



TORRID

2021 Sustainability Report

Table of Contents

Letter from the CEO	3	Social Responsibility	13	Governance	22
About Torrid	4	Labor and Human Rights in the Supply Chain	14	Corporate Governance	23
Our Products	4	Diversity and Inclusion	15	Business Ethics and Integrity	24
Approach to Sustainability	5	Workplace Health and Safety	18	Risk Management	25
Materiality	5	Employee Engagement and Development	19	Data Protection and Security	26
Management and Oversight	5	Empowering Communities	21	About This Report	27
Environmental Responsibility	6			SASB Tearsheet	28
Sustainable Materials Sourcing	7				
Chemical Management	7				
Packaging Impacts	8				
Energy and Carbon	9				
Waste and Recycling	10				
Water	11				
Logistics & Distribution	12				



TORRID

A Letter from the CEO

At Torrid, we are passionate about doing business in ways that make a positive impact in our communities. From our inception 21 years ago, Torrid broke the rules – we didn't believe curvy bodies should change to fit clothes; we changed clothes to fit curvy bodies. We want to be the catalyst for even more change as we focus on sustainability to enrich our communities and build a better future for everyone.

Our commitment to using our power for good has expanded into a broader sense of responsibility as a corporate citizen to do our part in a global economy. Our goals are simple: drive a more sustainable business, help support the communities we serve, and create a safe and equitable workplace for our employees to thrive in.

Our responsibility doesn't stop there; we continue to integrate sustainability into our global supply chain, working directly with factories to promote environmentally-preferable manufacturing practices and socially responsible workplace programs.

We are off to a great start, but we know there is more work to be done. In 2017 we established the Torrid Foundation to help change lives by advocating for women of all races, ages, and sizes. Since that time, we have raised almost \$9M for charitable programs promoting women's equality, wellness, and empowerment. In 2020 we established a Diversity & Inclusion committee who have focused on a specific purpose – Creating A Place Where We All Belong. This year we established the Sustainability Steering Committee, a

group comprised of Torrid senior leadership committed to developing a robust sustainability and social responsibility strategy, as well as providing the necessary resources for implementation. This first ESG report underscores our commitment to transparency, as we acknowledge we are in the early stages of building this pathway.

We recognize that our business plays a major part in our customers daily life – our fit empowers women to embrace exciting and endless possibilities, and we will do our part to protect the planet so that everyone for generations to come will have the same exciting and endless possibilities. We have the support of our communities, customers, and employees who will keep us accountable as we strive for a more equitable and sustainable future.

We look forward to continuing our work in the year ahead.

With gratitude,
Lisa Harper, Torrid CEO



About Torrid



Torrid Holdings Inc. (CURV) is a direct-to-consumer brand of apparel, intimates, and accessories in North America, targeting the 25 to 40-year-old woman who wears sizes 10–30. We are known for providing an unparalleled fit and experience, empowering curvy women to love the way they look and feel. Torrid offers a full range of products for our customer that includes tops, bottoms, denim, dresses, intimates, activewear, footwear and accessories.

Torrid began operations in April 2001, and we opened our first store location in the Brea Mall in Brea, California. At the end of 2021, we had over 600 stores in operation across 50 states in the United States and Puerto Rico, and an international presence of 24 stores in Canada. In addition to stores, we have a broad reaching ecommerce business that makes up the majority of our sales, and we are proud to offer a truly unified commerce model. Our inclusive and welcoming environment drives loyal relationships, and we have over 8,000 employees globally, and we serve almost 4 million active customers.

OUR PRODUCTS

Apparel

We offer a broad assortment of apparel that spans across tops, bottoms, dresses, denim, and outerwear. We launch new and innovative product lines that excite our customer, including our exclusive Lovesick, Betsey Johnson, and Studio collections.

Intimates

Torrid Curve, our intimates brand, combines both comfort and sexy with an extensive collection that includes lingerie, lounge, sleep, swim, and activewear. We deliver world-class fit across all of our products, and offer patent pending technology in our most popular bras.

Accessories

We offer a compelling assortment of accessories that complement every outfit in our customer's closet. Our product line includes wide-width shoes, boots, jewelry, and other accent pieces.



Approach to Sustainability

MATERIALITY

In early 2022, we completed a materiality assessment to better understand the environmental, social, and governance issues that impact our business success and our stakeholder relationships. The process involved a peer group analysis, interviews with key Torrid executives and managers, and an analysis of sustainability reporting frameworks and industry ESG standards. We have used these results to guide the disclosures in this report.

Our top fifteen categories of focus are:

- Business Ethics and Integrity
- Chemical Management
- Corporate Governance
- Data Protection and Security
- Diversity and Inclusion
- Employee Engagement and Development
- Empowering Communities
- Energy and Carbon
- Labor and Human Rights in the Supply Chain
- Logistics and Distribution
- Packaging Impacts
- Risk Management
- Sustainable Materials Sourcing
- Waste and Water
- Workplace Health and Safety



MANAGEMENT AND OVERSIGHT

In 2022, we assigned co-sponsorship of our newly created Sustainability Steering Committee to Finance and Legal executives, reflecting the increased focus on aligning sustainability and financial performance.

The Sustainability Steering Committee comprises a cross-functional group of senior leaders from finance, human resources, distribution/logistics, supply chain, merchandising, marketing, retail operations, legal, IT and others. The Committee's role is to develop Torrid's sustainability strategy and provide appropriate resources for implementation.

The Nominating and Governance Committee (NGC) of the Board of Directors has oversight over Torrid's sustainability performance.



Environmental Responsibility



Transition to low-impact raw materials



Optimize energy, waste and water across the value chain



Rethink and reduce packaging





SUSTAINABLE MATERIALS SOURCING

Torrid is constantly seeking ways to source renewable recyclable, recycled and alternative materials. In 2021, some of these items included:

1. Organic, OEKO-TEX® and Better Cotton Initiative (BCI) cotton fibers
2. Recycled polyester fiber
3. Recycled rubber for shoe soles

CHEMICAL MANAGEMENT

We work with suppliers to prioritize the safe use of chemicals and, where appropriate, the transition to safer and more ecologically-conscious chemicals. A 2021 survey of our top apparel suppliers¹ found that:

1. 100% of suppliers have procedures for chemical management and storage
2. 73% of suppliers use alternatives to stones for “stone washing” fabric, including 42% that use lasers for wash treatment
3. 69% of suppliers have switched to chemicals with less impact to the environment and human health
4. 67% of suppliers use alternatives to traditional bleach
5. 62% of suppliers use eco-friendly or alternative dyes with less environmental impact
6. 25% of suppliers have been certified to Bluesign, a third-party standard that demonstrates manufacturers properly manage chemicals and replace harmful substances with safer alternatives

¹See page 27 for scope and methodology of our 2021 apparel supplier survey.





