



2022 SUSTAINABILITY REPORT

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THE CONTAINER STORE

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Letter from the CEO

I am pleased to share The Container Store's second annual Sustainability Report and I appreciate your interest in our journey. In fiscal 2022, we continued to deliver on and advance our commitment to empower our people, meet our customers' expectations, and protect the environment, by executing against our Environmental, Social, and Governance ("ESG") strategy.

At The Container Store, we are guided by our seven Foundation Principles and always strive to do the right thing. These Principles serve as the foundation of our culture and propel our company toward a more sustainable future. We believe that creating a sustainable business benefits our customers, communities, employees, suppliers, and shareholders. We also believe a diverse workforce benefits our business by fostering an inclusive culture and unique perspectives. Over the past year, we maintained well-balanced racial and gender diversity across all levels, with notable improvement in our representation of racially diverse executives (41% of executives).

From an environmental lens, we continued to minimize our carbon footprint by implementing LED lighting, retrofitting stores, and offsetting our energy consumption with 100% renewable wind power. Our efforts were recognized by the Environmental Protection Agency, whose Green Power Partnership named us as one of its Top 30 Retail Partner Companies for 2022.

In addition to these sustainable operational enhancements, we have continued to give our customers more opportunities to reduce their environmental impact by increasing our sustainable product assortment. Expanding private label collections, partnerships with Marie Kondo and iDesign, and introducing new vendors helped facilitate this growth in fiscal 2022. We are well on our way to reaching our goal of 30% of our product assortment labeled as sustainable by fiscal 2027 and have many exciting new products hitting shelves in fiscal 2023.

As always, we value customer feedback and strive to ensure our customers are receiving the very best service. Throughout the past year, we made significant improvements to the accessibility and speed of our website and mobile app with the introduction of features like an artificial intelligence chatbot, which helps us more efficiently service our customers. These efforts and many others are critical in ensuring customers can access the products and services they need to transform their lives through the power organization. As a result, our net promoter score remains strong at 79, an increase from last year.

The Container Store would not have an air of excitement without our incredible employees, and it is important we continue to develop our talent, keep them engaged, and support them when they are in need. This year we launched a mentoring and development program called I.D.E.A. (Inclusion, Diversity, Equity and Access). This program supports our effort to develop strong, diverse, high performing leaders, and is designed to empower participants to maximize their career, achieve success and prepare for advancement into leadership positions. Additionally, our employee resource groups experienced tremendous growth of 203% over the past year, and I am proud to see the impact each group is making in our company and communities through inclusion events and giving campaigns. Lastly, I want to highlight our Employee First Fund, which provided 60 grants and \$150,000 in financial support to our employees and their families who needed assistance for unforeseen emergencies. Since its inception, the fund has raised more than one million dollars, primarily from employee contributions.

These examples and achievements shine a light on our great company culture and how we support one another.

Finally, we have made important strides in engaging our global supplier network to share their impact on ESG issues through our partnership with EcoVadis. We performed 360 assessments with the top 20% of our suppliers. The results will help us determine areas of focus and opportunity most important



to our business and stakeholders. We also launched our first EV 360 Carbon calculator to provide our entire supplier network with a free calculation of their GHG emissions, further supporting our efforts in evaluating our Scope 3 footprint. Both of these efforts are a win-win for our business, our vendor's business and the environment.

I am incredibly proud of the progress we made in fiscal 2022 advancing our ESG strategy that is captured in this report. There is always more to be done and I am confident in our plans for an even brighter, more sustainable future.

Satish Malhotra,
CEO and President of The Container Store

About The Container Store

The Container Store Group, Inc. (“The Container Store”) is the leading specialty retailer of organizing solutions, custom spaces, and in-home services in the United States and the only national retailer devoted to the category. We pride ourselves on an unmatched assortment of products and solutions designed to transform lives through the power of organization.

The Container Store is headquartered in Dallas, Texas and is publicly traded on the New York Stock Exchange (NYSE). In fiscal year 2022, we had approximately 5,100 employees, of which approximately 4,700* were TCS segment employees and approximately 400 were Elfa segment employees. The Company generated \$991.4 million in net sales, which represented 95% of total consolidated net sales, in fiscal 2022.

During fiscal 2022, our operations consisted of the following business lines:



The Container Store (“TCS”)

Retail, website, customer service (call center and business-to-business sales), in-home services, and wood-based custom spaces manufacturing as part of our acquisition of Closet Works.**



Elfa International AB (“Elfa”)

Designer and manufacturer of component-based shelving and drawer systems, and made-to-measure sliding doors.

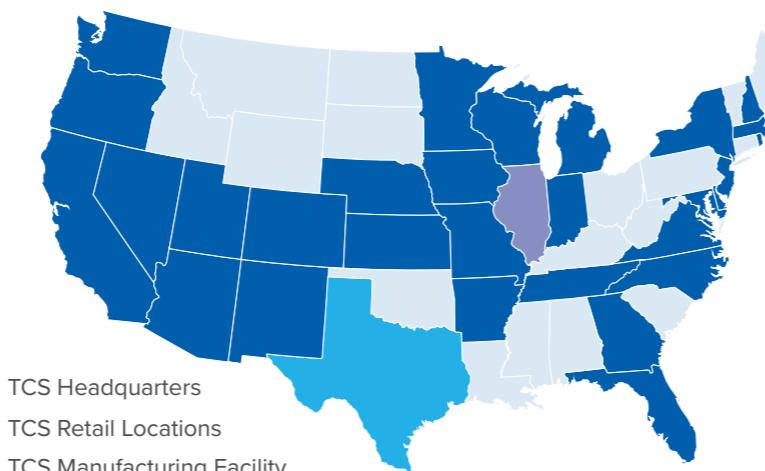
We operate 97 stores and one showroom with an average size of approximately 24,000 square feet in 34 states and the District of Columbia. Our products come from one of our two distribution centers in Coppell, Texas and Aberdeen, Maryland. We also own and operate a manufacturing facility for our luxury wood-based system Preston located in Elmhurst, Illinois. Elfa operates three manufacturing facilities, with two located in Sweden and one in Poland. For more information about The Container Store and our products, refer to our [10-K](#).

* Employee count excludes Elfa employees.

** We operate the C Studio Manufacturing, Inc. (“C Studio”), (formerly known as “Closet Parent Company, Inc.”, or “Closet Works”) facility in Elmhurst, Illinois, which designs and manufactures the Company’s premium wood-based custom space product offering, and is included in the TCS reportable segment.

THE CONTAINER STORE LOCATIONS

All locations powered by renewable energy.



2022 Highlights

\$991M in Net Revenue

3 new retail locations opened, part of our path to \$2B sales goal

46,210,183
kWh

of wind energy powered our facilities



Named one of the [Top 30 Retail Companies for the Green Power Partnership](#) by the US EPA*

3.724%

reduction in energy consumption from 2021 to 2022

+203%

growth in membership of our employee resource groups from 2021 to 2022



Launched new corporate branding

12.1M

Organized Insiders, our loyalty program, which is a 10% increase from 2021

\$37.5M

spend with diverse suppliers in fiscal 2022

100%

renewable energy powering our stores, distribution centers, and headquarters for second consecutive year**

79

Net Promoter Score “NPS”, which is an increase from FY 2021

* The U.S. Environmental Protection Agency's (EPA's) Green Power Partnership is a federal program that works with organizations to incorporate green power into their operational energy mix.

** This is inclusive of The Container Store locations. This excludes C Studio and Elfa.

[†] Sustainable materials are defined based on FTC guidelines and global standards.

Our Foundation Principles

At The Container Store, we are guided by our seven Foundation Principles. They are fundamental to our culture of putting people first in everything we do. Our teams rally around our brand purpose: The Container Store exists to transform lives through the power of organization. Our brand purpose does not stop at our customers, it applies to all stakeholders.

THE CONTAINER STORE FOUNDATION PRINCIPLES



1 Great Person = 3 Good People



Train for Success



We Sell Complete Solutions



Air of Excitement



The Best Selection, Quality & Service



When It's a Win-Win, We All Win



Communication Is Leadership



Our Foundation Principles are brought to life by our uplifting smile-shaped logo and [Welcome to the Organization](#) brand ethos, which welcomes new customers and reconnects existing customers through authentic storytelling. This strategy emphasizes how The Container Store believes in the life-transforming benefits of organization, where decluttering leads to destressing.

For more information, please visit our [Foundation Principles](#) webpage.

Our Approach to ESG



OUR ESG STRATEGY: CONTINUING TO INSPIRE CHANGE ACROSS THE ORGANIZATION

At the Container Store, we continue to advance our Environmental, Social, and Governance (“ESG”) Strategy to ensure it is embedded in the way we do business. We believe that sustainable business practices result in positive outcomes for our company, as well as the people and communities we interact with.

In the [inaugural issue of our report](#), we outlined the hallmarks of our ESG program and shared results of our very first materiality assessment. In 2022, we took a closer look into our Materiality Topic Index (“MTI”) to identify high level goals and commitments in line with our business vision and stakeholder expectations. The Container Store is committed to acting as responsible stewards of environmental and social topics spanning our product lifecycle, supply chain practices, employees, and communities.

We took a closer look at our ESG structure to ensure efficient execution of ESG deliverables. Governance oversight of ESG remains a priority for our Nominating and Corporate Governance Committee. The ESG Center of Excellence function is now led by our Chief Legal Officer & Corporate Secretary with the support of our Sr. Director of ESG, who oversees all ESG projects and deliverables.

We also reimagined the structure of our Sustainability Committee (“SC”) to include various cross-functional champions to help with the activation of our strategy. The SC is chaired by our Chief Merchandising Officer with the support of the ESG, Legal, Supply Chain, General Merchandising, and Marketing teams. The focus of the committee will be on furthering our Sustainability Strategy around:

- Sustainable products and materials
- Compliance
- Waste and circularity
- Sustainable projects
- Training and Education

Our Sustainability Strategy is supported by our dedicated team, effective policies, and innovative systems that ensure progress in our sustainability journey. We continue to proactively identify opportunities to further integrate sustainability and corporate stewardship throughout our operations.

With the support of The Nominating and Corporate Governance Committee, Executive Leadership Team (“ELT”), and our ESG Council, we zoomed in on the top ten areas of focus in 2022 and beyond:

THE CONTAINER STORE'S 10 ESG GOALS

1

Standardize reporting and KPI management for Environmental metrics

2

Increase use of sustainable materials in products

6

Enhance workforce diversity

8

Embed ESG into the organization and decision making – drive effective activation of our ESG Strategy

3

Track supplier sustainability performance through ESG scorecards

4

Establish and manage KPIs for Scope 1, 2, and 3 Emissions

7

Drive supplier diversity

9

Increase transparency and stakeholder engagement through annual reporting and disclosure practices

5

Identify opportunities to reduce operational waste and increase the use of recycled materials

Continue to drive results through strategic initiatives in each goal pillar

10

Minimize risk in data privacy and cybersecurity

Governance

Social

Environmental

Materiality and Stakeholder Engagement



MATERIALITY ASSESSMENT RESULTS AND STRATEGIC PRIORITIES

In 2021, we conducted a formal materiality assessment to identify and prioritize the ESG topics most important to our business and stakeholders. With the guidance of third-party experts, we benchmarked peers and public reporting, analyzed external trends, interviewed key internal and external stakeholders, and scored key issues. This process helped us determine priority topics and highlight key areas of risk and opportunity across ESG. As a result of this assessment, we developed a comprehensive materiality matrix that was reviewed and validated by senior management and the Board of Directors.

