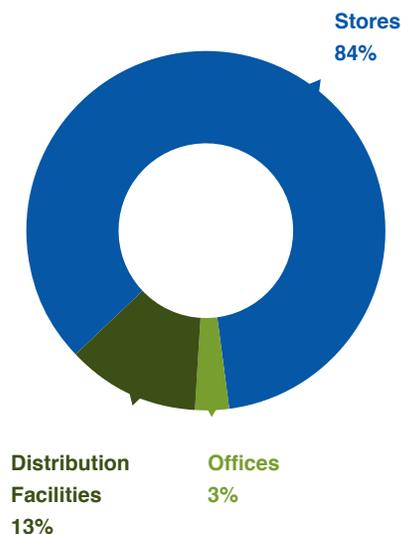


# Energy Details

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

In 2020 the purchase of electricity to operate our facilities represented 87 percent of our total energy consumption, as measured in megawatt hours (MWh) and gigajoules (GJ). The great majority of that purchased electricity was used to operate our Ross Dress for Less and dd's DISCOUNTS Stores.

## Total Electricity Usage by Location



Because electricity consumption is such a large part of our energy usage and emissions, an important aspect of our GHG management strategy addresses electricity use in our buildings. Our investments in lighting; insulation; heating, ventilation, and air conditioning (HVAC); and building energy management systems (BEMS) have enabled us to reduce electricity use. We have teams committed to finding new and better ways to achieve energy efficiency through improved processes and new technologies.

## Energy Consumption by Source

Source	2019	2020
<b>Electricity</b>	679,702 MWh	619,630 MWh
	2,446,927 GJ	2,230,668 GJ
<b>Natural Gas</b>	95,922 MWh	85,717 MWh
	345,319 GJ	308,583 GJ
<b>All Other Sources</b>	7,038 MWh	5,299 MWh
	25,337 GJ	19,075 GJ
<b>Total</b>	<b>782,662 MWh</b> 2,817,583 GJ	<b>710,646 MWh</b> 2,558,326 GJ
<b>Total Energy Intensity</b>	12.7 MWh per 1,000 sq. ft. 45.6 GJ per 1,000 sq. ft.	<b>11.1 MWh per 1,000 sq. ft.</b> <b>39.9 GJ per 1,000 sq. ft.</b>

As indicated in the table, we used less energy in 2020 than in 2019. Energy efficiency initiatives contributed to the decrease, but the magnitude of this reduction was partially driven by temporary closures of our Stores, distribution facilities, and offices due to the ongoing COVID-19 pandemic.

Ross has solar panels installed on the roof of select Stores. Because a majority of our Stores are leased, however, opportunities to invest in on-site renewable energy generation are limited. We continue to evaluate opportunities to pursue renewable energy in meaningful ways.



# Energy Efficiency in Stores

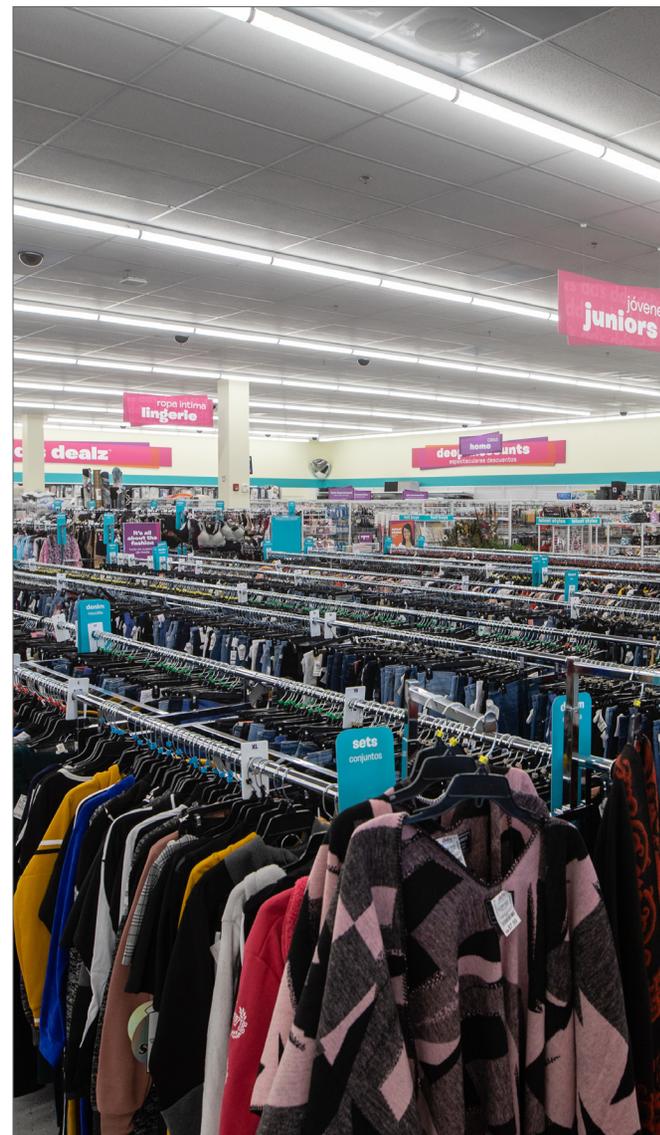
For many years, we have made investments to decrease energy use by climate control and lighting systems, which consume most of the electricity purchased to operate our Stores.