PACKAGING IMPACTS

One of our key sustainability focus areas has been reducing our packaging impact. While there is further work to do, we are pleased with the progress we have made to date.

In Our Supply Chain

- Outbound shipments from our Distribution Center to Stores are sent in boxes with 32% recycled content
- All corrugated box shipments from our Distribution Center include at least 10% post consumer recycled content, and any virgin fiber is SFI Certified

In Our Stores

- All three sizes of Torrid's store shopping bags are made with a minimum of 40% post consumer material and are 100% recyclable
- Messaging on the bags clearly communicates recyclability to customers

eCommerce

- Approximately 65% of our online orders are shipped to customers in polybags, which are made of 50% recycled plastic
- Approximately 35% of our online orders are shipped in corrugated cardboard boxes, which are made of 17-32% recycled content



ENERGY AND CARBON

The bulk of our energy use comes from our stores, although calculating an exact amount of energy used is challenging due to the different ways that energy is managed. In the tables to the right, we have explained how we measure energy consumption, using both actual bills and estimates based on extrapolations.

All of our stores have upgraded to high-efficiency LED lighting. In addition, we are testing a smart building system at selected stores, which provides dynamic control over heating, ventilation and air conditioning and notifications of pending maintenance needs.

At our distribution center, we use natural lighting and high-efficiency light fixtures to manage energy use. And at our headquarters building where most administrative functions take place, we use occupancy sensors and have EV charging stations to reduce the impact of employees' commutes.

Our suppliers are also doing their part. A 2021 survey¹ of our top apparel suppliers found that 54% were using renewable energy, either generated onsite or through a renewable energy purchasing program.

We have not yet completed a carbon footprint, but we intend to do so and will include it in an upcoming sustainability report.

ELECTRICITY CONSUMPTION (GJ)

	2019	2020	2021
Stores (actual)	61,189	52,682	61,033
Stores (estimated)*	39,361	31,670	37,494
Support facilities (actual): distribution and administration	26,962	38,933	36,150
Total	127,512	123,286	134,678

*We manage and pay for electricity bills in about 63% of our stores. In other cases, the costs for electricity are bundled into our lease agreement and we do not have access to our exact consumption numbers. For those stores, we have estimated electricity use based on the average annual use per square foot of store space.

NATURAL GAS CONSUMPTION (GJ)

	2019	2020	2021
Stores (actual)	10,906	10,354	10,194
Stores (estimated)*	29,742	26,878	25,871
Support facilities (actual): distribution and administration	8,267	5,773	3,817
Total	48,915	43,006	39,882

*A smaller number of stores use natural gas, which we pay for about 29% of the time. In other cases, natural gas used for heating is bundled into our lease agreements and we do not have access to our consumption details. For those stores, we have estimated natural gas use based on the average annual use per square foot of store space, adjusted for the estimated number of stores that don't use natural gas at all.



WASTE AND RECYCLING

Our stores generate a modest amount of waste, primarily related to product packaging. Cardboard, polybags, old signage, empty cleaning supply containers and food waste from our break rooms are some of the key waste streams. We take advantage of opportunities, where available, to recycle. In addition, we seek opportunities to avoid waste streams in the first place, such as reducing the amount of packaging needed to move items from our distribution center to our stores.

The biggest source of waste within our operations is related to returns, and we have a comprehensive system in place to ensure that clothes that can't go home with a happy customer don't end up in the landfill.

New unworn products returned to stores are put back on the sales floor to be sold. Defective products are marked out of stock and destroyed in stores.



Our distribution center has periodic sales, where employees can purchase returned and defective items at a significant discount. The proceeds support our employee engagement and charitable giving initiatives.



Any items leftover from the distribution center sales are donated to charity. In 2021, we donated 3,999 items, including swimsuits to the YMCA, wedding dresses to the USO, interview attire to Dress for Success, and more than 2,000 items for a local church's charitable clothing closet.



Certain items, such as those with external brand partnerships, require us not to resell or donate. While we did not have any final disposition of these products in 2021, our process is to use a waste provider who converts them into energy.



WATER

In the apparel industry, the vast majority of water is used in three key steps of the value chain:

1. **Growing raw fibers**, like cotton. It is estimated to take 1,200 to 2,400 gallons of water to grow one pound of cotton, depending on where it is grown.
2. **Conventional textile dyeing and finishing** a kilogram of fiber (cotton, polyester, and other materials) requires 12 to 18 gallons of water.
3. **Washing and laundering by the consumer** also uses a lot of water. While the numbers will vary by type of item, length of ownership and laundry process, life cycle assessment (LCA) studies show that washing a pair of jeans over its lifetime uses approximately 1,000 gallons of water.

Torrid works with our supply chain to reduce the water impacts of our products, including:

1. **Items made from organic cotton**, which require up to 90% less water to grow in comparison to traditional cotton fiber. A 2021 survey of our top apparel suppliers found that 70% used organic cotton or BCI certified cotton.
2. **Water recycling and reclamation systems**, which reduce the amount of water withdrawn from local aquifers. According to a 2021 survey of our top apparel suppliers, 77% of our top suppliers had water reclamation and/or recycling systems in place.
3. **Water smart technology used by our manufacturers**, such as nano bubble—or e-flow—technology that saves 95% of the water in apparel washing.
4. **Items with recycled fibers**, such as hoodies with recycled polyester, which has a lower water footprint than a comparative virgin fiber. According to a 2021 survey of our top apparel suppliers, 69% of our suppliers use recycled fibers.