MATERIAL ESG TOPICS

CATEGORY	TOP MATERIAL TOPICS
Environmental	<ul style="list-style-type: none"> Product Stewardship Emissions and Energy
Social	<ul style="list-style-type: none"> Talent Recruitment, Engagement and Retention Diversity, Equity and Inclusion Customer Engagement and Satisfaction
Governance	<ul style="list-style-type: none"> Responsible Supply Chain Practices Digital Technology and E-Commerce Privacy, Data Protection and Cybersecurity

Our materiality matrix charts the most critical ESG topics to our business and stakeholders. We use this materiality assessment to guide our ESG program and prioritize opportunities for improvement in the future. Our 2022 progress against our top-ranked material topics is discussed throughout this report. Additional topics are monitored and reported on regularly, as these are still crucial to our sustainability journey and long-term value.

ESG DATA MAPPING

In 2022, we launched a new data mapping process to ensure data integrity and process efficiency. By establishing an infrastructure for data collection and evaluation, we hope to elevate our ESG reporting practices to include limited assurance in the future.

We have partnered with third-party experts to build a customized data integrity program. Along with data mapping and systems analysis, TCS will perform a formal internal controls assessment, which analyzes the company's Internal Controls and risk management processes. The goal is to determine the completeness, accuracy, transparency, and reliability of underlying ESG-related data. Internal Controls assessments focus on each of the following substantive areas within the organization:

- 1 Identify data required to assess the effectiveness of internal controls
- 2 Conduct risk assessment and set prioritization controls of key metrics
- 3 Evaluate controls for data sources and systems
- 4 Assess end-to-end control activities related to data management, verification, and validation
- 5 Recommend audits of data, integrity ownership, and communication protocols to drive consistency

STAKEHOLDER ENGAGEMENT

At The Container Store, we engage our stakeholders on an annual basis to identify priorities, determine risks, highlight opportunities, and enhance responsible business practices. The stakeholder groups listed below remain a priority focus for our company to maintain transparency and communication across the organization.

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	IMPORTANT ESG TOPICS
Employees	<ul style="list-style-type: none"> Annual Employee Survey Employee First Fund Trainings (Onboarding, Compliance & Ethics, Cybersecurity, Sales and others) Employee Newsletter, 1Equals3 Complaint Hotline 	<ul style="list-style-type: none"> Talent Recruitment, Engagement and Retention Learning Development and Training Diversity, Equity and Inclusion Compensation and Benefits Digital Technology and E-Commerce
Customers and Business Partners	<ul style="list-style-type: none"> Ongoing Net Promoter Score ("NPS") survey Customer-facing blog (Container Stories) Emails and newsletters Brand Ambassador and Influencer Programs Rewards and Discount programs Social Media Webinars and Videos 	<ul style="list-style-type: none"> Social Impact of Products and Services Customer Engagement and Satisfaction Health, Safety and Well-being Product Stewardship Digital Technology and E-Commerce
Investors	<ul style="list-style-type: none"> Annual shareholder meeting Trend, Risk and ESG Strategy Interviews Quarterly calls and webcasts Investor-facing website SEC filings 	<ul style="list-style-type: none"> Corporate and ESG Governance Product Stewardship Responsible Supply Chain Practices Emissions and Energy Privacy, Data Protection and Cybersecurity
Suppliers	<ul style="list-style-type: none"> Supplier events Emails Third-Party Audits Trade Shows 	<ul style="list-style-type: none"> Supplier Diversity Council Responsible Supply Chain Practices Product Stewardship Emissions and Energy Product Safety
Communities	<ul style="list-style-type: none"> Employee Volunteerism Charitable Giving Program New Store Launch Events Military Discount 	<ul style="list-style-type: none"> Health, Safety and Well-being Social Impact of Products and Services Product Stewardship Product Safety Community Impact

Corporate and ESG Governance

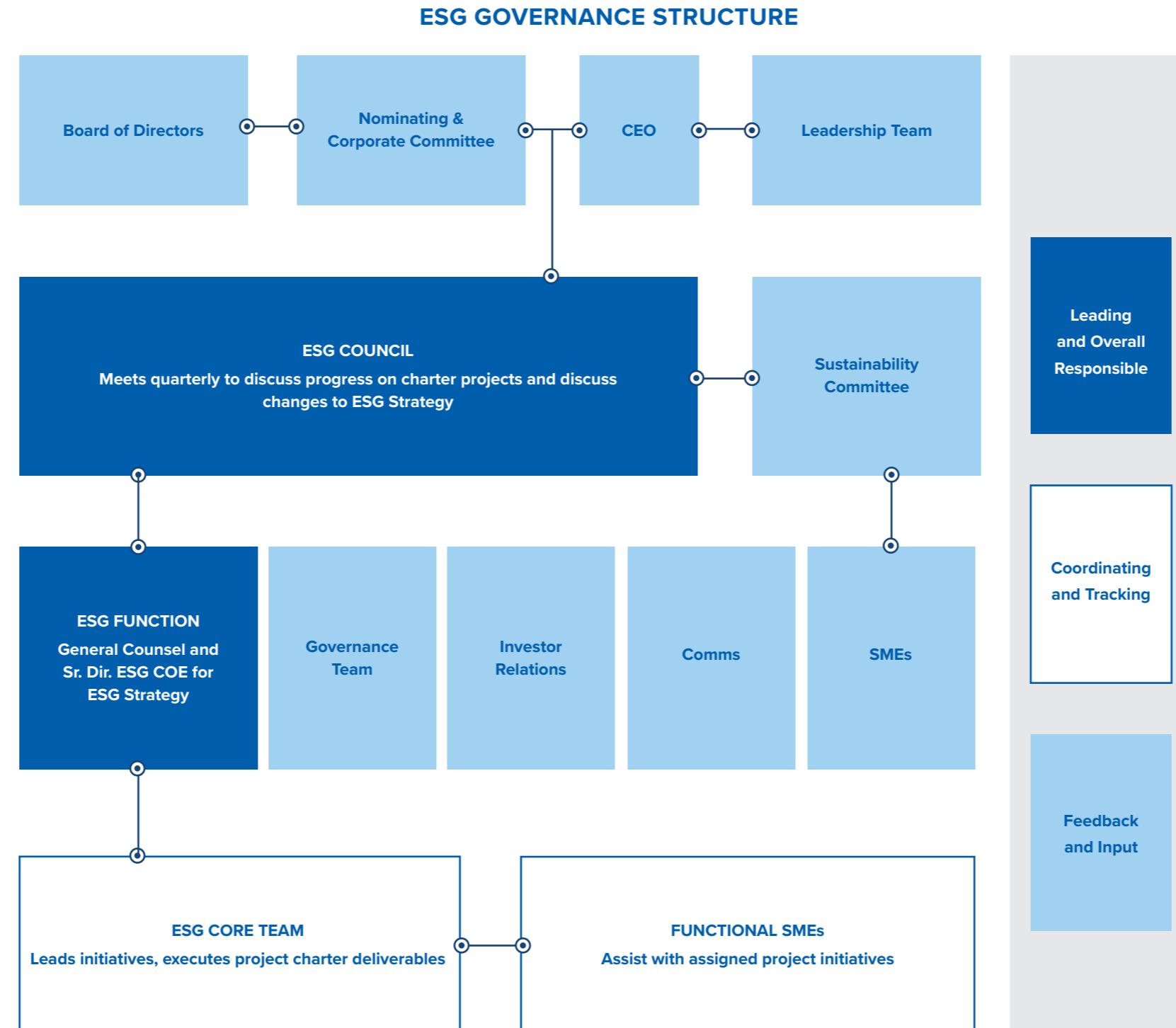
ESG OVERSIGHT

At The Container Store, we are committed to doing our part to contribute to the well-being of our customers, communities, and the environment. This commitment affects everything we do – from daily operations at our stores, headquarters, and manufacturing and distribution centers to the vendors we work with and the products we offer.

The Board of Directors is responsible for overseeing the Company's corporate strategy and enterprise risk management priorities, including sustainability efforts. The Nominating and Governance Committee of the Board of Directors governs our ESG efforts. The Committee reviews and provides oversight with respect to company strategy, initiatives, and policies concerning ESG matters. The Compensation and Culture Committee supports our ESG program by taking on primary responsibility for matters relating to human capital management and development.

Our Chief Financial Officer, a member of the executive committee, leads the ESG function. The Chief Legal Officer & Corporate Secretary manages corporate sustainability activities and strategy, and reports to the Chief Financial Officer. This year, we formed an official ESG Council, led by the Sr. Director of ESG, which oversees all projects and sub-committees for ESG projects. The Sustainability Committee activates our ESG Strategy.

In fiscal 2022, we also redefined the structure of our Sustainability Committee, as outlined in the [Environmental](#) Section of this report.



Tasha Grinnell,
Chief Legal Officer & Corporate Secretary

"The Container Store recognizes the importance of our impact on people, the planet, and the communities in which we operate. We believe it is imperative to the success of our business to continue learning, proving, and advancing our vision in this area. I am proud to share the company's progress in the second annual Sustainability Report. TCS ESG vision is certainly coming into view."

Environment



The Container Store recognizes the importance of minimizing our environmental footprint by implementing sustainable solutions to reduce energy consumption, waste, and water usage. In the last year, we established our first Environmental Metrics System, powered by Navex. This new set of tracking tools helps us assess current metrics as well as provide predictive analysis to help us identify sustainability projects in real time. In the area of environmental analytics, our goal is to establish a centralized ESG KPI dashboard, which will provide a full picture of current state and areas of optimization with the help of predictive technology software.

EMISSIONS & ENERGY



The Container Store is committed to tracking, managing, and reducing our greenhouse gas (“GHG”) emissions and energy consumption. Over the past year, we have made significant strides to improve energy efficiency. We are proud to continue to power all of our stores, distribution centers, and headquarters through our Renewable Energy Credits (“REC”) Program. We source 100% renewable energy derived from wind while still growing our store footprint each year. We look to optimize sourcing green energy on a local and state level to further reduce our overall footprint and support local communities.

In 2022, we utilized 46,210,183¹ kWh of wind power, which is the equivalent of removing

7,287

gasoline-powered passenger vehicles from the road for one year.²

We continue to be a member of the United States Environmental Protection Agency’s (“EPA”) Green Power Partnership program, in which we commit to matching 100% of our electricity use with investment in renewable energy. As a result of our efforts over the past year, we were awarded a spot on the [Top 30 Retail Companies for the EPA's Green Power Partnership](#). We are proud of our efforts in this area, and we will continue to look for new opportunities to reduce our environmental footprint.

To enhance energy efficiency, we retrofitted twelve of our existing stores with LED lighting. This project will continue its efforts into 2023 for a select number of stores. Additionally, our three new locations – Colorado Springs, Colorado; Salem, New Hampshire; and Thousand Oaks, California – were proactively designed and equipped with LED lighting. In fact, all our new locations will utilize LED lighting and energy efficiencies in their development. We are also exploring energy management software options for HVAC units that will assist with energy efficiency during peak demand. Our commitment to energy efficiency has allowed us to expand our geographical footprint while reducing our [energy intensity](#).