Technologies such as LED lighting and high-efficiency HVAC units have significantly decreased the electricity required to operate these systems. As of the end of 2019, we had LED lighting in nearly 100 percent of our Stores, and LED lighting will be installed in all of our new Stores for the foreseeable future. In addition, we use high-efficiency HVAC units whenever possible, through retrofitting existing HVAC equipment or including them in new Store builds.

To further reduce the energy required to operate climate control and lighting, we invested in an advanced building energy management platform that enables more precise control over our energy management and shaves off unnecessary electricity use. We piloted the system in 2019. In 2020, based on the successful outcome of that pilot, we rolled out the system to all Stores. This

technology also allows us to quickly and easily adjust occupancy schedules, lighting levels, and temperatures across our Stores, which provides operational benefits in addition to energy savings. This system also allows for remote diagnosis of HVAC issues to quickly identify and correct inefficiencies, which can prevent unnecessary downtime and costly technician visits to our Stores. We can also quickly respond to requests to lower our electricity usage to help electric utilities avoid rolling blackouts during critical periods like heat waves.

We also design our new Stores with efficiency at the center, understanding that investments in the earliest stage of Store development pay off for years to come. In addition to including LED lighting, high-efficiency HVAC equipment, and advanced energy management systems, we often use thicker, higher-quality insulation than is required by code and white roofs whenever possible to deflect heat. These actions ensure that our new Stores are very energy efficient, which lowers our energy usage, environmental impact, and costs.





# 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 do our Stores.

## Highlights of our energy management program in 2020:

- 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 in fresh, naturally cool air. 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 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 compared with its fuel-powered counterparts.
- Our new Distribution Centers are designed with energy efficiency in mind, with white roofs to reflect sunlight and advanced building energy management systems. Our roofs are also “solar ready.”

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



# Energy Efficiency in Offices

Our Corporate Headquarters in Dublin, California, achieved Leadership in Energy and Environmental Design (LEED) Gold certification from the U.S. Green Building Council, with features that increase our Associates' comfort while minimizing our impact on the environment.

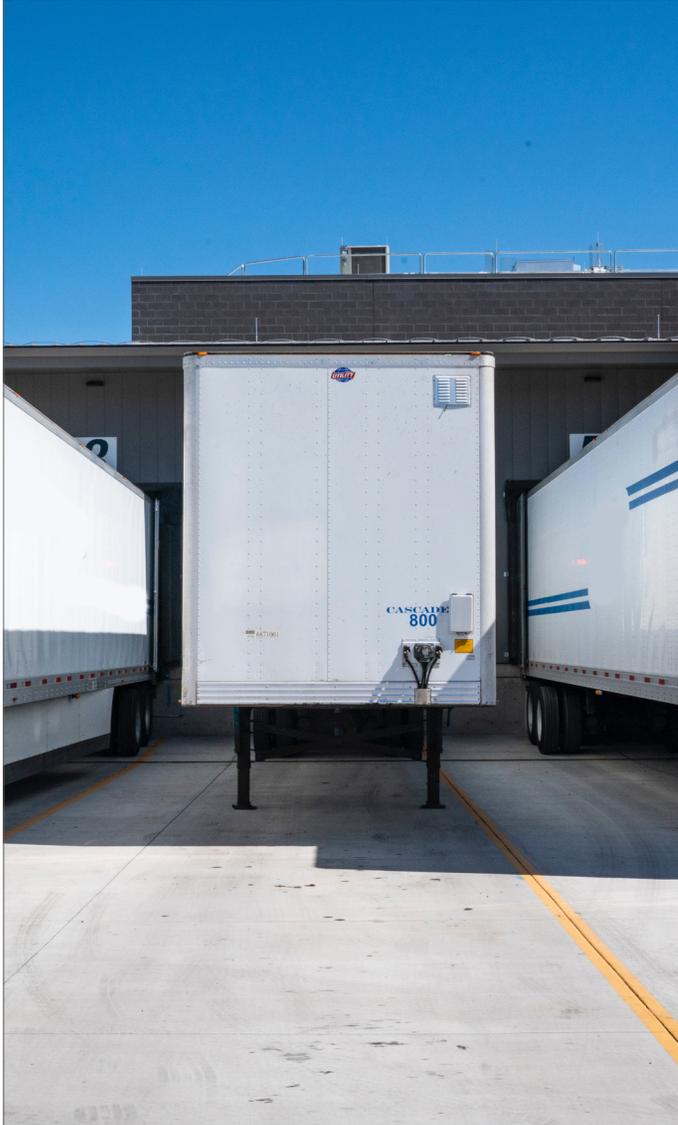
The sustainability features of our headquarters include energy management equipment such as high-efficiency HVAC equipment, Energy Star appliances, and lighting with motion sensors and daylight controls. Additionally, we converted our interior and exterior lighting to LEDs.