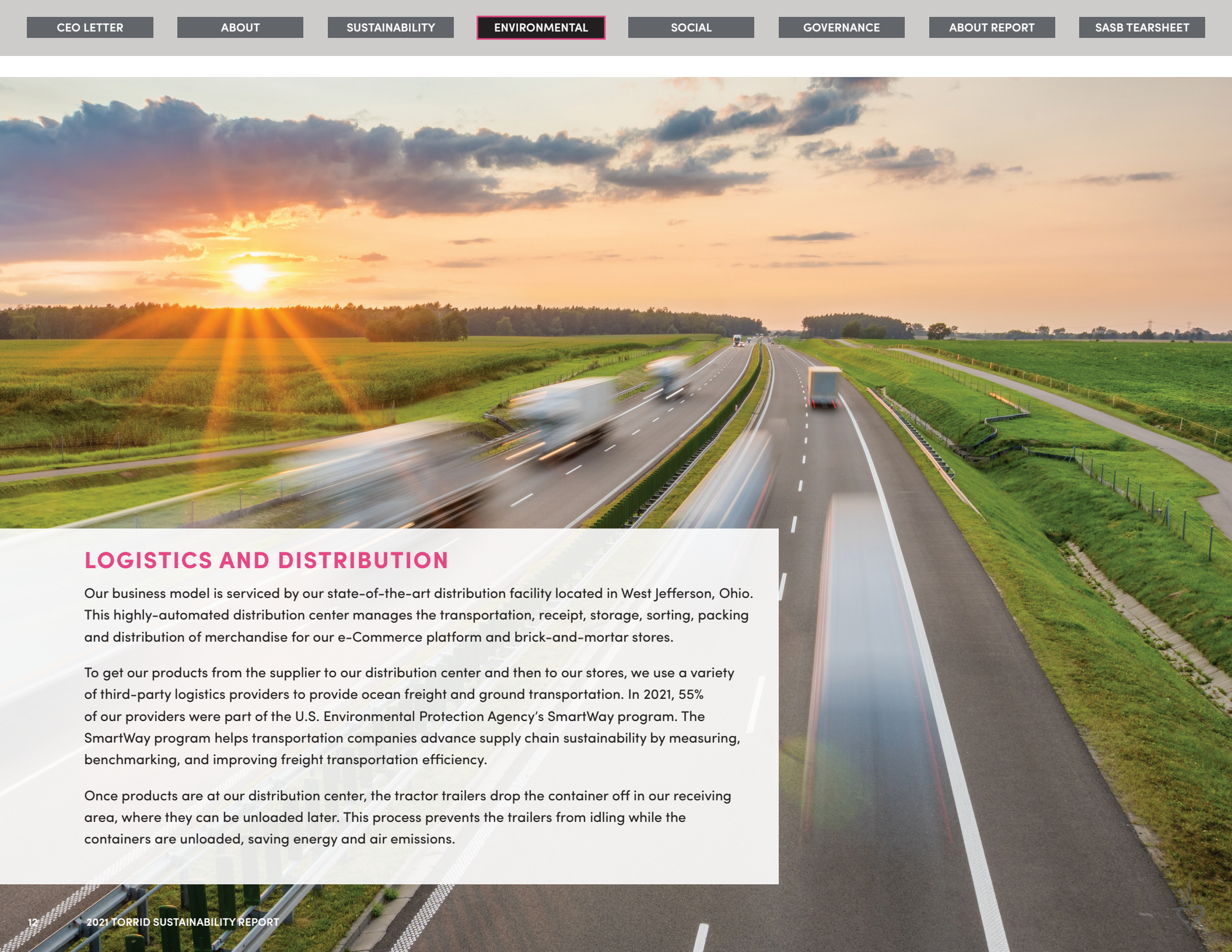
While water use in our stores is a tiny fraction of the overall water use in our apparel value chain, it is something we monitor so that we can identify leaks early and ensure we are using water thoughtfully for our kitchen and hygiene needs.

WATER CONSUMPTION (THOUSAND CUBIC METERS)

	2019	2020	2021
Stores (actual)	9.4	9.5	8.4
Stores (estimated)*	39.7	37.6	33.7
Support facilities (actual): distribution and administration	13.8	14.3	14.5
Total	63.0	61.3	56.6

*We manage and pay for water consumption in about 21% of our stores. In other cases, water use is bundled into our lease agreements, and we do not have access to consumption details. For those stores, we have estimated water use based on the average annual use per square foot of store space.





LOGISTICS AND DISTRIBUTION

Our business model is serviced by our state-of-the-art distribution facility located in West Jefferson, Ohio. This highly-automated distribution center manages the transportation, receipt, storage, sorting, packing and distribution of merchandise for our e-Commerce platform and brick-and-mortar stores.

To get our products from the supplier to our distribution center and then to our stores, we use a variety of third-party logistics providers to provide ocean freight and ground transportation. In 2021, 55% of our providers were part of the U.S. Environmental Protection Agency's SmartWay program. The SmartWay program helps transportation companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency.

Once products are at our distribution center, the tractor trailers drop the container off in our receiving area, where they can be unloaded later. This process prevents the trailers from idling while the containers are unloaded, saving energy and air emissions.

Social Responsibility



Protect labor and human rights
in our supply chain



Create a safe, welcoming work
culture where everyone belongs



Provide opportunities to
grow and give back



LABOR AND HUMAN RIGHTS IN THE SUPPLY CHAIN

At Torrid, we are committed to global human and labor rights, and to ensuring that our products are made in safe and responsible factories. We expect high ethical standards from anyone with whom we do business. Torrid's Vendor Code of Conduct ("Code of Conduct") reflects those high standards, and we embrace internationally recognized principles designed to protect the interests of the workers who manufacture products for sale in our businesses. These principles include human rights, labor rights, and anti-corruption standards enunciated by the United Nations and other respected international bodies such as the International Labour Organization. In addition to requiring compliance with applicable local, state and federal laws, we require all manufacturers and product providers to agree to adhere to strict standards for the production of the merchandise we sell.