The Container Store is committed to transparency of its environmental impact. Last year we started tracking and reporting our GHG emissions and energy consumption. We successfully deployed third-party software that allows us to measure progress and identify opportunities for future emissions reductions. We track and monitor Scope 1 and 2 emissions of our stores, support center, distribution and manufacturing centers, and showroom in accordance with the Greenhouse Gas (“GHG”) Protocol and other pertinent regulations.³



[1] Based on calendar year January 1, 2022 through December 31, 2022.

[1] Greenhouse Gas Equivalencies Calculator, EPA

[2] Greenhouse Gas emissions data reflects The Container Store (“TCS”) reporting segment. It does not include Closet Parent Company, Inc. (“C Studio”) nor Elfa International AB (“Elfa”) information.

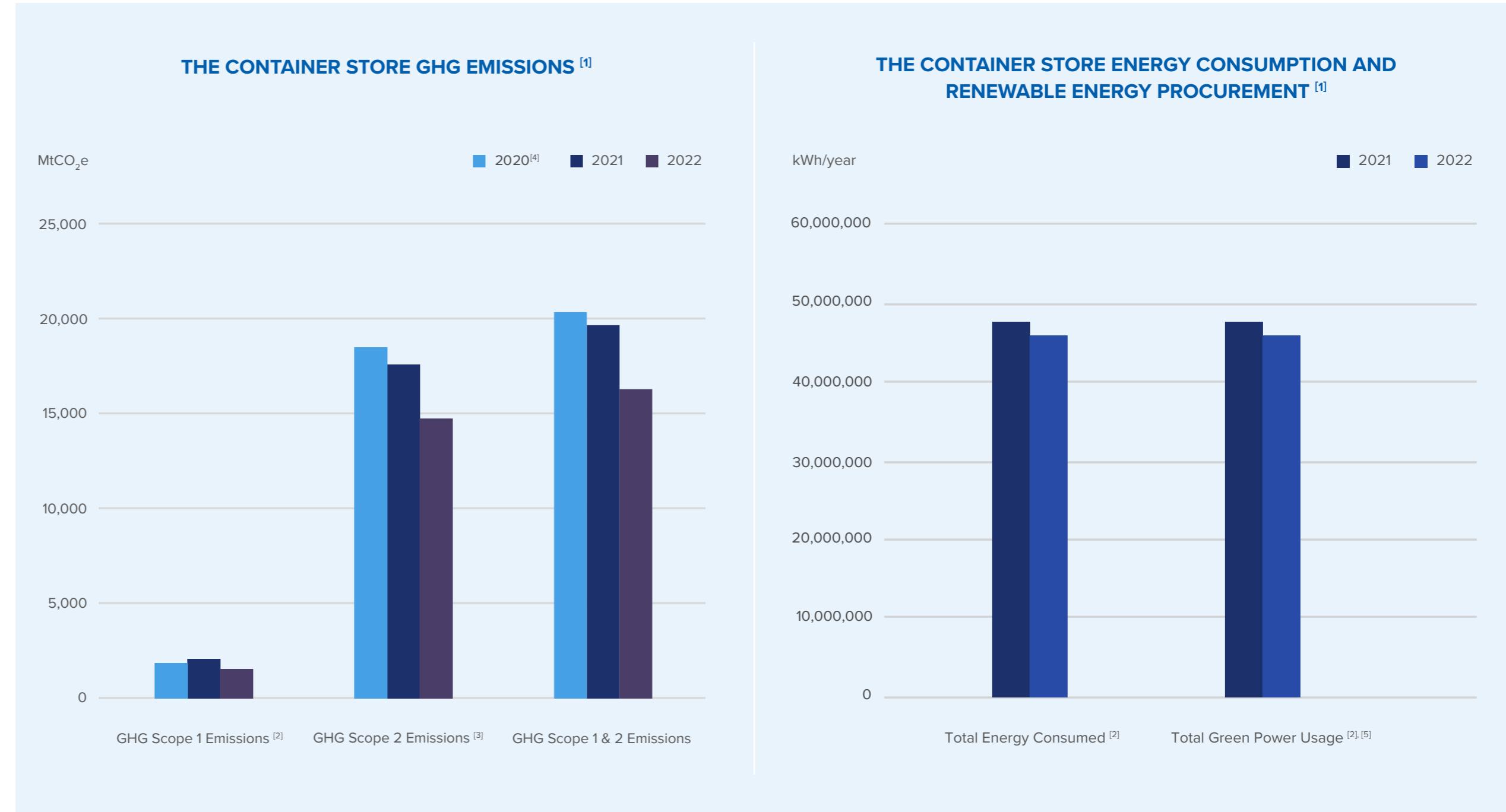


Ivet Taneva,
Senior Director, ESG

“This past year we have made tremendous progress in setting ESG standards, processes, and tools in place to help us measure our impact and develop our ESG goals for the future. We continue to stay abreast of global environmental trends and have updated our strategy to evaluate our impact in our value chain through new programs such as EcoVadis 360, renewable energy, circularity, and GHG reduction initiatives.”

In fiscal 2022, we started evaluating our Scope 3 vertical footprint and onboarded external partners to help us gather data to share with our stakeholders. Assessing Scope 3 emissions is the next step in ensuring we operate responsibly and in line with regulatory expectations. To achieve transparency, we understand that we need to nurture a close relationship with our manufacturing partners. This is why we launched the EcoVadis 360 assessment tool ("EV360"). EV360 has helped us assess our top spend suppliers across all ESG factors via an interactive dashboard.

In 2022, we also decided that everyone should have access to emissions data. That is why we now offer a free emissions calculator available to all supply chain partners to help them assess and share their environmental footprint with us and virtually everyone they do business with. We believe this is the first step in gaining a better understanding of our Scope 3 emissions. We plan to onboard an industry-leading partner in fiscal 2023, who will help us calculate Scope 3 emissions for all other areas as well.



^[1] Data reflects The Container Store ("TCS") reporting segment. It does not include Closet Parent Company, Inc. ("C Studio") nor Elfa International AB ("Elfa") information.

^[2] This data is reported on a calendar year basis (January 1 to December 31), rather than a fiscal year basis.

^[3] Scope 2 emissions data is location-based emissions.

^[4] 2020 data indicates a significant reduction as a result of the economic impact of the COVID-19 pandemic.

^[5] The Container Store began tracking renewable energy in 2021, and, therefore, does not have historical data. Our investment in 100 percent renewable energy focuses on wind energy.

CLIMATE RISK

We acknowledge the risk climate change poses to our business. We are beginning to understand The Container Store's unique risks and potential impacts resulting from the effects of global climate change. These risks can include transition risks and physical risks. As we understand more about the climate risks associated with our business, we will consider the recommendations of the Task Force for Climate-Related Financial Disclosures ("TCFD").

WATER AND WASTE MANAGEMENT

Due to the nature of our business as a retail chain, our largest source of waste is corrugated packaging. Each of our retail locations has a recycling program with specific technology, such as compactors for cardboard, to sustainably dispose of waste. We actively monitor the amount of waste at each location to ensure waste pickup is an efficient process.

As part of our commitment to reducing our environmental footprint, we also track water use by location. In 2022, we consumed 11,856 kGal of water. With our monitoring software, we are able to identify any abnormalities in increased water usage and mitigate as feasible. For detailed information on water use by location, please visit our website.



ENVIRONMENTAL MANAGEMENT SYSTEM

Our company, including all members of the Board of Directors, officers, and employees, must comply with all applicable environmental laws and regulations. We utilize Navex as our Environmental Management System ("EMS") system. Our EMS provides useful data insights into our efforts to manage our energy, waste, and water usage.

PACKAGING LIFECYCLE MANAGEMENT

At The Container Store, we look for innovative solutions to reduce packaging and product waste while incorporating sustainable packaging. We continue to use 100% recyclable corrugated boxes and recyclable paper in place of bubble wrap.

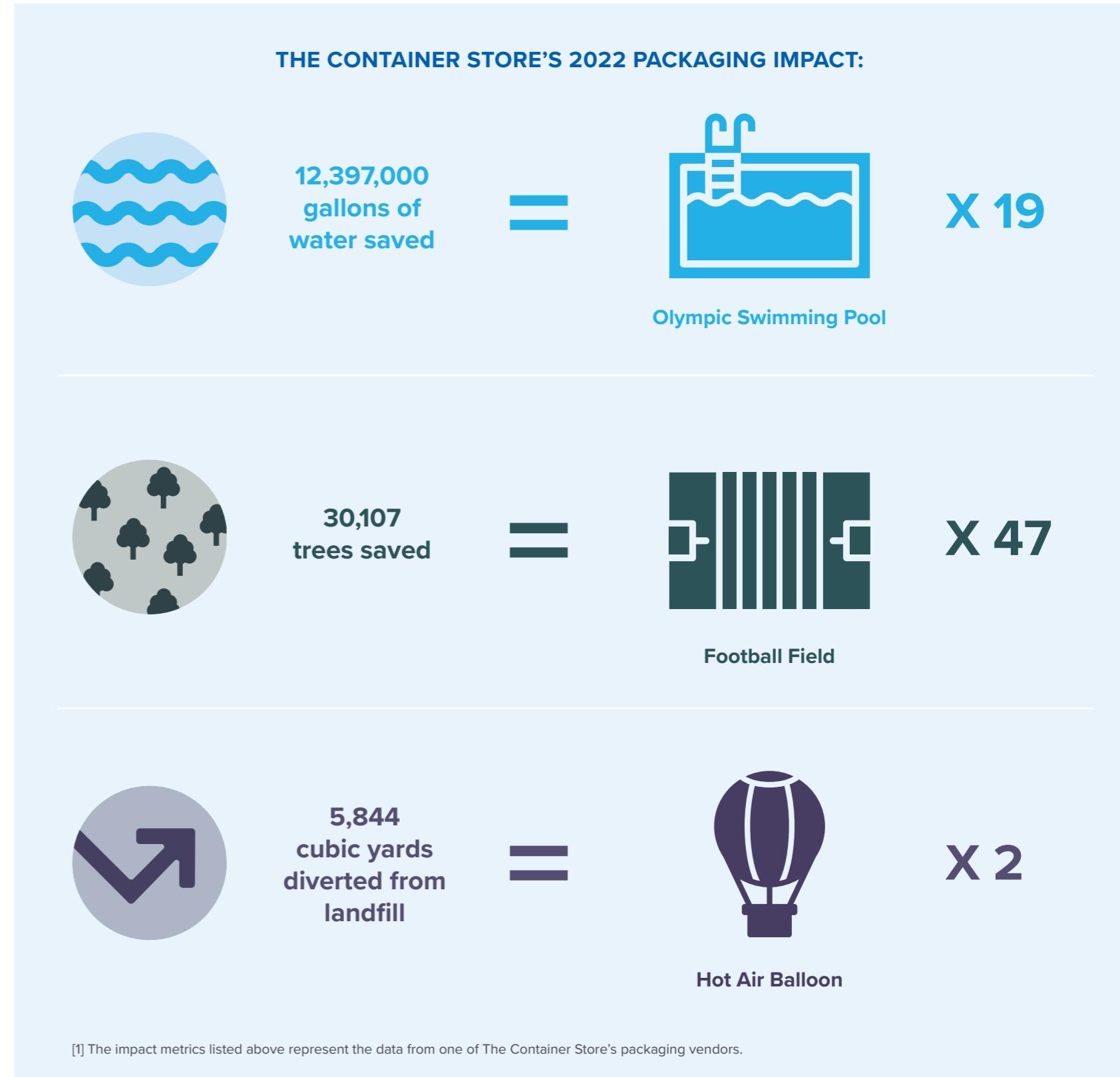
We also work with vendors to remove unnecessary packaging to reduce waste. We will continue to explore methods in which we can reduce waste and transition to sustainable packaging to promote circularity throughout our business. For more information, see our [Environmental Policy](#).