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



Although Ross does not own its fleet of trucks, we know that the impact of transporting our products is a significant source of indirect emissions.

We work continuously with our transportation providers to improve shipping efficiency across our distribution network as we grow our Store base to 3,000 Stores.

Some of the strategies we deployed in 2020 include:

- Shipments were consolidated where possible to reduce the number of trips to Stores each day.
- We prioritize shipping by rail whenever possible, which is less polluting than standard ground transportation.
- Approximately 86 percent of our transportation partners participated in the SmartWay 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.
- In 2018 a project to optimize the delivery routes in a number of markets resulted in a reduction of more than 1.8 million over-the-road miles, and we work to continuously minimize the miles required to get products to our Stores.



# 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 of primarily hybrid vehicles. Through the use of hybrids, the total emissions from our corporate fleet were approximately 25 percent lower in 2020 than if we had used standard vehicles.

Like many companies, Ross had to adjust its business travel policies to prioritize the safety and well-being of our Associates during the ongoing COVID-19 pandemic. As a result, our Scope 3 emissions related to business travel were approximately 63 percent lower in 2020 than in 2019.





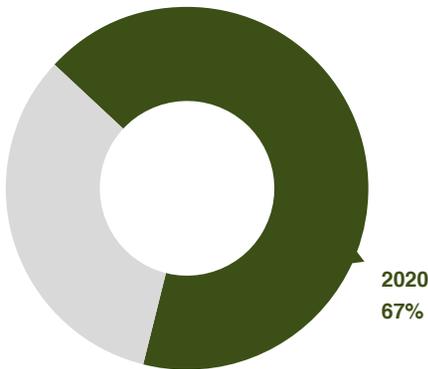
# Waste Management and Recycling Overview

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 have waste diversion programs in our Stores, Distribution Centers, and Corporate and Buying Offices, and we encourage our Associates to participate in practices that increase our recycling, reduce waste, and decrease our use of natural resources.

## 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. In 2020 our estimated landfill diversion was approximately 67 percent.\*



\*This figure is approximate. We expect the accuracy of our waste measurements to improve over time.





# Minimizing Waste in Stores

Approximately two-thirds of our operational waste is generated in our Stores, and a significant portion of that is cardboard.

Because they represent such a large percentage of our waste footprint, cardboard boxes are an important part of our effort to reduce our waste and demonstrate our commitment to being a responsible retailer.

A majority of our Stores participate in a cardboard recycling program in which used boxes are backhauled to a regional facility, baled, and delivered to a recycling partner. This effort to recycle quickly adds up. Across participating Stores in 2020, we recycled more than 30,000 tons of cardboard through the backhaul recycling program.

In addition, we work with our local waste and recycling partners and landlords to make cardboard recycling receptacles available whenever possible in locations where we are unable to backhaul.

Other recycling and waste reduction programs in our Stores:

- **Reusable bags:** We sell branded reusable shopping bags at our Stores and encourage Customers to use reusable 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 using large bags for oversized 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.
- **Dumpster reset:** When our Stores temporarily closed, we took advantage of the business interruption to reset the number of trash dumpsters and enhance collection schedules upon reopening, which helped Stores optimize their recycling rates.
- **Digital resources:** To reduce paper waste, many of our reports, trainings, policies, and other resources are available digitally.
- **Other diversion programs:** In certain geographies, we have pursued other diversion efforts, such as organic waste programs and single-stream recycling.





# 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 nearly 50,000 tons of material generated in our Distribution Centers in 2020.

We continuously look for ways to optimize how products are packaged for shipping, which includes working upstream with our suppliers and within our facilities to minimize unnecessary packaging materials. One such project removed inserts from boxes we ship to our Stores. This not only eliminated a source of waste from the insert itself but also allowed us to fit more products into each box and therefore use fewer boxes. This project is estimated to have eliminated more than 1,000 tons of cardboard waste in 2020.

We also test new recycling systems at our Distribution Centers and Stores, including ongoing efforts to recycle plastic film. In 2020 we recycled six times more plastic in our Distribution Centers than we did in 2019. We also recycle our wooden pallets.

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

In addition, efforts in 2020 to donate non-sellable merchandise, hand sanitizer, and personal protective equipment to local nonprofits helped us divert waste from landfill while supporting local communities.