Vendor Code of Conduct

This Code of Conduct is available in English, Arabic, Chinese, Hindi (India), Indonesian, Khmer (Cambodia), Sinhala (Sri Lanka), Spanish, Tagalog (Philippines), and Vietnamese, and outlines our requirements for Vendors (and those with whom the Vendor conducts relevant business) in such areas as:

- Forced Labor
- Child Labor
- Harassment or Abuse
- Nondiscrimination
- Health and Safety
- Freedom of Association and Collective Bargaining
- Anti-Bribery
- Subcontracting and Homeworkers
- Wages and Benefits
- Hours of Work
- Overtime Compensation
- Protection of the Environment

Acceptance of our Vendor Code of Conduct is part of our terms and conditions for merchandise vendors. While the specific requirements contained in the Code were developed with merchandise vendors in mind, we expect all the companies and individuals with whom we do business to act with integrity and adhere to the basic principles that underlie each Code requirement. Those basic principles include a commitment to act in accordance with all applicable laws and regulations and respect for the human rights and well-being of all people.

As with all of our corporate responsibility programs, we are committed to continuous improvement, which helps us prioritize additional areas of focus and supports future enhancements to our Vendor Code of Conduct.

Sourcing

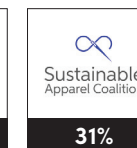
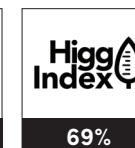
No single supplier accounted for more than 12% of merchandise purchased in 2021. Approximately 97% of our product receipts in 2021 were sourced internationally, primarily from Asia.

Torrid's Top 5 Sourcing Countries

1. China
2. Vietnam
3. Philippines
4. Cambodia
5. United States

Supplier Audits and Assessments

As part of our Vendor Code of Conduct, merchandise vendors authorize Torrid and its designated agents (including third parties) to engage in monitoring activities to confirm compliance with this Code of Conduct. This monitoring includes unannounced on-site inspections of manufacturing facilities and employer-provided housing; reviews of books and records relating to employment matters; and private interviews with employees. A 2021 survey of our top apparel suppliers found that suppliers were certified or accredited to the following standards and frameworks:



DIVERSITY AND INCLUSION

We are a company built on an inclusive truth – that people should not change themselves to fit clothes, clothes should change to fit people. This truth applies to the way we work together as well. We want people to bring their full and authentic selves to work each day and that's why diversity and inclusion is integral to our culture.

We believe that diverse and inclusive teams at all levels across the organization strengthen our ability to serve others and our customers. We also believe that gaining an understanding and appreciation of our difference makes us collectively stronger, provides unique perspectives and contributes to an open culture where we celebrate and learn from and about each other. We are on a mission to create a place where everyone belongs, and we are not afraid to do the work.

As illustrated in the charts on page 16, we have a very diverse employee base, including 93% women and 46% people of color. Nonetheless, we acknowledge that we have more work to do. Read on to learn about what we accomplished in 2021.



Leadership and Education:

We formed a Diversity and Inclusion Committee who are responsible for driving education and engagement in the company through open dialogue, employee-led training sessions and activities, and personal development.

All employees at HQ participate in Unconscious Bias training as a part of their core learning curriculum. Employees will continue to complete this and other diversity, equity, and inclusion coursework annually.

In 2021, we completed over 3,000 hours of training to build deeper trust and a sense of belonging across our teams.

Employee Engagement:

We partnered with an inclusion strategist to bring a 4-part series called Leading for Inclusivity to our leadership teams. These honest and engaging sessions prepared our leaders to facilitate quarterly learning sessions with their own teams.

We also partnered with other social contributors to bring a 4-part Virtual Fireside Conversation series to our headquarter and DC populations. These engaging conversations helped our teams to learn from those practicing inclusion in other environments.

We also continued publishing our internal D&I newsletter called Perspectives, our internal D&I podcast called Torrid Talk, and launched an internal D&I Communication Site to keep everyone educated and informed.

Looking Ahead:

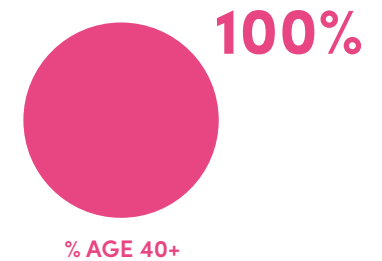
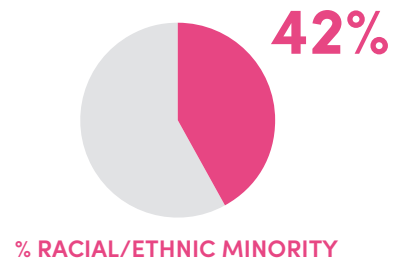
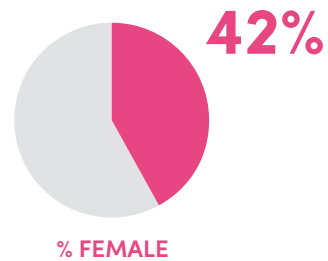
While we were ranked by Forbes as one of the Best Employers for Diversity in 2021, we recognize that we still have opportunities to improve.

We are committed to attracting, hiring, and retaining a diverse group of talented people who foster creativity and curiosity, and will help us continue to build passionate and inclusive teams.

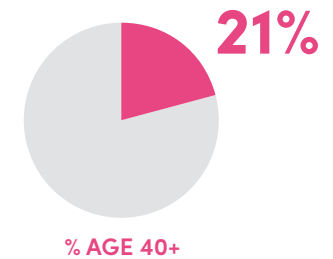
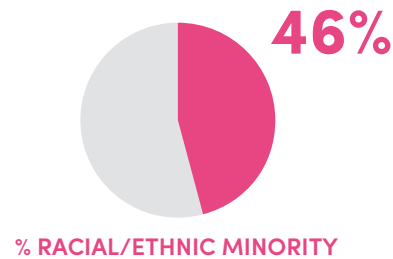
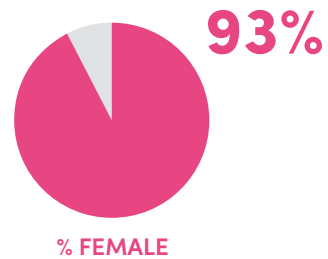
We will also work to ensure our advertising is representative of our diverse customer and associate base. In addition, we will continue working with an inclusion strategist to assist our organization in cultivating an even more inclusive culture.