PRODUCT STEWARDSHIP



The Container Store is committed to providing our customers with high-quality products that advance circularity. We increasingly incorporate sustainable products into our product lineup with a mix of private label and national brands.

The Container Store is working towards a goal of having 30% of our products classified as sustainable by 2027. Over the past year, we made notable progress in achieving our goal by offering 1,558 sustainable products in 2022. This year, we focused on strengthening this program to ensure universal standards are in place for our products.

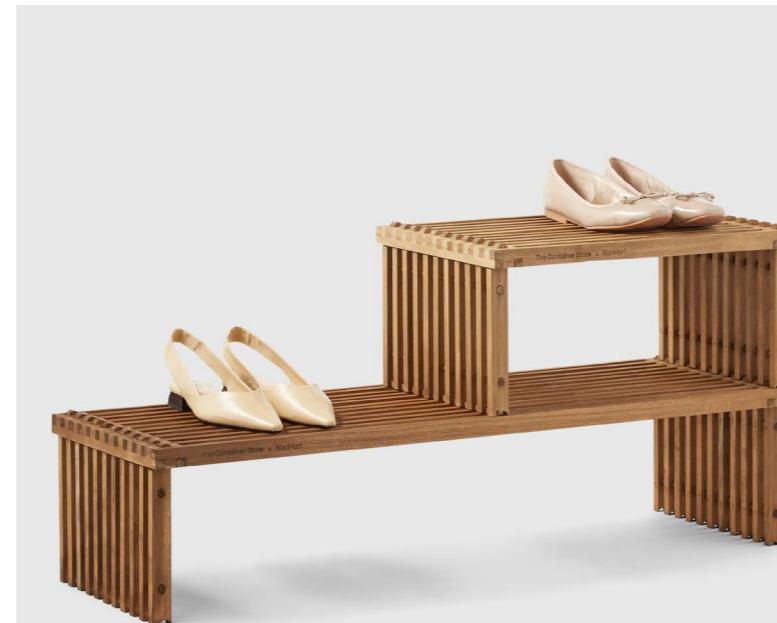


Additionally, we have also expanded our drop shipping program. This allows for a significant reduction in shipping routes during order fulfillment, which therefore reduces the product's overall carbon footprint.

Over the past year, we launched a variety of new sustainable products that help our customers move away from single-use products, such as glass containers, reusable cloths, and reusable storage bags.

Sustainable Solutions by Department [1], [2]

All Other: 27%
Kitchen: 20%
Closet: 16%
Storage: 15%
Office: 13%
Laundry: 9%



Launched 100+ new products with Marie Kondo made with recycled and premium materials, including wood certified by the Forest Stewardship Council.



Introduced the Rosanna Pansino x iDesign collection, which is made with materials like 100% post-consumer recycled plastic and paulownia wood.



Collaborated with iDesign to transition The Home Edit collection to be made of recycled PET materials.

As part of our Product Stewardship Strategy, we develop business and vendor partnerships to champion new, environmentally conscious offerings. We believe these partnerships are crucial in achieving our goal of incorporating more sustainable products and making these products accessible to our customers.

The Chief Merchandising Officer and other members of the merchandising team manage initiatives related to sustainable products, with assistance and insight from Legal, ESG, E-Commerce, Marketing, and the Chief Executive Officer. The Board of Directors receives updates on this topic to track how sustainability continues to be incorporated into our product

offerings. Additionally, The Container Store's Sustainability Committee includes a working group that advances product stewardship in merchandising.

All products at The Container Store undergo a due diligence vetting process that includes an interview and system screening prior to being sold in stores and online. We work with vendors during the vetting process to understand product materials and manufacturing considerations, including the use of chemicals in products. As we grow, we will continue to monitor the use of chemicals in products and expand relationships with sustainable brands. Part of this process includes asking vendors if sustainable materials are used in the

[1] This chart represents our sustainable solution offerings by department as of March 31st, 2023

[2] The percentages for each department are associated with stock-keeping unit (SKU) data.

product, as we continuously consider this factor in decision-making. We believe this process represents best practices and allows us to provide customers with safe, high-quality products.

Our customers always come first, no matter what. For that reason, in the event of a product recall, The Container Store has robust policies and procedures in place to alert buyers of the product, as well as employees managing products in-store. The product will be removed from all sales channels, keeping both our employees and customers safe.

Social



Our People

The Container Store is committed to providing employees with an inclusive workplace in which they feel safe and respected, contributing to our ability to attract and retain high-performing, diverse talent. The Executive Vice President of Human Resources is responsible for our efforts in the following areas:

- Talent Retention, Engagement, and Recruitment;
- Employee Development and Training;
- Health, Safety, and Well-being;
- Diversity, Equity, and Inclusion; and
- Ethics and Compliance

Relevant programs and initiatives within these areas include recruitment, performance management, associate relations, talent development, succession planning, and employee engagement functions. The Board of Directors oversees performance related to these topics and receives quarterly updates on the performance and well-being of our people.

For more information, please reference our [Human Rights Policy](#), which describes our stance on Human Rights, our commitment to Health and Safety, our approach to DE&I, and our expectations of ethical behavior for all our employees and suppliers.

TALENT RECRUITMENT, ENGAGEMENT, AND RETENTION



At The Container Store, we work hard to recruit and retain individuals that emulate these characteristics, thus building a dedicated team of talented and professional individuals. We are committed to fostering an equitable, inclusive, and safe environment where our workforce can share their diverse perspectives and thrive together.

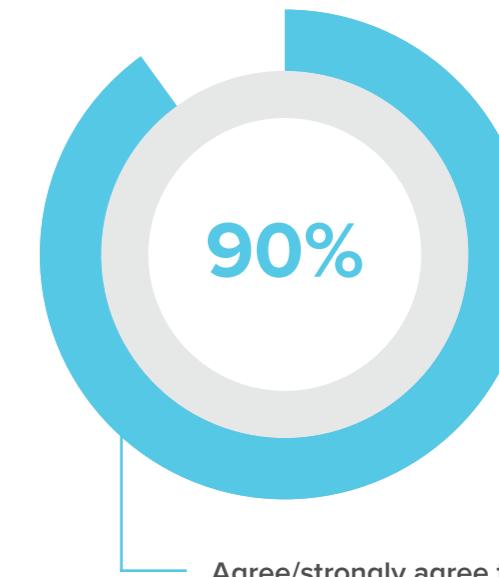
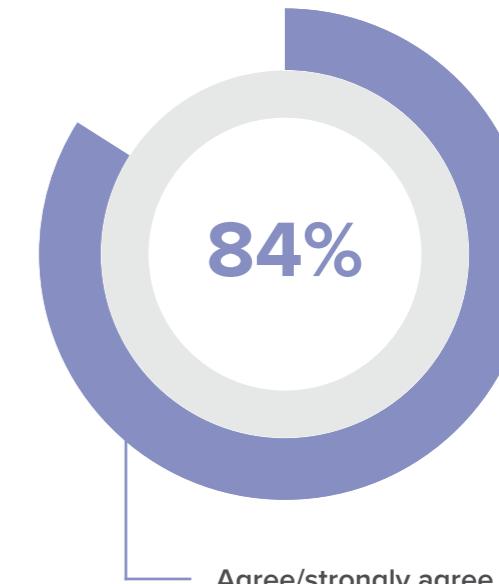
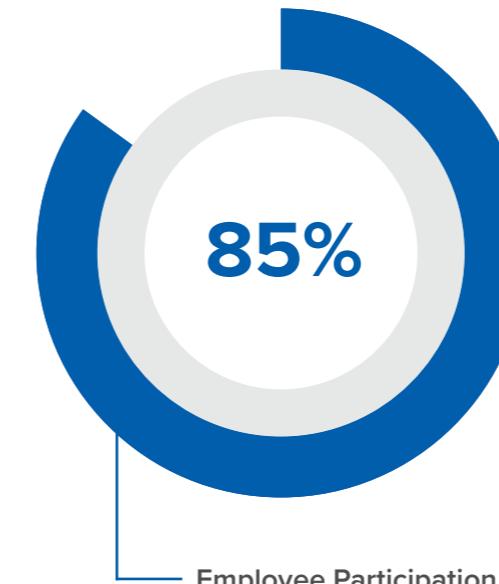
To monitor our efforts, we conduct an annual Employee Satisfaction and Engagement Survey. We also perform Employee Exit Surveys. Results from our surveys have a direct effect on our management policies.



LaTisha Brandon,
Vice President,
DE&I, Culture and
Charitable Giving

"Our company was founded on the principles of treating everyone with dignity and kindness. We are committed to doing the work and having open conversations to be an organization where everyone connected to our business feels respected, valued and seen regardless of where they are from, what they believe, who they love or any of the diverse attributes that make us, us."

EMPLOYEE PULSE SURVEY RESULTS



We understand that in order to attract and retain great employees we must provide excellent benefits and compensation. After listening to employee feedback and monitoring the labor market, we increased The Container Store's minimum wage to \$15 for all non-full time employees across all geographic locations in 2021, which is a higher starting rate than the majority of other retailers. In 2022, we took this one step further by increasing the minimum wage to \$18 for full-time employees. We also built upon this effort in 2022 by making all employees eligible for variable pay. Raising the minimum wage is a way in which we can show our dedication to our employees. In addition, we believe the elevated minimum wage for full-time employees is a way to recognize the increased responsibility that comes with a full-time role in our stores.

To complement our compensation structure, we offer full- and part-time employees standard benefit options like medical, dental, and vision plans, paid time off, 401(k) plans, parental leave, and store discounts. We also offer benefits like pet insurance, a 24-hour Employee Assistance Program, a leadership development program, and celebrations like TCS Appreciates.

[6] In 2022, 84% of employees were eligible for a performance review.

Over the past year, we enhanced our benefits program in the following ways:

- 1** Expanded benefits to support caretakers and children
- 2** Updated mental health services to ensure therapy, including therapy for pervasive mental disorders such as autism, is covered by insurance
- 3** Improved accessibility of virtual care options, making all employees covered by The Container Store's insurance plan eligible for a \$0 copay on Teladoc appointments
- 4** Reduced deductibles on insurance plans, making insurance more affordable to our employees
- 5** Launched a free, new program focusing on health point solutions for individuals suffering from metabolic conditions such as hypertension, obesity, diabetes, and hyperthyroidism

EMPLOYEE DEVELOPMENT AND TRAINING



Train for Success is one of our foundational principles and the reason why we are committed to providing employees with a robust and ongoing training and development program. We equip all employees across stores, manufacturing and distribution centers, and the Support Center with training to meet the needs of our customers. Training also helps our employees become knowledgeable and trusted experts armed with intuition and trained for success. We offer a steady stream of learning opportunities designed to refresh skills and create a work environment full of passion and energy.

Training at The Container Store commences the day a new employee joins our team. This past year, we redesigned the new hire onboarding process to be a three-day experience in which the new team member learns vital skills, hears from multiple business leaders and integrates into our business.