# 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 2020:

- Like many companies, our office teams transitioned to working from home for the majority of 2020. During this period, internal reporting processes were adapted to use digital tools instead of paper. One such change will eliminate more than 100 tons of paper use annually, and we plan to continue using the new process moving forward.
- When we do print, we minimize the environmental impact by using paper that has postconsumer content; setting printers to print double-sided; and using large-capacity, refurbished toner cartridges that result in less plastic, steel, aluminum, and rubber waste compared to traditional toners. We also have a program to recycle office paper.
- At our Corporate Office, 100 percent of Company-provided flatware and utensils are reusable or compostable, and we encourage the use of reusable plates as well. We also supply desktside recycling bins and provide convenient organic waste and single-stream recycling receptacles in common areas.
- 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



Much 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 broad network of suppliers to give us flexibility in the event that any of our individual suppliers are impaired by climate-related issues.

Additional details are available in the "Conducting Business Ethically" chapter of this report.

# Conducting Business Ethically





# Introduction

**Ethical business practices are critically important to Ross and can be seen in the way we treat our constituents—from Customers and Associates to vendors and investors.**

We are dedicated to operating with high standards of integrity and transparency and to adhering to policies and processes designed and implemented to ensure that we meet these standards.

Ross' corporate governance practices and policies have been developed in accordance with those high standards in mind. These policies cover the Board of Directors' governing principles and expectations regarding ethics for Ross executives, Associates, and business partners.





# Supplier Diversity

We are dedicated to sourcing goods and services from a diverse set of suppliers and are continuously seeking ways to build and reinforce long-lasting relationships.

Our membership in the [National Minority Supplier Development Council \(NMSDC\)](#) gives us the opportunity to continually increase partnerships with minority-owned suppliers. Similarly, as a member of the [Women's Business Enterprise National Council \(WBENC\)](#), Ross has demonstrated our commitment to supporting women-owned businesses. Further, in 2020 Ross joined the [National LGBT Chamber of Commerce](#) to enhance our support of the LGBT supplier community.





# Our Approach to Sourcing and Human Rights



## **Our commitment to corporate social responsibility extends to our supply chain and the vendors we work with throughout the world.**

Ross requires that responsible business practices be upheld and human rights be respected throughout our supply chain.

Vendors, manufacturers, and other Company business partners are required to comply with all applicable local, state, federal, and international laws relating to the manufacture and production of products sold to Ross, including laws relating to:

- Labor compensation
- Working conditions
- Child, slave, prison, or forced labor
- Environmental protection
- Product safety
- Corruption or bribery (including foreign corrupt practices)
- Building and working safety conditions and similar obligations

To the extent contractors or subcontractors are involved in the production of goods supplied to Ross, vendors must ensure that these parties are similarly compliant with Ross' Code of Conduct.

In line with our focus on ethical business practices, Ross will not knowingly purchase merchandise from any manufacturer involved in the use of child, slave, prison, or forced labor.

Ross' standards and requirements related to sourcing and human rights are incorporated in various Company documents, including Ross' Code of Business Conduct and Ethics, Vendor Compliance Manual, Purchase Orders, Vendor Indemnification Agreements, and Buying Agent Agreements. For more information, refer to our [Vendor Compliance Manual](#) and our Code of Business Conduct and Ethics, which is located in the [Corporate Governance section](#) of our website.

We closely monitor evolving issues throughout the world to ensure that our suppliers and business partners adhere to our policies and commitments, as well as to federal, state, and local laws. Ross will not knowingly purchase any product whose manufacturer violates our policies and commitments.



# Responsible Sourcing

Besides communicating our standards and requirements related to sourcing and human rights in various Company documents, Ross applies significant resources and drives processes to ensure and confirm that we source responsibly.