Executive Management*



All Employees



* Senior Vice President and above

Diversity and Demographics Performance

Stores

- 99% store employees identify as female
- 43% store employees identify as a racial/ethnic minority
- 16% store employees age 40+

Headquarters

- 77% of HQ staff and leadership identify as female
- 59% of HQ staff and leadership identify as a racial/ethnic minority
- 39% HQ staff and leadership age 40+

Distribution Center

- 57% distribution center employees identify as female
- 59% distribution center employees identify as a racial/ethnic minority
- 47% distribution center employees age 40+



Creating A Place Where We All Belong



WORKPLACE HEALTH AND SAFETY

The health and safety of our associates and customers is a key priority. Our health and safety program is focused on protecting our associates at each of our major settings: in stores, in our distribution center, and at our headquarters building. We have developed and monitor compliance with company-wide health and safety policies to ensure the safety of each team member and compliance with federal state and local Occupational Safety and Health Administration standards.

In Stores

- Employees receive training on standard operating procedures to prevent illness, injuries and potential hazards. Training topics include preventing the spread of illness, fire prevention, response to violent incidents, weapons, bomb threats, and emergency store closures.
- In 2021, our focus was on the health and safety of our employees and store visitors during the COVID-19 global pandemic.

SAFETY PERFORMANCE

	2019	2020	2021
Total recordable incident rate (TRIR): stores	10.2	5.7	8.2
Total recordable incident rate (TRIR): distribution	4.1	1.7	3.1
Total recordable incident rate (TRIR): administration	1.8	1.2	0.0
Fatalities	0	0	0

In 2021, to prevent the spread of COVID-19 in each of our major settings, our focus was on the health and safety of our employees during the COVID-19 global pandemic. In addition to daily updates to employees, we provided personal protective

equipment and extra cleaning supplies. We also implemented safety protocols for social distancing and adjusted attendance policies to encourage those who are sick to stay home.

Distribution Center

- A dedicated Safety Specialist is onsite to support ongoing safety training, awareness, hazard identification and risk reduction.
- Employees receive training on standard operating procedures to prevent illness, injuries and potential hazards. Training topics include preventing the spread of illness, fire prevention, response to violent incidents, weapons, and bomb threats.
- Each recorded accident/incident is reviewed weekly by Safety, HR, and the DC Leadership team to quickly address any opportunities for correction/re-training if required.

Headquarters

- Employees receive training on standard operating procedures to prevent illness, injuries and potential hazards. Training topics include preventing the spread of illness, fire prevention, response to violent incidents, weapons, and bomb threats.
- In response to COVID-19, we added additional work from home flexibility.



EMPLOYEE ENGAGEMENT AND DEVELOPMENT

In 2021, we focused on putting people first by reimagining our workplace to provide more flexibility and work-life balance. Helping our teams thrive during a year of significant change meant creating a hybrid work environment at our headquarters and focusing on engagement and development opportunities to foster connectedness and stability. By putting people first, we improved our relationship with both our team members and our customers.

Employee Engagement

TORRID FOUNDATION BOARD AND STEERING COMMITTEE

The Torrid Foundation advocates for women of all races, ages, and sizes to help maximize their potential by supporting causes and nonprofit organizations that provide resources, education, support, and services to empower women and improve their lives. Employees are invited to engage with the Foundation by becoming a member of the Board of Directors, or volunteering for the Steering Committee.

COMMUNITY PARTNERSHIPS

From Annual Backpack Drives to Adopt-A-Family programs during the holidays, we are always looking at ways to give back to our local communities. Employees at our headquarters location and distribution center are invited to engage with their local community by using the company provided benefit of a paid volunteer day each quarter to give back.

EMPLOYEE ENGAGEMENT COMMITTEE

Aptly named, the Employee Engagement Committee (EEC) helps to plan events and activities for our employees to participate in that encourage connection and relationship building both in person and remotely. Employees are invited to engage with the EEC by becoming a member and helping us enhance our culture.

DIVERSITY & INCLUSION COMMITTEE

At Torrid we believe diverse & inclusive teams at all levels across the organization strengthens our ability to serve others and our customers. Gaining an understanding and appreciation of our differences makes us collectively stronger. Employees are invited to engage with the D&I Committee by becoming a member and helping to execute events and initiatives that help us create a place where we all belong.

Employee Development

At Torrid, our Learning & Development strategy is based on three primary beliefs that must be embraced to be successful. To best support every employee's development, we provide learning support through a variety of channels. At every level we offer:

- **Self-Led** learning options that provide access to a wide-array of on-demand courses that can be taken at any time.
- **Instructor-Led** learning options that are comprised of live and virtual training sessions offered quarterly.
- **Team Based** learning options that are comprised of meetings, workshops, conferences, and other collaborative options that are customized for full departments and business functions.

PROFESSIONAL DEVELOPMENT PROGRAMS

We believe in cultivating talent, so we offer development programs like Emerging Leaders for those who have the passion, desire, and potential to be changemakers in our organization. Through in depth learning sessions and mentorship assignments, we empower our teams to drive their work forward.



TURNOVER PERFORMANCE

	2019	2020	2021
Involuntary turnover rate			
Stores	10.6%	9.7%	11.0%
Distribution	9.8%	36.5%	27.9%
Administration	1.6%	3.9%	1.3%
Voluntary turnover rate			
Stores	122.1%	85.8%	110.9%
Distribution	40.8%	41.7%	73.6%
Administration	15.7%	11.6%	19.9%

Compensation and Benefits

We offer competitive compensation packages that are based on market-specific data for comparable roles and geographic locations. We believe in rewarding high performance and seek to design plans and programs to support this culture.

In 2021, we took steps to move ahead of the minimum wage in states that follow the federal guidelines. In Spring 2022, we continued that progression by further implementing additional base wage increases to position select locations ahead of the prevailing wage for their locality. We also made changes to our store bonus program to increase the monthly award. This change will allow exceptional performance in 2022 to be rewarded on a monthly versus quarterly basis.

While some benefits vary by job and location, in general the following benefits are available to Torrid associates:

Full-Time Employees

- 401k retirement plan
- Medical, dental, and vision insurance
- Flexible spending accounts
- Life insurance and short- and long-term disability insurance
- Paid Time Off
- Maternity Support Program

All Employees

- Employee assistance program
- Employee stock purchase program
- Tuition assistance program
- Employee discounts
- Childcare discount

Young Workers

Approximately 1.4% of our workforce is under the age of 18. To ensure that we are providing a safe and legal workplace, we have dedicated resources at each store for tracking hiring guidelines by state/province, inputting young worker availability, and details on work permits and authorizations for minors.