We also provide our employees with programs for further professional development. The Leadership Essentials program provides leadership of retail stores with monthly continuing education classes. We are eager to proactively support our employees in these endeavors and continue to explore new, cutting-edge opportunities for professional development.

This past year, we created a competency model to ensure all employees are aware of the expectations for their role, thus increasing transparency and communication throughout our organization. The model is comprised of six core competencies that apply to every employee at The Container Store, differing slightly based on level. This competency model will be used

as the basis for continued development programs moving forward. It also helps our leaders tailor trainings based on employees' current and desired positions. Furthermore, this structure informs employees of growth opportunities within the company, as we aim to hire from within and promote our high-performing employees.

We continue to use the Performance Management framework, annual appraisal form, and rating categories that were implemented in 2021. In 2022, 100% of our eligible employees received an annual performance review.⁶ We believe providing our employees with performance reviews is a way to transparently communicate and meaningfully engage with employees, as well as support their development.

As part of our commitment to develop strong, diverse, and high performing leadership pipelines, we launched a formal mentoring and development program. Program participants consist of full-time employees from across the company representing stores, the support center, supply chain, manufacturing, and the distribution centers. This program is designed to help participants feel empowered to maximize their career success, accelerating their careers and preparing them for potential advancement. Each participant is paired with a mentor from the company's senior leadership team and topics covered include concepts from the TCS Competencies Model and Toastmasters.

We also sponsored three of our senior leaders to participate in McKinsey's award-winning Connected Leaders Academy: Executive Leadership Program. This program is designed for senior executives looking to ascend to C-suite roles by strengthening the leadership skills needed to drive transformational change in organizations.'

IN 2022

Our existing employees
received an average of

93 HOURS OF
TRAINING

New store employees
received an average of

120 HOURS OF
TRAINING

Manufacturing workers
received an average of

40 HOURS OF
TRAINING

HEALTH, SAFETY, AND WELL-BEING



The health and safety of our employees and customers is vital to our business. Safety is the responsibility of all our employees from our headquarters to our distribution sites. To build this culture, we deploy regular safety trainings and comprehensive safety procedures to inform our employees how to recognize hazards, anticipate exposures and risks, and act to eliminate or control them. Our employees engage in ongoing health and safety training sessions, starting from their first day of employment with the company.

We have policies and procedures in place to proactively minimize circumstances that can lead to injury or illness and protect against property loss or business interruption caused by accidents, fire, or other hazards across our business. The Container Store also ensures all facilities are equipped with access to clean water, safe tools, quality equipment, and protective gear. These measures create conditions that allow our employees to remain safe and well protected from potential hazards. Equally as important, we expect our employees to communicate potential hazards and risks in their work environment so the company can act quickly and accordingly.

As communication is one of our Foundation Principles, we hold safety communications in the highest regard. We utilize a coordinated system to notify our employees of potential risk events occurring near our locations along with recommended actions to help our employees feel safe and secure during a risk event. These notifications are also used to confirm the welfare of our employees and provide assistance as needed. This year, we developed and launched our Disaster Recovery Plan. This comprehensive plan provides corporate engagement policies and procedures to communicate, protect, and remediate covered disasters.

The health, safety, and well-being of our employees is overseen by Human Resources, while our Loss Prevention and Risk Management team manages the safety and security of all our employees and customers, injury reporting, safety training, and risk management. For more information, please reference our Human Rights Policy.

When we think about our employees' health and safety, we also consider their personal well-being as a critical part. We also prioritize employee well-being through our wellness program, Contain Your Health. The program offers monthly incentives that encourage employees to enrich their well-being. We also publish a weekly employee newsletter with tips to maintain well-being.

DIVERSITY, EQUITY, AND INCLUSION



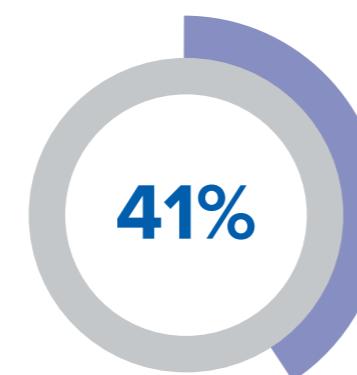
The Container Store is committed to creating a diverse, equitable, and inclusive culture that empowers employees to express their perspectives and discuss diversity and inclusion. We pride ourselves in doing our part – as individuals and as a company – to ensure that all of us possess equal opportunity to grow, develop, and achieve our goals regardless of ethnicity, gender identity, gender expression, sexual orientation, age, ability, or religious affiliation. The Container Store provides equal opportunities in compliance with federal laws, including the United States Equal Employment Opportunity Commission laws and guidance.

Please refer to our Performance Data tables to view our workforce composition in the [Appendix](#).

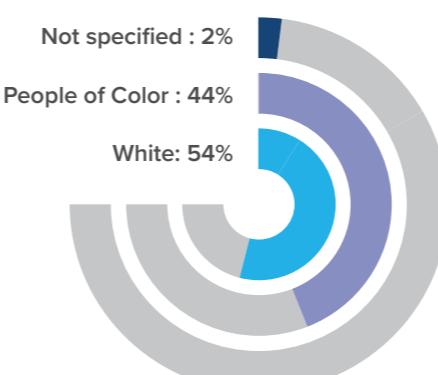
Our approach to diversity, equity, and inclusion includes four pillars of change:



Percent of Racially Diverse Executives



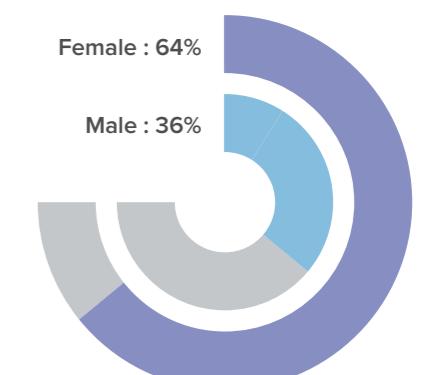
Racial Diversity of Total Workforce



Percent of Female Executives



Gender Diversity of the Total Workforce



*Total Workforce metrics exclude management. This data is based on rounded values.

Our Vice President of DE&I, Cultural Programs and Charitable Giving is responsible for the management of DE&I efforts and reports to the Executive Vice President of Human Resources. Our Vice President of DE&I, Cultural Programs and Charitable Giving is also supported by DE&I councils and champions from each of our stores that meet quarterly.

Our Employee Resource (“ERGs”) and Affinity Groups help guide how we give back to the community while providing a space for employees to connect, support, and celebrate diverse cultural heritages. In 2022, membership in our employee resource and affinity groups grew by 203%, with retail employees representing a majority of the membership. Over the past year, we extended the reach of our ERGs, thus furthering their impact.

DE&I ORGANIZATIONS	MISSION	COMPOSITION
Executive DE&I Council (“EDIEC”)	<ul style="list-style-type: none"> Aligns DE&I efforts with the corporate mission and strategy. Supports the successful application of DE&I strategies at all levels of the organization. 	<ul style="list-style-type: none"> Four members of the C-Level Leadership Team Four ERG Executive Sponsors Chair of DE&I Advisory Council Executive Sponsor of DE&I Advisory Council
DE&I Advisory Council (“DEIAC”)	<ul style="list-style-type: none"> Supports strategic implementation of DE&I strategy. Provides feedback and recommendations on initiatives, processes, policies, and practices. 	<ul style="list-style-type: none"> Members are nominated and represent various levels, locations, and people groups throughout the stores, distribution centers, and Support Center.
DE&I Champions	<ul style="list-style-type: none"> Voice questions, concerns, and ideas related to DE&I Serve as a communicator and link between retail stores and the Support Center. 	<ul style="list-style-type: none"> Includes representation from each district creating cross-functional representation from all channels and levels.
Supplier Diversity Council	<ul style="list-style-type: none"> Promotes economic inclusion by providing equitable opportunities for small and diverse-owned businesses. Advances and monitors the implementation of the Supplier Diversity Strategy and progress. 	<ul style="list-style-type: none"> The Chief Merchandising Officer serves as the Executive Sponsor. Cross-functional representation of decision makers from across the organization.



TCS'S EMPLOYEE RESOURCE AND AFFINITY GROUPS



Abilities Employee Resource Group

is a forum for TCS employees of all abilities to support and advocate for equitable & inclusive practices for people and caregivers of people with disabilities. Abilities provides insight on the benefits and policies that support TCS employees with disabilities or those that care for people with disabilities. Abilities also works in partnership with Philanthropy to identify organizations and charities that support disability inclusion.



Mosaic Employee Resource Group

promotes cultural education and celebrates the heritage, customs and traditions of employees that are Black, Indigenous, and People of Color (BIPOC). Mosaic champions equitable processes to increase representation of BIPOC across all levels of the organization. Mosaic supports The Container Store's efforts to build a diverse supplier base that promotes economic inclusion and works in partnership with Philanthropy to identify organizations that support underrepresented and marginalized communities of color.



Military, Veteran & Patriots Employee Resource Group

champions the recruitment, retention and professional development of military personnel, veterans, service-disabled veterans and first responders. MVP also works in partnership with Philanthropy to identify organizations and charities that support active-duty military personnel, veterans, and military families.



Pride Employee Resource Group

promotes and advocates for more equitable & inclusive policies, practices and benefits that impact lesbian, gay, bisexual, transgender and queer people. Pride provides insight to help make benefits and policies in place at TCS LGBTQ-inclusive and works in partnership with Philanthropy to identify organizations and charities that promote and support LGBTQ+ inclusion.



Contain Your Health Interest Group

promotes healthy living and helps to amplify the resources and benefits that TCS offers.



Parents Affinity Group for Employees (PAGE) Interest Group

provides a space for parents and caregivers at TCS to network and share experiences and resources. PAGE also collects feedback from parents on their experiences and provides insight on how TCS can support working parents.



Sustainability Interest Group

is a network for employees interested in how to make everyday life more sustainable.

Our ERGs provide invaluable insight into nonprofit partner selection and help bring awareness to causes that affect us all. Each month, an ERG hosts an awareness campaign throughout our stores with displays, signage, and QR codes that allow customers to contribute to the giving campaign. We are proud of the leadership that our ERGs have demonstrated in aligning our Charitable Giving Strategy with the causes that our employees are connected to. For additional information, refer to the Community Engagement section.

We continue to monitor our diversity dashboard and pay practices to drive equity throughout our organization. The positive results of the 2021 pay equity review demonstrate our commitment to equal pay regardless of gender, race, or ethnicity. If we identify potential differences in pay, we research those differences, determine any explanatory factors, and, if appropriate, take action, such as adjusting employee compensation. We provide equal pay for equal work.

For more information about our DE&I programs, please visit our [Diversity, Equity & Inclusion](#) page.



CUSTOMER ENGAGEMENT AND SATISFACTION



At The Container Store, we value our customers and ensure each decision is made with the customer in mind. Our employees are a critical piece in delivering on our proven record of customer service to achieve industry leadership. The Consumer Insights team reports to the Executive Vice President of Strategy & Analytics, and Marketing team reports to the Chief Marketing Officer. Both teams manage Customer Engagement & Satisfaction. The Consumer Insights team also manages elements of customer engagement responsibilities, such as online shopping program improvements and overall technology updates, with support from the E-Commerce team. The team is also responsible for capturing customer feedback through regular surveys and calculation of our Net Promoter Score ("NPS"). The team analyzes this data to inform recommendations for improvement for our retail locations and website. The Board of Directors and senior leadership receive regular updates on the NPS for custom spaces, retail, and e-commerce, as well as updates on brand health tracking. In 2022, our NPS was 79. This is a one percentage point increase from 2021.