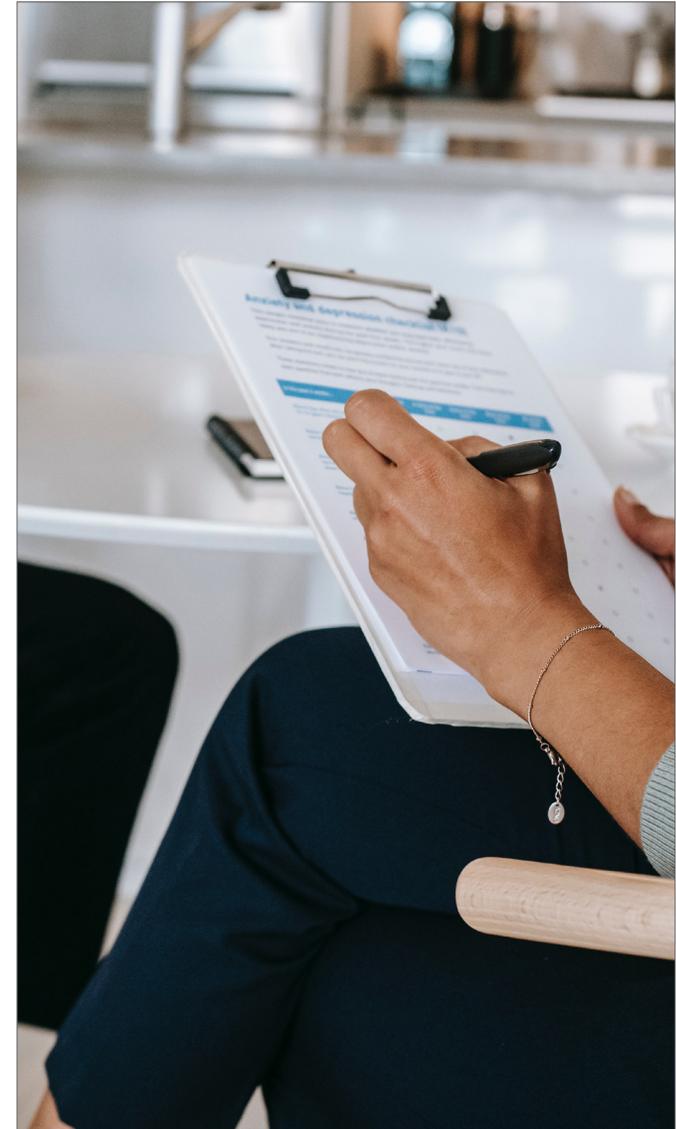
The majority of the apparel, footwear, accessories, and home-related products sold in our Stores is purchased from suppliers after they have been produced and imported to other retailers' specifications. Though Ross does not have direct control over the manufacturing processes for these products, we contractually require suppliers to uphold our ethical standards.

Some products are ordered and imported directly through international buying agents or certain overseas vendors. For these items, we have additional processes and requirements in place to monitor and enforce compliance.

To start we communicate our standards and requirements to vendors, buyers, and overseas buying agents during our purchasing processes. We provide initial training to new Associates as well as ongoing training and updates to Buyers and other Associates involved in our product sourcing. Further we monitor and assess our supply chain for compliance related to product safety, labor laws, and human-trafficking concerns.

In addition, we maintain a factory audit program intended to ensure compliance with our Vendor Code of Conduct, which includes adherence to local labor, safety, and environmental laws. The program employs numerous resources, including buying-agent-conducted factory inspections and third-party factory audits conducted by approved auditors. Additionally, on an annual basis, Ross reviews hundreds of social compliance reports and corrective action responses.

If Ross becomes aware that any vendor is out of compliance with our requirements or procedures, we will take appropriate responsive action, which may include suspending all shipments of the vendor's merchandise and/or terminating the business relationship.





# Product Safety

Ross is committed to ensuring that products sold in our Stores are safe.

Through various vendor-facing documents, we require our vendors to provide products that comply with applicable federal, state, and local statutes, rules, and regulations (e.g., Purchase Order, Vendor Compliance Manual, and Indemnification Agreement).

Additionally, Ross references relevant legislation and safety standards when designing our buying and selling strategies. Although Ross does not buy or sell hazardous chemicals, we recognize that some consumer products may contain natural components and synthetic chemicals as ingredients. To protect the safety of consumers, including children, we require that vendors' products comply with the Federal Hazardous Substances Act and any corresponding state laws. These laws mandate proper labeling, warning requirements, and product testing.

Children's products are subject to rigorous requirements, including but not limited to the Consumer Product Safety Improvement Act (CPSIA). Compliance is strictly enforced by the Consumer Product Safety Commission, and Ross requires that vendors of CPSIA-impacted products confirm that they meet the Commission's requirements.

Where Ross sources food and cosmetic products overseas, we require that suppliers submit labeling and ingredients for compliance review and that they abide by all applicable U.S. Food and Drug Administration requirements. Additionally, we review and confirm that foreign food suppliers meet Food Safety Modernization Act requirements and corresponding regulations.

In support of our product safety commitment, we require that our vendors confirm that they have reviewed and are in compliance with our Vendor Compliance Manual. The Vendor Compliance Manual provides an overview of the various requirements applicable to the products we sell and references sources of additional information. Refer to our [Vendor Compliance Manual](#) for more information.





# Evolving Issues



Standards and regulations regarding consumer products and supply chains are continually changing. Ross requires that all of its vendors engage in responsible business practices and uphold human rights throughout our supply chain.

As part of our investigation and disclosure of the existence of conflict minerals, we require that suppliers comply with our requests to identify the source of conflict minerals incorporated in or consumed by the manufacturing of products that we sell. Ross' Conflict Minerals Disclosure is available in the [Investors section](#) of our website.

We do not specifically seek apparel or other merchandise containing animal fur. Given our opportunistic buying, from time to time products we sell may contain incidental fur.

Ross' Code of Conduct specifically prohibits the use of any form of involuntary or forced labor by vendors and their contractors anywhere in their manufacturing or supply chain. We have zero tolerance for such violations and have taken additional, enhanced efforts intended to ensure that our supply chain does not include products made with forced labor. This process includes but is not limited to vendor communications, vendor monitoring, factory audits, and inspections.