Employee Emergency Fund

Created by employees for employees, Torrid's Employee Emergency Fund (EEF) provides assistance to fellow employees in the event of natural disasters or emergencies. In the past, the EEF has helped many employees affected by natural disasters such as hurricanes, fires, and floods.



EMPOWERING COMMUNITIES

An important part of our culture is our focus on giving back to the community, which we do primarily through our Torrid Foundation that we established in 2017. The mission of the Torrid Foundation is to support various nonprofit organizations dedicated to helping women and changing lives in our diverse communities. The funds utilized in these efforts are raised from customer donations, including dollar sales transaction round-ups, employee donations via lump sum amounts and/or bi-weekly payroll deductions, and a portion of select commercial co-ventures with non-profit partners. In 2021, the Torrid Foundation raised over \$2.6 million in support of partner organizations dedicated to equality, wellness, empowerment, and education. Some of the organizations we supported included:



We partnered with YWCA USA as our partner of the year raising \$1M for their programs of women's equality, wellness, and empowerment



We partnered with GLAAD during Pride Month in June to offer a limited-edition collection that donated a percentage of profits in support of the LGBTQ+ community



We partnered with the National Breast Cancer Foundation in October to offer a limited-edition collection that donated a percentage of proceeds from our Breast Cancer Awareness collection to support NBCF. Our focus was on early breast cancer detection through pre-screening programs and services.



We partnered with the Canadian Cancer Society in October to offer a limited-edition collection that donated a percentage of proceeds from our Breast Cancer Awareness collection. Our focus was on early breast cancer detection through pre-screening programs and services.



Governance



**Comply with applicable laws
and regulations**

**Operate with ethics
and integrity**

**Manage risk and
build resilience**



CORPORATE GOVERNANCE

Leadership

Torrid has built a qualified Board of Directors with the skills and experience to support strong growth and sustainability. Key competencies we believe are critically important include:

- Risk management
- Crisis management
- Leadership
- Regulatory issues
- Reputational issues
- Accounting and financial acumen
- Business judgment
- Governance
- Social responsibility
- Supply chain management
- Human capital management
- Cybersecurity
- Strategy and strategic planning
- Industry experience

The board has adopted [Corporate Governance Guidelines](#) covering topics including board independence, election and appointment terms, director selection criteria, meetings and committees, director compensation, board education and performance evaluation, and board duties and responsibilities. The board also delegates certain responsibilities to three Board Committees:

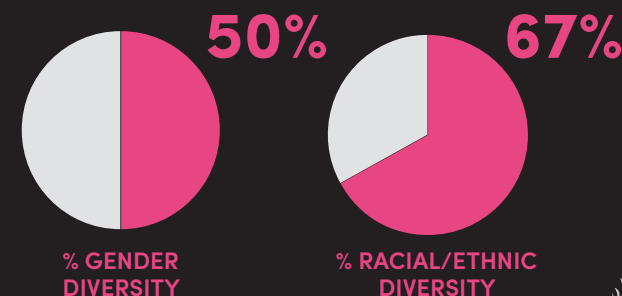
1. **[Audit Committee](#)**: provides oversight of Torrid's accounting and financial reporting processes
2. **[Compensation Committee](#)**: provides oversight of executive compensation and human capital management
3. **[Nominating and Corporate Governance Committee](#)**: provides oversight of the director nominations process, Torrid's environmental, social and governance (ESG) matters and corporate governance trends, documents and disclosure

More information on our Board of Directors and Executive Team, including executive compensation and remuneration practices, can be found in our [2021 Proxy](#).



BOARD DIVERSITY

At Torrid, we believe that diversity of backgrounds and viewpoints is a key attribute for a director nominee. We consider individuals with diverse viewpoints, accomplishments, cultural background, professional expertise, and diversity in gender, ethnicity, race, skills and geographic representation, that, when considered as a group, provide a sufficient mix of perspectives to allow the Board to best fulfill its responsibilities to the long-term interests of our stockholders. At the end of the reporting year, of the six directors on our Board, four were racially/ethnically diverse, and two of these four were women. Overall, our board was split between three men and three women.





BUSINESS ETHICS AND INTEGRITY

Our [Code of Business Conduct and Ethics](#) is central to our ethics and compliance philosophy. It establishes policies and procedures to promote honest and ethical conduct, fair and accurate disclosure, compliance with applicable governmental laws, rules and regulations, prompt internal reporting of violations of the Code, and accountability for adherence to the Code. It covers:

- Honest and ethical conduct
- Conflicts of interest
- Environmental stewardship
- Discrimination and harassment
- Human rights
- Corporate opportunities
- Confidentiality
- Fair dealing
- Use of company assets
- Compliance
- Disclosure requirements

We extend these commitments through our supply chain via our Vendor Code of Conduct (see more on page 14).



Reporting Violations and Concerns

Anyone who suspects or has knowledge of a violation of the Code of Business Conduct and Ethics must report their concerns to the company, either directly to the Audit Committee, to the Chief Legal Officer, or to the reporting person's supervisor. After a thorough investigation and upon receipt of a determination that there has been a violation of this Code, the Board or the Chief Legal Officer will take such preventative or disciplinary action, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities.



Prohibition on Retaliation and Whistleblower Protection

We do not tolerate acts of retaliation against any director, officer or employee who makes a good faith report of known or suspected acts of misconduct or other violations of the Code of Business Conduct and Ethics, and any such retaliation may be a violation of the Company's [Whistleblower Policy](#).

Preventing Corruption

At Torrid, we are committed to operating with honesty and integrity. Our [Anti-Corruption Policy](#) and [Anti-Corruption Third Party Diligence Procedures](#) include a detailed explanation of our requirements and expectations. And because not every situation can be predicted, we also provide ways for employees and third parties acting on our behalf to get additional help in navigating unusual circumstances in alignment with our ethical principles.