To understand the needs of our customers, we track a variety of metrics including whether customers feel valued and whether we made their day better. This past year, our Consumer Insights Team recognized that customers were not experiencing the same level of satisfaction with the ELFA system as in the past. By listening to customer feedback supported by measurable metrics, our team collaborated to adjust our technology and fulfillment process to fit customer needs, thus improving customer satisfaction.

The Container Store also aims to deepen our relationship and engage with customers directly through email and social media. Our Customer Solutions team is available to answer questions, address complaints, and provide additional feedback. This one-to-many and one-to-one communication with our customers is essential to share updates of the Company, as well as engage with them in real-time.

This year, we celebrated the first anniversary of the launch of our revamped customer loyalty program, Organized Insider. Over the past year, our program membership grew to over 12.2 million members and accounts for more than 80% of our sales. This program serves as a powerful touchpoint with our customers. When remastering the program in 2021, we were intentional to ensure it was beneficial to our customers to engage with the program and that all necessary systems were in place to capture critical customer feedback. To that end, we hired a VP of Loyalty to oversee the development and growth of this program. The program offers discounts for first-time orders, birthday and member savings, member gifts, special event invitations, and receipt-free returns. The program consists of three tiers: Enthusiast; Experienced; and Expert, which provides varying benefits based on a customer's annual spending level.



We continue to collect and monitor customer feedback through multiple channels. One tool we utilize is the Medallia Experience Cloud. This program helps us to deliver better customer experiences, engage employees, and create exponential growth for our business. Collecting this kind of information allows our team to make well-informed, data-driven decisions with the customer in mind.

We also continue to work with Narvar to simplify the post-purchase experience for customers at every touchpoint through branded order tracking, proactive updates, and online returns management. This system helps build a stronger customer relationship and strengthen The Container Store brand, resulting in a higher level of trust, repeat visits, and brand loyalty.

DIGITAL TECHNOLOGY & E-COMMERCE



Our E-Commerce strategy, including related business decisions, is centered around engaging customers and enhancing the customer experience through digital technology. Throughout 2022, we made significant digital technology advancements to improve the ease and accessibility of the purchasing process for our customers. We focused on creating a friction-free purchase process for customers through enhanced presentation and storytelling to make shopping easier and more convenient.

One of the ways in which we improved the customer experience over the past year is through the introduction of AI technology. We added a customer service chatbot to our website to assist customers in their product search and support customer service inquiries. Our chatbot can also direct customers to a customer service representative to discuss questions and feedback. This allows customers to easily communicate with The Container Store, thus improving the customer service experience and our stakeholder engagement.

Over the past year, we invested in enhancements to the purchase process spanning from when a customer starts their search for a product, to when they purchase it and receive the product.

To improve the customer experience and increase website accessibility, we:

Improved the speed of our website

Redesigned the Custom Spaces website

Created a product detail and listing page with product information

Improved our search engine optimization tool

Continue to focus on how the use of our digital wallet can create a seamless purchase process for our customers

Another way in which we are enhancing the customer experience is through our 3D Closet Designer and drawer organizer tools. With these tools, customers can use their camera or manually input information about their space to receive product suggestions and visualize how our products will fit in their space. We believe these tools add a personalized feeling to the customer shopping experience. This also helps with reducing returns, which is good for the environment, as customers can visualize the piece in their space before making a purchase.

Our Employee First Fund, established in 2013, provides grants to employees that are experiencing unforeseen emergencies like a major medical situation, a catastrophic event or other grave challenges. A company contribution set up the fund, and employee contributions and other company stakeholders provide financial support to the Fund today.

Since inception, The Container Store's Employee First Fund has awarded **MORE THAN \$1 MILLION** in grants.

COMMUNITY ENGAGEMENT

Giving back to our communities remains a company priority, across all of our operations. We serve by accepting donation requests, supporting charitable giving events, and launching meaningful awareness campaigns. The TCS Gives Back Program remains strong and continues to provide donations to organizations that are making a substantial positive impact in our communities.

At The Container Store, our employees should feel empowered to support the organizations they stand by, which is why our employee resource groups have been integral in determining nonprofit partners. This past year, we expanded our community engagement partnerships, redefined our charitable giving program, and increased our focus on mental well-being. [The Center for BrainHealth](#) is our predominant mental wellbeing partner. For more than a decade we have contributed more than \$1.3 million in support of its research and programmatic efforts, including participating in the BrainHealthy Workplace project. Some other nonprofit partnerships formed through ERG connections include:

- **[Carry the Load](#)**: Non-profit dedicated to providing active ways to honor and celebrate our nation's heroes.
- **[Out & Equal](#)**: Organization dedicated to working with executives, human resource departments, DE&I professionals, and LGBTQ+ employee resource group leaders to strengthen their role as internal change agents, helping to advance best practices in workplace equality.
- **[Disability:In](#)**: Nonprofit resource for business disability inclusion worldwide.
- **[Hiring our Heroes](#)**: Organization connecting the military community with American businesses to create economic opportunity and a strong and diversified workforce.
- **[Kaleidoscope](#)**: A Designer Showhouse venture that showcases BIPOC (Black, Indigenous and People of Color) talent within the creative design industry. They do this by partnering with organizations to offer financial and experiential support to BIPOC students through internships, certifications, industry career days, design projects and sponsored trips to industry trade shows. During High Point Market this October, they will reveal the newly-renovated Aiden Hotel which will include spaces designed exclusively by 20 BIPOC designers.
- **[The Center for BrainHealth](#)**: The BrainHealthy Workplace project helps build individual and team effectiveness by implementing practical strategies designed to enhance mental agility and resilience, improve focus, reduce waste and distractions, and unlock innovation.



Highlight on Carry the Load: Throughout May 2022, our Military, Veterans, and Patriots (MVP) employee resource group spearheaded a month-long awareness and support campaign. The Container Store participated in a series of company-wide events designed to honor military members and first responders, culminating with participation in a Memorial March on May 29th sponsored by Carry the Load. The Container Store supported our MVP ERG by sponsoring Carry the Load's Memorial May Campaign with a \$10,000 donation. We are proud of our commitment to support, honor, and remember our nation's heroes, raise funds for their families, and educate future generations to protect our freedom. For additional stories on how The Container Store supports our communities, please visit our [blog](#).



Governance



CORPORATE GOVERNANCE

The majority of our Board of Directors is independent. The Board consists of nine members who oversee the management and affairs of the business in line with the best interests of the Company and its stockholders. This includes overseeing the Company's corporate strategy and enterprise risk management, including sustainability efforts.

Our current directors are diverse in their skill sets, having experience in areas such as cybersecurity, finance and accounting, operations, strategic planning, transportation, retail, and global business. The Board meets at least four times per year, with additional meetings occurring as needed. The Board is led by an independent Chairperson and is made up of three committees: the Audit Committee, the Culture and Compensation Committee, and the Nominating and Corporate Governance Committee.

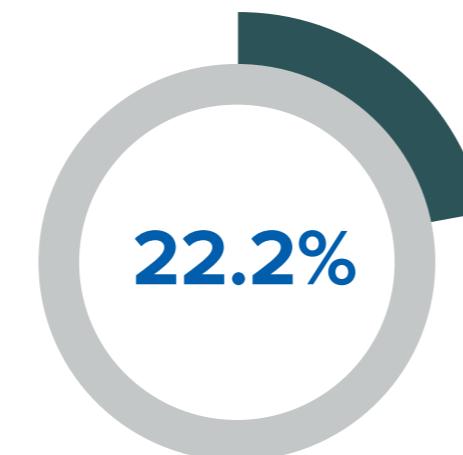
The Board and each of its committees, acting through the Nominating and Corporate Governance Committee, conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. Furthermore, diversity in gender, race, ethnicity, and skills of our Board of Directors remains a priority for us. The Board monitors the mix of experience, qualifications, and skills of its directors in order to assure that the Board has the necessary tools to perform its oversight function effectively.

In 2022, we compensated our named executive officers through a combination of base salary, cash incentive opportunities, and other benefits. Our named executive officers also were granted time-based and performance-based restricted shares and continued to hold stock options, time-based restricted shares, and/or performance-based restricted shares granted in previous years. We maintain, and the named executive officers participate in, a 401(k)-retirement savings plan.

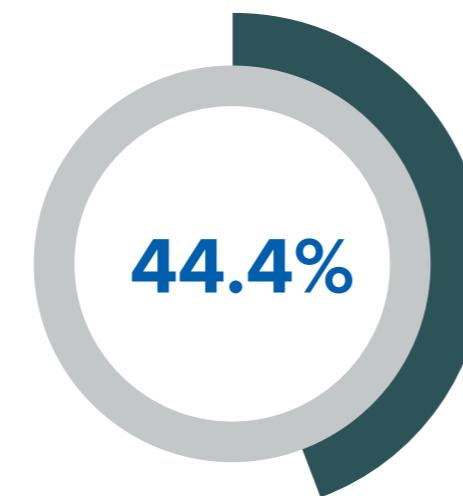
At The Container Store, we value our shareholders and are committed to driving long-term financial and economic success on their behalf. We have established processes for handling communications from shareholders of The Container Store. The Chairperson and CEO are responsible for effective communications with all interested parties, including stockholders of the Company.

BOARD DIVERSITY

Percent of Racially Diverse Board Members



Percent of Female Executives



TRADE ASSOCIATIONS MEMBERSHIPS

The Container Store is a member of the following associations:

- American Institute of Architects ("AIA")
- National Association of Productivity and Organizing Professionals ("NAPO")
- American Society of Interior Designers ("ASID")

BOARD COMMITTEE ALIGNMENT

(C) = Chairperson

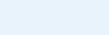


The Audit Committee

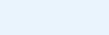
The Culture & Compensation Committee

The Nominating & Corporate Governance Committee

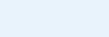
Robert E. Jordan



Satish Malhotra



J. Kristofer Galashan



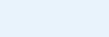
Anthony Laday



Nicole Otto



Jonathan D. Sokoloff



Caryl Stern



Wendi Sturgis



Lisa Klinger



BOARD COMMITTEES



The Audit Committee

is responsible for overseeing the integrity of the Company's financial and accounting statements and reporting process, compliance with legal and regulatory requirements, and the independent and internal audit process.



The Culture & Compensation Committee

is responsible for overseeing the discharge of the responsibilities of the Board relating to the compensation of the Company's executive officers and directors. This includes reviewing and making recommendations to the Board regarding director compensation, overseeing performance evaluations and compensation of executive officers, and administering incentive and equity-based plans.



The Nominating & Corporate Governance Committee

is responsible for identifying and recommending individuals qualified to become Board members consistent with criteria approved by the Board, developing and recommending to the Board a set of corporate governance guidelines and principles, and overseeing the evaluation of the Board. This Committee periodically considers the mix of skills, diversity, and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively. Additionally, this committee is responsible for governing the Company's ESG efforts, including the management of sustainability activities and strategy and tracking of ESG goals.