# Governance and Ethics

This section describes Ross' corporate governance and ethical practices that were developed to fulfill our commitment to operating with the highest integrity.

## Corporate Governance

Ross' corporate governance practices and policies have been developed in accordance with the highest standards of integrity. They cover the Board of Directors' governing principles and expectations regarding ethics for Ross executives, Associates, and business partners. More details can be found in the [Investors section](#) of our website. Details regarding the Corporate Governance framework can be found in the most recent proxy filed April 6, 2021, with the U.S. Securities and Exchange Commission (SEC).

## Board of Directors

Our Board of Directors currently consists of 11 directors, the majority of whom are independent based on the applicable Nasdaq listing standards. We have an increasingly diverse Board, including our female Chief Executive Officer and multiple female directors.

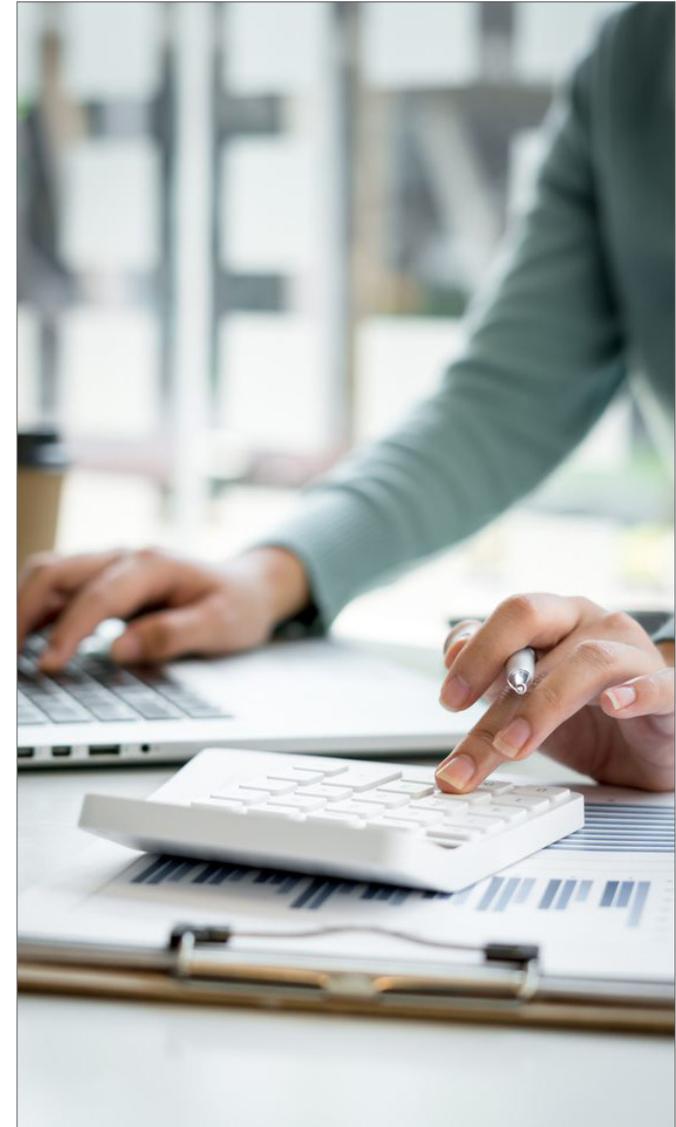
The Board has adopted a Code of Ethics for Senior Financial Officers; a Code of Business Conduct and Ethics that applies to all of our employees, officers, directors, and business partners; and Whistleblowing and Complaint Policy and Procedures.

During fiscal year 2020, the Board held seven meetings. No incumbent member of the Board, while serving in such capacity, attended fewer than 75 percent of the total number of Board meetings and applicable committee meetings held during the year.

## Board Director Nomination Process

The Nominating and Corporate Governance Committee is responsible for evaluating the qualifications, independence, and skill of all candidates for election to the Board. The Nominating and Corporate Governance Committee has a policy with regard to the assessment of director candidates, including candidates recommended by stockholders.

Ross seeks to promote diversity, including gender and racial/ethnic diversity, within the Company and the corporate boardroom. In the event that the Nominating and Corporate Governance Committee decides to recruit candidates from outside the Company as potential nominees to join the Board, the initial candidate pool will include qualified female and racially/ethnically diverse candidates, and any third-party search firms will be instructed to include such candidates in initial lists that they prepare.





# Governance and Ethics

## Board Committees

At all times, the Board has an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee.

The Audit Committee assists the Board with fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the Company and such other duties as directed by the Board. The Audit Committee held nine meetings in fiscal year 2020.