RISK MANAGEMENT

We maintain a robust approach to enterprise risk management that identifies, assesses and mitigates risk across our business. We are beginning to incorporate sustainability issues more explicitly into our risk management process. A list of material risks is provided in our [Annual Report](#) and filed with the Securities and Exchange Commission (SEC), but particular risks with environmental, social and governance impacts include:

LAWS AND REGULATIONS

We are subject to labor and employment, tax, environmental, privacy and anti-bribery laws. We are also subject to regulations, trade laws and customs, truth-in-advertising, consumer protection and zoning and occupancy laws and ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise and the operation of stores and warehouse facilities.

HUMAN CAPITAL

Our success depends in part upon our ability to motivate, develop and retain employees who understand and appreciate our corporate culture and customers and are able to adequately and effectively represent this culture and establish credibility with our customers. Human capital management, including creating a safe, welcoming and respectful workplace that provides opportunities for growth and development, is critical to our long-term success.

SUPPLY CHAIN COMPLIANCE

We do not own or operate any manufacturing facilities and therefore depend upon third parties for the manufacture of all of our merchandise. We maintain compliance guidelines for our vendors that dictate various standards, including product quality, manufacturing practices, labor compliance and legal compliance.

PRODUCT SAFETY, QUALITY AND SUSTAINABILITY

Product safety laws and regulations and changing consumer preferences on sustainability characteristics of their purchase choices are constantly evolving. We are subject to regulation by the Consumer Product Safety Commission and similar state and international regulatory authorities, and issues of product safety could result in a recall of products we sell.

RAW MATERIAL AVAILABILITY AND CLIMATE CHANGE PRESSURE

The raw materials used to manufacture our merchandise are subject to availability constraints and price volatility caused by high demand for cotton, high demand for petroleum-based synthetic and other fabrics, weather conditions, supply conditions, government regulations, economic climate and other unpredictable factors. In addition, our transportation and labor costs are subject to price volatility caused by many of these same factors. We are also subject to risks associated with new governmental mandates, standards or regulations intended to reduce greenhouse gas emissions or projected climate change impacts.

DATA SECURITY

Some aspects of our business, like that of most direct-to-consumer businesses, involves the receipt, storage and transmission of customers' personal information, consumer preferences and payment card information, including in relation to our private label credit card, as well as confidential information about our associates, our suppliers and our Company, some of which is entrusted to third-party service providers and vendors. We increasingly rely on commercially available systems, software, tools (including encryption technology) and monitoring to provide security and oversight for processing, transmission, storage and the protection of confidential information.



DATA PROTECTION AND SECURITY

We collect, process, store, use, and share data, some of which contains personal information. Consequently, our business is subject to a number of U.S. and international laws, regulations, and industry standards governing data privacy and security, including with respect to the collection, storage, use, transmission, sharing, and protection of personal information and other consumer data.

Our [Privacy Policy](#) explains how Torrid, our affiliates, and subsidiaries collect, use, and share Personal Information when individuals engage with us online or offline, including:

- What Information We Collect
- Who We Disclose Your Information To
- Information Regarding Children
- California Specific Rights

We are on a continuous journey to further fortify our cybersecurity practices including risk and vulnerability management, monitoring, protection, detection, response, privacy and employee engagement. Key initiatives include:

- Successful track record of PCI, SOX and CCPA compliance
- Utilizing an industry standard cybersecurity framework for benchmarking, managing risk and continuous improvement of our security posture
- Using industry leading technology and services to protect our network, remote access, users, email, IT assets, employee data, corporate data and customer data
- 7x24 security monitoring
- Engaging Employees in cybersecurity through quarterly phishing simulations, training, communications and company policies
- Engaging Leadership and Board of Director members with quarterly updates
- IT conducts an annual Incident Response training exercise



About This Report

SCOPE AND BOUNDARIES

This is Torrid's first sustainability report and primarily covers fiscal year activities (February 1, 2021 to January 31, 2022). In some cases, prior year data has also been provided to support trend analysis. Where relevant, this report also contains information pertinent to 2022, including changes to sustainability leadership and new sustainability programs introduced after the close of the 2021 fiscal year.

Unless otherwise noted, the scope of disclosures in this report covers 100% of Torrid's operations, using operational control boundaries. Estimates and assumptions, where relevant, are included in footnotes or in narrative surrounding data tables.

Apparel makes up 87% of our revenue, with shoes and accessories comprising the remaining 13%. In 2021, we engaged with our apparel contract manufacturers to better understand our supply chain impacts. Thirteen of our top apparel manufacturers participated in a detailed sustainability survey, representing 68% of our total apparel supplier spend. Where we reference supplier performance metrics in this report, we are extrapolating to all production suppliers based on survey responses. We anticipate expanding our engagement to additional suppliers over time.

VERIFICATION AND ASSURANCE

Torrid's Sustainability Steering Committee, made up of cross-functional senior leaders in every major function of the Company, has reviewed this report for accuracy and completeness. In addition, Torrid has worked with Strategic Sustainability Consulting, LLC to prepare this report in alignment with our materiality assessment results, relevant Sustainability Accounting Standards Board (SASB) industry standards, and evolving best practices. The report has not been independently verified or assured.

RESTATEMENTS

As this is Torrid's first sustainability report, there are no restatements from prior reports.

FOR MORE INFORMATION

For questions, concerns and suggestions about Torrid's sustainability efforts, please contact sustainability@torrid.com.

DISCLAIMER AND LIMITATIONS

In this report, statements may be made regarding beliefs and expectations regarding the Company's future plans, disclosures, results or expected future events. These are known as forward-looking statements, which involve risks and uncertainties that in many cases are beyond management's control and may cause actual results to differ materially from expectations. We caution our readers in considering forward-looking statements and information. Many of the factors that could affect results are described in detail in our reports that we file with or furnish to the SEC. Finally, the information shared in this report is valid as of October 31, 2022, and the Company undertakes no obligation to update it except as may be required under applicable law.