ETHICS AND COMPLIANCE



Legal compliance is the foundation of The Container Store's ethical standards. The framework for this foundation governs our entire business and is outlined in our [Corporate Governance Guidelines](#) and our [Code of Business Conduct and Ethics](#), which apply to all directors, officers, and employees. We have several policies in place outlined in our Code of Business Conduct and Ethics to ensure ethical behavior and compliance with all applicable laws. These include:

- Insider Trading
- Anti-Corruption
- Competition and Antitrust
- Conflicts of Interest
- Fair Dealing
- Gifts
- Confidentiality

As an organization, we are committed to ethical behavior, fair marketplace practices, and honest disclosures within all aspects of our business. This commitment spans our relationships with customers, vendors, competitors, employees, governmental bodies, and officials. Our Ethics and Compliance program is overseen by our Board of Directors and Audit Committee, as well as our Chief Financial Officer and Executive Vice President of Human Resources. All employees, regardless of position or level, take a mandatory annual compliance training and are required to acknowledge their understanding and commitment to upholding our Code of Business Conduct and Ethics.

To empower our people, we encourage employees to report known or suspected violations through our third-party reporting provider, Conversant. Employees can report openly, confidentially, or anonymously by calling their hotline or visiting their website. Additionally, we have built a culture of open dialogue where employees are encouraged to share their concerns with leadership, including people managers, department heads, or Human Resources. If an issue is reported, our Human Resources team, along with relevant

governing parties, conducts a thorough investigation of any allegation to determine whether a violation has occurred. Once the investigation concludes, we take appropriate action and follow up within 48 hours of the complaint.

RESPONSIBLE SUPPLY CHAIN PRACTICES



The Container Stores prioritizes working with suppliers that are committed to creating a safe, secure, and healthy working environment. The Vice President of Supply Chain oversees The Container Store's direct procurement and reports to the Chief Merchandising Officer. The Director of Procurement oversees indirect procurement and reports to the Vice President, General Counsel. The Container Store is currently in the process of developing processes and metrics to advance sustainability in our strategic sourcing processes.

The Container Store's expectations for suppliers are outlined in our [Supplier Code of Conduct \("Human Rights Policy"\)](#), which is aligned with the [UN Guiding Principles on Business and Human Rights](#). Each new supplier is required to acknowledge our Code of Conduct during the onboarding process as an agreement to conduct business in an ethical, transparent, responsible, and sustainable way. Suppliers must agree to not partake in any activities involving child labor, forced labor, human trafficking, corruption, and other unsafe environmental or social practices. To ensure suppliers remain compliant with the agreement, we reserve the right to engage in monitoring activities, including announced and unannounced on-site assessments.

To supplement supplier policies, our employees who have direct responsibility for supply chain management receive regular training on compliance with anti-bribery and corruption laws.

Our Corporate Social Responsibility Coordinator remains responsible for our Responsible Sourcing Program. As part of the Responsible Sourcing Program, all suppliers are provided a comprehensive supplier guide that outlines required participation in Supplier Ethical Data Exchange, zero-tolerance points, supplier audits, forced labor policy, migrant worker

policy, and a memorandum of understanding. The Container Store will not do business with any company that knowingly engages in modern slavery or human trafficking. In addition, all new vendor sites are required to provide a third-party audit to be activated in The Container Store system. These measures ensure supplier expectations and well-communicated and suppliers are held accountable for their quality and labor practices.

As part of our Responsible Sourcing Program, The Container Store works with the [Supplier Ethical Data Exchange \("Sedex"\)](#). Sedex is the world's largest collaborative platform for companies to manage and improve working conditions in global supply chains. This platform requires vendors to submit two pillar audits that focus on forced labor, human rights, hazardous chemicals, and employee safety. In addition, vendors are required to complete a self-assessment in which they rate their performance in various audit areas. Upon receiving the results of the audit, The Container Store can view the third-party assessment, as well as the vendor's self-assessment, to identify gaps and opportunities for improvement. Since engaging with Sedex, we also began the process of supply chain mapping around high-risk areas. We believe the combination of supplier audits and supply chain mapping will allow our Company to exhibit supply chain best practices and grow positive supplier relationships.

SUPPLIER DIVERSITY PROGRAM

Our Supplier Diversity Program promotes economic inclusion by ensuring equitable opportunities for small and diverse-owned businesses. The Chief Merchandising Officer is the Executive Sponsor of the Supplier Diversity Council. Our Supplier Diversity Council is responsible for advancing and monitoring the implementation of the Supplier Diversity Strategy and progress in accordance with the program's established goals. Members of the Supplier Diversity Council include cross-functional leaders who meet every other month.

The Container Store is proud to support small and diverse-owned businesses. We continue to assess the impact of this program through economic impact studies and internal program updates.





SUPPLIER DIVERSITY PROGRAM SPOTLIGHT: WOMEN-OWNED BUSINESSES

One of our most important DE&I initiatives has been sourcing and partnering with women-owned businesses that share our values and represent our customers. We believe the contributions of strong, intelligent, and compassionate women help keep our product selection fresh and connect better with customers and the community as a whole.



Entrepreneur Kat Nouri founded [Stasher](#) in 2016, and their reusable storage bags have a multitude of storage and organization possibilities. In addition, Stasher's eco-friendly mission is a noble one. According to their website: "It all started with a non-toxic silicone storage bag, but since 2016 Stasher has grown into a movement that's replaced over a billion single-use plastic bags from entering our oceans and landfills."



Gwen Weinberg and Anita Nadelson, who met during a college study-abroad program, founded Three by Three Seattle which offers a wide variety of clever and colorful office products with a fun, contemporary feel. Three by Three Seattle also believes in supporting and nurturing their female employees by encouraging them to live up to their full potential."

PRIVACY, DATA PROTECTION AND CYBERSECURITY



As we evolve how we use data at The Container Store, we advance our methods to protect it. We take responsibility to protect customer information seriously. A security breach or cyber-attack on our website or information technology systems could damage our reputation and our relationships with customers or employees, expose us to litigation risk, and harm our business and the trading price of our common stock.

The Vice President Chief Information Security Officer oversees critical information security concerns and reports to the Chief Operating Officer. The Board of Directors oversee information security matters through quarterly written updates and an annual update to the Audit Committee. Additionally, executives support information security through the Information Oversight Committee, which includes representatives from Information Security, Finance, Accounting, Human Resources, and Legal. We update the Enterprise Risk Management Status annually to assess the relative risk of cybersecurity and other technology-related risks.

Our Information Security Strategy is supported by our Information Security Policy and guided by a three-year roadmap in which we are continuously reviewing opportunities to address potential threats and enhance our cybersecurity

processes. Regular risk assessments, data protection policies, and various internal controls are in place to detect and remediate potential cybersecurity threats.

All new hires are required to complete information security training on phishing and awareness, with relevant employees completing additional training on private customer information. Beyond compliance, we engage key stakeholders in a robust incident response simulation to prepare for the case of a real cyberattack. We also engage in 24-hour monitoring with our incident response team to ensure we are aware of any potential cyber threats.

Our mobile application and website provide customers with simple and convenient ways to shop, check order status, and find organization inspiration. This past year, we enhanced the authentication process for new business customers and introduced additional security controls for customers logging into our website or mobile application. These features result in more protection over customer information and reinforce our commitment to protecting our customers.

Appendix

ABOUT THIS REPORT



Our 2022 Sustainability Report covers sustainability initiatives and progress pertaining to fiscal 2022 (April 3, 2022 through April 1, 2023) for The Container Store (“TCS”) and C Studio, which was acquired by The Container Store, Inc. on December 30, 2021. Elfa publishes an independent Sustainability Report, therefore outside of the scope of this report. Our report reflects The Container Store’s current strategy to address relevant ESG issues, as guided by our materiality assessment that was performed in 2021.

This report applies the Sustainability Accounting Standards Board (“SASB”) for Household & Personal Products, Multiline & Specialty Retailers & Distributors, and Building Products & Furnishings industries. This report also applies the Global Reporting Initiative (“GRI”) framework. This report was also developed using considerations from the Task Force on Climate-Related Financial Disclosures (“TCFD”).

We welcome your questions and feedback. Please contact us at investorrelations@containerstore.com. For additional information about our company, please visit containerstore.com.

Additional Information

- [The Container Store Investor Relations](#)
- [2022 Form 10-K](#)
- [2022 Proxy Statement](#)
- [Code of Business Conduct and Ethics](#)
- [Privacy Policy](#)
- [Diversity, Equity, & Inclusion](#)
- [Corporate Social Responsibility](#)
- [Human Rights Policy](#)
- [Environmental Policy](#)

FORWARD-LOOKING STATEMENT

This report may contain forward-looking statements. All statements contained in this report that do not relate to matters of historical fact should be considered forward-looking statements, including statements regarding our goals, strategies, priorities, and initiatives. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors, including those factors described in The Container Store's Annual Report on Form 10-K for fiscal 2022 and its other filings with the U.S Securities and Exchange Commission (“SEC”), could adversely affect The Container Store. Copies of The Container Store's filings with the SEC are available from the SEC, may be found on The Container Store's [website](#), or may be obtained upon request from The Container Store. The Container Store does not undertake any obligation to update the information contained herein, which speaks only as of this date.

Performance Data and ESG Indices

INDICATOR <small>[1]</small>	UNIT	2020	2021	2022
ENVIRONMENT				
GHG Scope 1 Emissions <small>[2]</small>	MtCO ₂ e	1,822	2,127	1,474
GHG Scope 2 Location-Based Emissions <small>[2]</small>	MtCO ₂ e	18,455	17,802	14,971
GHG Scope 2 Market-Based Emissions <small>[2]</small>	MtCO ₂ e	19,684	20,315	18,030
Water Usage <small>[2]</small>	kGal	10,852	10,806	11,856
Total Energy Consumed <small>[2], [3]</small>	kWh/year	44,986,473	47,995,923	46,210,183
Percentage Renewable <small>[3]</small>	Percent (%)	NA	100% Wind	100% Wind
Total Green Power Usage <small>[2], [3]</small>	kWh/year	NA	47,995,923	46,210,183
Green-e Certified Wind RECs Energy Certificates <small>[3]</small>	Yes/No	NA	Yes	Yes
Percent Green Power <small>[3], [4]</small>	Percent (%)	NA	100%	100%
SOCIAL				
Number of Employees <small>[5]</small>	Number (#)	4,703	4,727	4,700
Number of Temporary Employees	Number (#)	44	31	31
Percent of Women in Workforce	Percent (%)	65%	64%	64%
Percent of Women in Management	Percent (%)	61%	62%	62%
Percent of racially diverse employees in United States workforce (Management)	Percent (%)	22%	27%	28%
Hispanic/Latinx	Percent (%)	11%	13%	13%
White	Percent (%)	78%	73%	71%