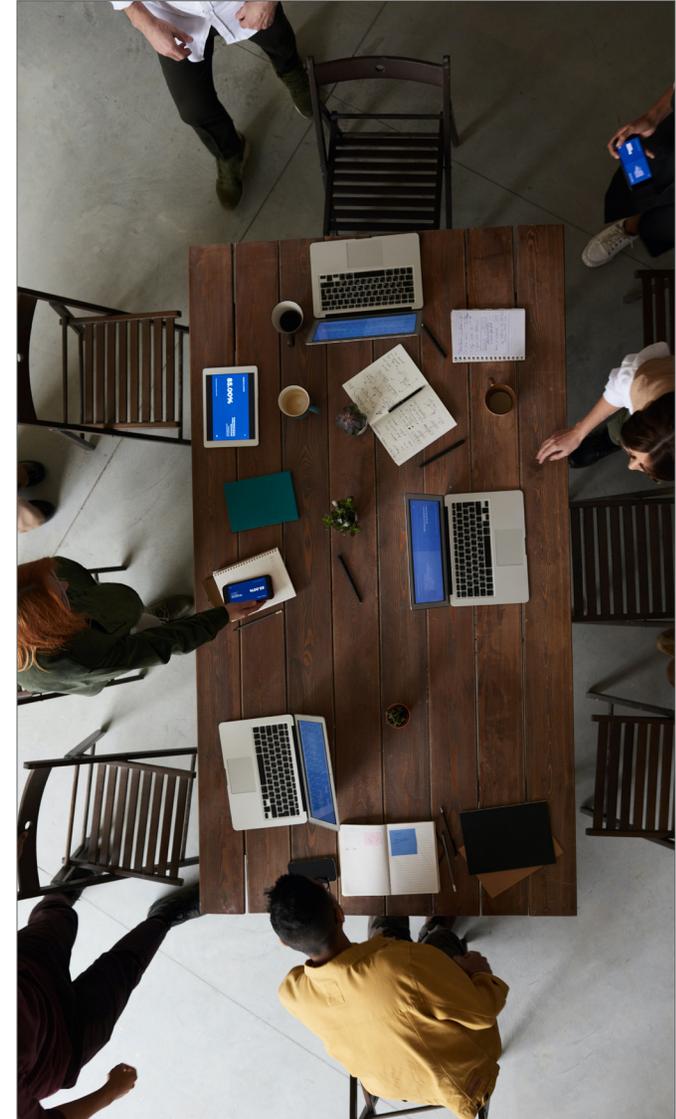
The Compensation Committee carries out the responsibilities of the Board relating to compensation of the Company's executives, including the compensation of the Company's Chief Executive Officer. The Committee oversees and administers the policies and plans that govern the cash, equity, and incentive compensation of the Executive Officers and nonemployee directors of the Company. The Compensation Committee held nine meetings in fiscal year 2020.

The Nominating and Corporate Governance Committee assists the Board in evaluating qualified individuals to serve as directors of the Company. The Committee is also responsible for the development and the administration of the Company's Corporate Governance Guidelines. The Nominating and Corporate Governance Committee held four meetings in fiscal year 2020.

## Role of the Board in Supporting CSR

The Audit Committee assists the Board with oversight of the sustainability program and climate risks and receives annual reports of the Company's environmental sustainability efforts. The Company has also established an Environmental Sustainability Steering Committee, which comprises senior leaders from across the Company.

To read more about our Board committees and members, visit the [Corporate Governance section](#) of our website.





# Code of Business Conduct and Ethics



Ross' Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics.

Ross considers this a minimum standard. If a higher standard is required by commercial practice or applicable laws, rules, or regulations, we adhere to the higher standard. The Code applies to all members of the Board of Directors, officers, Associates, and agents. In addition, Ross' business partners (including but not limited to suppliers, vendors, and service providers) are expected to comply with the applicable standards set forth in the Code.

Acceptance of our Code of Business Conduct and Ethics is required as part of our onboarding terms and conditions for all business partners. The Code is supported by additional requirements and obligations imposed by Ross through its policies and practices and applicable laws and regulations. Furthermore all Associates are required to complete Code of Business Conduct and Ethics training annually.



# Privacy and Data Security

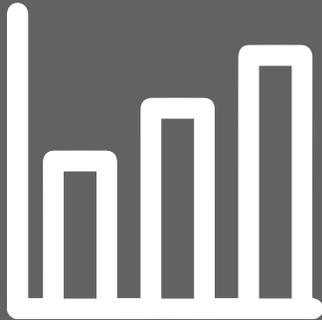
**Ross recognizes our responsibility to appropriately use, maintain, and safeguard the personal data we collect from our Customers and Associates.**

Our data security and privacy practices are designed to support privacy rights and are based on industry standards.

Visit our [Privacy Policy](#) for more information.



# Appendix





# GRI Reference Data Table

This table references GRI 103: Management Approach 2016; GRI 302: Energy 2016; and GRI 305: Emissions 2016.