SASB Tearsheet

The following data tables provide a snapshot of Torrid's sustainability performance across environmental, social and governance topics, based on Sustainability Accounting Standards Board (SASB) reference indicators from the following two industry standards:

1. Apparel, Accessories & Footwear (CG-AA)
2. Multiline and Specialty Retailers & Distributors (CG-MR)

Indicator	Unit	2019	2020	2021
Total energy consumed (CG-MR-130a.1)	Gigajoules (GJ)	176,427	166,292	174,560
Percentage grid electricity	Percent (%)	72	74	77
Percentage renewable	Percent (%)	0	0	0
Average hourly wage: US (CG-MR-310a.1)	\$ USD	We do not share compensation data in this level of granularity. See page 20 for more information about our approach to compensation and employee retention.		
Average hourly wage: Canada (CG-MR-310a.1)	\$ USD			
In-store employees earning minimum wage: US (CG-MR-310a.1)	Percent (%)			
In-store employees earning minimum wage: Canada (CG-MR-310a.1)	Percent (%)			
Involuntary turnover rate for in-store employees (CG-MR-310a.2)				
<i>Stores</i>	Rate	10.6	9.7	11.0
<i>Distribution</i>	Rate	9.8	36.5	27.9
<i>Administration</i>	Rate	1.6	3.9	1.3
Voluntary turnover rate for in-store employees (CG-MR-310a.2)				
<i>Stores</i>	Rate	122.1	85.8	110.9
<i>Distribution</i>	Rate	40.8	41.7	73.6
<i>Administration</i>	Rate	15.7	11.6	19.9
Total amount of monetary losses as a result of legal proceedings associated with labor law violations (CG-MR-310a.3)	\$ USD	From time to time, we are subject to certain legal proceedings and claims in the ordinary course of business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, financial condition, operating results or cash flows.		
Total amount of monetary losses as a result of legal proceedings associated with employment discrimination (CG-MR-330a.2)	\$ USD			
Demographics and Diversity				
<i>HQ Staff and Leadership: Female (CG-MR-330a.1)</i>	Percent (%)	76	77	77
<i>Distribution Staff: Female (CG-MR-330a.1)</i>	Percent (%)	59	55	57
<i>Store Employees: Female (CG-MR-330a.1)</i>	Percent (%)	99	99	99



Indicator	Unit	2019	2020	2021
<i>HQ Staff and Leadership: Racial/ethnic minority (CG-MR-330a.1)</i>	Percent (%)	65	65	59
<i>Distribution Staff: Racial/ethnic minority (CG-MR-330a.1)</i>	Percent (%)	61	63	59
<i>Store Employees: Racial/ethnic minority (CG-MR-330a.1)</i>	Percent (%)	43	43	43
<i>HQ Staff and Leadership: Over 40 (CG-MR-330a.1)</i>	Percent (%)	38	38	39
<i>Distribution Staff: Over 40 (CG-MR-330a.1)</i>	Percent (%)	39	40	47
<i>Store Employees: Over 40 (CG-MR-330a.1)</i>	Percent (%)	12	13	16
Revenue from products third-party certified to environmental and/or social sustainability standards (CG-MR-410a.1)	\$ USD	While many of our product contain raw materials certified to third-party sustainability standards, we do not currently track them in a way that can be robustly aggregated.		
Processes to maintain compliance with restricted substance regulations (CG-AA-250a.1)	Discussion and analysis	See page 7		
Processes to manage risks and/or hazards associated with chemicals in products (CG-AA-250a.2, CG-MR-410a.2)	Discussion and analysis	See page 7		
Discussion of strategies to reduce the environmental impact of packaging (CG-MR-410a.3)	Discussion and analysis	See page 8		
Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement (CG-AA-430a.1)	Percent (%)	Torrid does not currently maintain tracking and reporting systems to align with these indicators. However, we have a robust supply chain sustainability initiative that includes supplier engagement on environmental and social issues, self-assessments and third-party auditing. More information can be found on page 14.		
Percent of Tier 1 supplier facilities that have completed the SAC Higg Facility Environmental Module (HIGG FEM) assessment or an equivalent environmental data assessment (CG-AA-430a.2)	Percent (%)			
Percent of supplier facilities beyond Tier 1 that have completed the SAC Higg Facility Environmental Module (HIGG FEM) assessment or an equivalent environmental data assessment (CG-AA-430a.2)	Percent (%)			
Percentage of (1) Tier 1 supplier facilities that have been audited to a labor code of conduct (CG-AA-430b.1)	Percent (%)			
Percentage of total audits conducted by a third-party auditor (CG-AA-430b.1)	Percent (%)			
Percentage of supplier facilities beyond Tier 1 that have been audited to a labor code of conduct (CG-AA-430b.1)	Percent (%)			
Percentage of total audits conducted by a third-party auditor (CG-AA-430b.1)	Percent (%)			
Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits (CG-AA-430b.2)	Rate			



Indicator	Unit	2019	2020	2021
Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard (CG-AA-440a.2)	Percent (%) by weight	Torrid does not currently maintain tracking and reporting systems to align with this indicator. However, we do source a variety of products with third-party sustainability certifications and/or attributes, and this number is increasing over time. More information can be found on page 7.		
Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain (CG-AA-430b.3)	Discussion and analysis	See pages 7, 11 and 14		
Description of environmental and social risks associated with sourcing priority raw materials (CG-AA-440a.1)	Discussion and analysis	See pages 7 and 11		
Description of approach to identifying and addressing data security risks (CG-MR-230a.1)	Discussion and analysis	See page 27		
Number of data breaches (CG-MR-230a.2)	Number (#)	We have not had any material data breaches during this reporting period.		
<i>Percentage involving personally identifiable information (PII) (CG-MR-230a.2)</i>	Percent (%)			
<i>Number of customers affected (CG-MR-230a.2)</i>	Percent (%)			
Number of Tier 1 suppliers ³ (CG-AA-000.A)	Number	2,830	2,591	2,690
Suppliers beyond Tier 1 (CG-AA-000.A)	Number	Torrid is part of a complex global supply chain. We do not track the suppliers of our suppliers in a format that aligns with this indicator.		
Number of retail locations (CG-MR-000.A)	Number	607	608	624
Number of distribution centers (CG-MR-000.A)	Number	1	1	1
Total area of retail space (CG-MR-000.B)	Square meters (m2)	171,329	171,548	177,882
Total area of distribution centers (CG-MR-000.B)	Square meters (m2)	69,083	69,083	69,083

³ We define a Tier 1 supplier as any vendor paid directly by Torrid. Within our accounting system, this includes employees that have been reimbursed in the reporting year (related to, for example, mileage, food, lodging).





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