INDICATOR <small>[1]</small>	UNIT	2020	2021	2022
Black/African American	Percent (%)	5%	6%	7%
Asian	Percent (%)	4%	5%	6%
Multiracial	Percent (%)	1%	2%	1.5%
Native Hawaiian / Pacific Islander	Percent (%)	1%	1%	1%
Native American / Alaska Native	Percent (%)	1%	<1%	<1%
Not-Specified	Percent (%)	0%	0%	<1%
Percent of racially diverse employees in United States workforce (All other employees)	Percent (%)	40%	42%	44%
Hispanic/Latinx	Percent (%)	17%	20%	20.5%
White	Percent (%)	59%	55%	54%
Black/African American	Percent (%)	16%	15%	16%
Asian	Percent (%)	4%	4%	5%
Multiracial	Percent (%)	3%	3%	2.5%
Native Hawaiian / Pacific Islander	Percent (%)	0%	0%	<1%
Native American / Alaska Native	Percent (%)	0%	0%	<1%
Not-Specified	Percent (%)	1%	3%	2%
Average Hourly Wage of Full-Time Store & DC Employees (Excluding Overtime)	United States Dollar/Hour	\$19.67	\$20.95	\$23.21
Average Hourly Wage of Part-Time Store & DC Employees (Excluding Overtime)	United States Dollar/Hour	\$14.44	\$15.84	\$23.21
Total Recordable Incident Rate	Rate	6.79	5.85	5.28
Lost Time Incident Rate	Rate	1.28	1.40	1.73

INDICATOR [1]	UNIT	2020	2021	2022
Employee Fatalities	Number (#)	0	0	0
Net Promoter Score ("NPS")[7]	Number (#)	NA	78	79
Total Annual Spend With Diverse Suppliers[8]	United States Dollar	\$17.6 million	\$24.2 million	\$35.7 million
GOVERNANCE				
Number of Directors (Board)	Number (#)	9	9	9
Percent of Racially Diverse Board of Directors Members	Percent (%)	22%	22%	22%
Percent of Women on Board of Directors	Percent (%)	33%	44%	44%
Percent of Non-Executive Directors on Board	Percent (%)	78%	89%	89%
Percent of Independent Directors	Percent (%)	78%	89%	89%
Independent Chairperson	Yes/No	No	Yes	Yes
Percent of Female Executives	Percent (%)	60%	53%	52%
Percent of Racially Diverse Executives	Percent (%)	11%	18%	41%
Number of Retail Locations	Number (#)	93	94	97
Total Area of Retail Space	Square feet	2,169,948	2,189,147	2,333,447
Number of Distribution Centers	Number (#)	2	2	2
Total Area of Distribution Centers	Square feet	1,600,000	1,600,000	1,701,500

[1] Data reflects The Container Store ("TCS") reporting segment. It does not include Closet Parent Company, Inc. ("Closet Works") nor Elfa International AB ("Elfa") information.

[2] This data is reported on a calendar year basis (January 1, 2021 to December 31, 2021), rather than a fiscal year basis.

[3] The Container Store began tracking this metric in 2021, and, therefore, does not have historical data.

[4] Our investment in 100 percent renewable energy focuses on wind energy.

[5] Based on fiscal year data.

[6] This data is based on rounded values.

[7] Net Promoter Score ("NPS") is used to measure the loyalty of customers to a company and is different from Employee Net Promoter Score ("eNPS") used to measure employee satisfaction and loyalty.

[8] Our Diverse Suppliers include tier 1 and tier 2 suppliers that have obtained a qualifying certification. See the Responsible Supply Chain Practices section of this report for more details.

[9] Square footage increased following the recalculation of Rentable Square Footage.

Sustainability Accounting Standards Board (SASB) Index

SASB CODE	TOPIC	CATEGORY	DESCRIPTION	UNIT OF MEASURE	DISCLOSURE REFERENCE
SASB: Household and Personal Products					
CG-HP-140a.1	Water Management	Quantitative	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	Water and Waste Management
CG-HP-140a.2	Water Management	Discussion and Analysis	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Water and Waste Management
CG-HP-250a.3	Product Environmental, Health, and Safety Performance	Discussion and Analysis	Discussion of process to identify and manage emerging materials and chemicals of concern	N/A	Product Stewardship
CG-HP-410a.2	Packaging Lifecycle Management	Discussion and Analysis	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle*	N/A	Packaging Lifecycle Management
SASB: Multiline and Specialty Retailers					
CG-MR-130a.1	Energy Management in Retail & Distribution	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Emissions and Energy Performance Data and ESG Indices
CG-MR-230a.1	Data Security	Discussion and Analysis	Description of approach to identifying and addressing data security risks	N/A	Privacy, Data Protection, and Cybersecurity 10K
CG-MR-310a.1	Labor Practices	Quantitative	(1) Average hourly wage and (2) percentage of in-store employees earning minimum wage, by region	Reporting Currency, Percentage (%)	Average hourly wage: \$23.21
CG-MR-330a.1	Workforce Diversity & Inclusion	Quantitative	Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Reporting Currency	Performance Data and ESG Indices

* Includes all TCS employees

SASB CODE	TOPIC	CATEGORY	DESCRIPTION	UNIT OF MEASURE	DISCLOSURE REFERENCE
CG-MR-410a.2	Product Sourcing, Packaging & Marketing	Discussion and Analysis	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	N/A	Product Stewardship
CG-MR-410a.3	Product Sourcing, Packaging & Marketing	Discussion and Analysis	"Discussion of strategies to reduce the environmental impact of packaging"	N/A	Packaging Lifecycle Management
CG-MR-000.A	Activity Metric	Quantitative	Number of: (1) retail locations and (2) distribution centers	Number	About The Container Store Performance Data and ESG Indices
CG-MR-000.B	Activity Metric	Quantitative	Total area of: (1) retail space and (2) distribution centers	Square meters (m ²)	About The Container Store Performance Data and ESG Indices
SASB: Building Products & Furnishings					
CG-BF-130a.1	Energy Management in Manufacturing	Quantitative	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Gigajoules (GJ), Percentage (%)	Emissions and Energy Performance Data and ESG Indices
CG-BF-250a.1	Management of Chemicals in Products	Discussion and Analysis	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	N/A	Product Stewardship
CG-BF-410a.1	Product Lifecycle Environmental Impacts	Discussion and Analysis	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	N/A	Packaging Lifecycle Management Product Stewardship

Global Reporting Initiative (GRI) Index

GRI INDICATOR	DESCRIPTION	DISCLOSURE REFERENCE
The organization and its reporting practices		
2-1	Organizational details	About The Container Store
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
Activities and workers		
2-6	Activities, value chain and other business relationships	Responsible Supply Chain Practices
2-7	Employees	<ul style="list-style-type: none"> • Number of Employees: 4,700 • Number of Full Time: 2,027 • Number of Part Time: 2,540 • Number of Contractors: 231
Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	2022 Proxy Statement
2-11	Chair of the highest governance body	2022 Proxy Statement
2-12	Role of the highest governance body in overseeing the management of impacts	2022 Proxy Statement
2-13	Delegation of responsibility for managing impacts	2022 Proxy Statement
2-14	Role of the highest governance body in sustainability reporting	2022 Proxy Statement
2-15	Conflicts of interest	2022 Proxy Statement
2-16	Communication of critical concerns	Ethics and Compliance Code of Business Conduct and Ethics
2-17	Collective knowledge of the highest governance body	2022 Proxy Statement

GRI INDICATOR	DESCRIPTION	DISCLOSURE REFERENCE
2-18	Evaluation of the performance of the highest governance body	Corporate Governance
2-19	Remuneration policies	2022 Proxy Statement
2-20	Process to determine remuneration	2022 Proxy Statement
Strategy, policies, and practices		
2-22	Statement on sustainable development strategy	Letter from the CEO
2-23	Policy commitments	Ethics and Compliance Code of Business Conduct and Ethics
2-24	Embedding policy commitments	Ethics and Compliance Code of Business Conduct and Ethics
2-25	Processes to remediate negative impacts	Ethics and Compliance Code of Business Conduct and Ethics
2-26	Mechanisms for seeking advice and raising concerns	Ethics and Compliance Code of Business Conduct and Ethics
2-27	Compliance with laws and regulations	Ethics and Compliance Code of Business Conduct and Ethics
2-28	Membership associations	Trade Associations Memberships
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	Human Rights Policy Health and Safety
Disclosures on material topics		
3-1	Process to determine material topics	Materiality Assessment Results and Strategic Priorities
3-2	List of material topics	Materiality Assessment Results and Strategic Priorities
3-3	Management of material topics	Materiality Assessment Results and Strategic Priorities

GRI INDICATOR	DESCRIPTION	DISCLOSURE REFERENCE
Economic performance		
201-1	Direct economic value generated and distributed	About The Container Store
201-2	Financial implications and other risks and opportunities due to climate change	Climate Risk
201-3	Defined benefit plan obligations and other retirement plans	Talent Recruitment, Engagement, and Retention
Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Compliance Code of Business Conduct and Ethics
Materials		
301-2	Recycled input materials used	Product Stewardship
301-3	Reclaimed products and their packaging materials	Product Stewardship
Energy		
302-1	Energy consumption within the organization	Performance Data and ESG Indices
302-4	Reduction of energy consumption	Emissions and Energy
Water and effluents		
303-1	Interactions with water as a shared resource	Water and Waste Management
303-2	Management of water discharge-related impacts	Water and Waste Management
303-5	Water consumption	Water and Waste Management
Emissions		
305-1	Direct (Scope 1) GHG emissions	Emissions and Energy Performance Data and ESG Indices
305-2	Energy indirect (Scope 2) GHG emissions	Emissions and Energy Performance Data and ESG Indices
305-4	GHG emissions intensity	Emissions and Energy Performance Data and ESG Indices

GRI INDICATOR	DESCRIPTION	DISCLOSURE REFERENCE
305-5	Reduction of GHG emissions	Emissions and Energy Performance Data and ESG Indices
Waste		
306-1	Waste generation and significant waste-related impacts	Water and Waste Management
306-2	Management of significant waste-related impacts	Water and Waste Management
306-3	Waste generated	Water and Waste Management 3,209 tons waste generated
Supplier environmental assessment		
308-1	New suppliers that were screened using environmental criteria	2022 Proxy Statement
Employment		
401-1	New employee hires and employee turnover	New hires: 2,923
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Recruitment, Engagement, and Retention
401-3	Parental leave	Talent Recruitment, Engagement, and Retention
Occupational health and safety		
403-1	Occupational health and safety management system	Health, Safety, and Well-being
403-2	Hazard identification, risk assessment, and incident investigation	Health, Safety, and Well-being
403-3	Occupational health services	Health, Safety, and Well-being
403-4	Worker participation, consultation, and communication on occupational health and safety	Health, Safety, and Well-being
403-5	Worker training on occupational health and safety	Health, Safety, and Well-being
403-6	Promotion of worker health	Health, Safety, and Well-being
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health, Safety, and Well-being

GRI INDICATOR	DESCRIPTION	DISCLOSURE REFERENCE
Occupational health and safety cont.		
403-8	Workers covered by an occupational health and safety management system	Health, Safety, and Well-being
403-9	Work-related injuries	Performance Data and ESG Indices
Training and education		
404-1	Average hours of training per year per employee	Employee Development and Training
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development and Training
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development and Training
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	Diversity, Equity, and Inclusion Performance Data and ESG Indices
405-2	Ratio of basic salary and remuneration of women to men	Diversity, Equity, and Inclusion
Freedom of association and collective bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Policy Health and Safety
Child labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Policy Health and Safety
Forced or compulsory labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Policy Health and Safety
Local communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement

GRI INDICATOR	DESCRIPTION	DISCLOSURE REFERENCE
Supplier social assessment		
414-1	New suppliers that were screened using social criteria	Responsible Supply Chain Practices
Customer health and safety		
416-1	Assessment of the health and safety impacts of product and service categories	Product Stewardship
Marketing and labeling		
417-1	Requirements for product and service information and labeling	Product Stewardship