Impact Area		Disclosure Number	Description	Location
Energy	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	2021 CDP Response; 2020 Corporate Social Responsibility Report—Our Focus (pg. 33), Program Oversight (pg. 33), Emissions and Energy Overview (pg. 35), Energy Details (pg. 37)
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	GRI 302: Energy	302-1	Energy consumption within the organization	2021 CDP Response; 2020 Corporate Social Responsibility Report—Energy Details (pg. 37)
		302-3	Energy intensity	2020 Corporate Social Responsibility Report—Energy Details (pg. 37)
		302-4	Reduction of energy consumption	2021 CDP Response; 2020 Corporate Social Responsibility Report—Energy Efficiency in Stores (pg. 38)
Emissions	GRI 103: Management Approach	103-1	Explanation of the material topic and its boundary	2021 CDP Response; 2020 Corporate Social Responsibility Report—Our Focus (pg. 33), Program Oversight (pg. 33), Emissions and Energy Overview (pg. 35), GHG Emissions Inventory Details (pg. 36)
		103-2	Management approach and its components	
		103-3	Evaluation of the management approach	
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	2021 CDP Response; 2020 Corporate Social Responsibility Report—GHG Emissions Inventory Details (pg. 36)
		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
<b>Governance</b>	
Describe the Board’s oversight of climate-related risks and opportunities.	2021 CDP Response; 2020 Corporate Social Responsibility Report—Program Oversight (pg. 33)
Describe management’s role in assessing and managing climate-related risks and opportunities.	
<b>Strategy</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long terms.	2021 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.	
<b>Risk Management</b>	
Describe the organization’s processes for identifying and assessing climate-related risks.	2021 CDP Response
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	
<b>Metrics and Targets</b>	
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	2021 CDP Response; 2020 Corporate Social Responsibility Report—GHG Emissions Inventory Details (pg. 36)
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2020 Corporate Social Responsibility Report—Emissions and Energy Overview (pg. 35)



# SASB Disclosure Matrix

## Multiline and Specialty Retailers & Distributors

**Table 1: Sustainability Disclosure Topics & Accounting Metrics**

Topic	Metric	SASB Code	Location
Energy Management in Retail & Distribution	Total energy consumed, percentage grid electricity, renewable energy use	CG-MR-130a.1	2020 Corporate Social Responsibility Report—Energy Details (pg. 37); 2021 CDP Response
Data Security	Description of approach to identifying and addressing data security risks	CG-MR-230a.1	2020 Corporate Social Responsibility Report—Privacy and Data Security (pg. 58); Ross 2020 10-K (pg. 10)
Workforce Diversity & Inclusion	Percentage of gender and racial/ethnic group representation	CG-MR-330a.1	2020 Corporate Social Responsibility Report—Our Commitment to Diversity (pg. 8)
Product Sourcing, Packaging & Marketing	Discussion of processes to assess and manage risks associated with chemicals in products	CG-MR-410a.2	2020 Corporate Social Responsibility Report—Environmental Sustainability in the Supply Chain (pg.47)
	Discussion of strategies to reduce the environmental impact of packaging	CG-MR-410a.3	2020 Corporate Social Responsibility Report—Minimizing Waste in Stores (pg.44), Minimizing Waste in Distribution Centers (pg.45)

**Table 2: Activity Metrics**

Activity Metric	SASB Code	Location
Number of retail locations and Distribution Centers	CG-MR-000.A	2020 Corporate Social Responsibility Report—About Our Company (pg. 3); Ross 2020 10-K (pgs. 15-17)
Total area of retail space and Distribution Centers	CG-MR-000.B	Ross 2020 10-K (pgs. 15-17, 24)



# Forward-Looking Statements

This report contains forward-looking statements, which are based on current assumptions and expectations. The 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.

Many risks, contingencies, and uncertainties could cause our actual results to differ materially from our forward-looking statements. Risk factors include, without limitation:

- The uncertainties and potential for the recurrence of significant business disruptions arising from the COVID-19 pandemic
- Continuation or changes in safety regulations, including potential requirements for disposable protective gear, packaging, 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
- Required 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 to our supply chain
- Risks and sustainability challenges associated with importing and selling merchandise produced in other countries
- Disruptions in our supply chain or in our information systems that could affect our ability to process sales and to deliver product to our stores in a timely and efficient manner
- Consumer problems or legal issues involving the quality, safety, or authenticity of products we sell
- Additional public health or public safety crises, demonstrations, or natural or manmade disasters in a region where we have a concentration of Stores, offices, or a Distribution Center

Other risk factors are set forth in the Company’s SEC filings including, without limitation, the Form 10-K for fiscal year 2020, and fiscal year 2021 Form 10-Qs and Form 8-Ks on file with the SEC.

The factors underlying our forward-looking statements are dynamic and subject to change without notice. As a result, any forecast or forward-looking statements speak only as of the date it was published and does not necessarily reflect our outlook at any later point in time. We disclaim any obligation to update or revise these forward-looking statements.