

At The Children's Place, 'family' is at the center of all that we do. As a company focused on children's products, we believe it is important that our business contribute to a healthy planet and equitable society for the benefit of future generations. In our [first Environment, Social and Governance \(ESG\) report](#) published in November 2020, we announced the company's ESG focus areas that align with our values and have a positive impact on people and the environment. We depend on the raw materials and resources used to create our products, and have made commitments to GROW the use of more sustainable materials throughout the business and REDUCE water and chemical use across our supply chain. We are constantly striving to increase the reach and impact of our programs, and are proud to announce our new ESG goals.

GROW The use of more sustainable materials throughout our business

In fiscal 2019, our first year as a member of the Better Cotton Initiative (BCI), we achieved a 6% use of our cotton through the BCI program and set a goal that by the end of fiscal 2022, we would achieve 30% Better Cotton. **Last year in fiscal 2020, we achieved a 46% use of Better Cotton, which meets and surpasses the original 2022 goal.** Accordingly, we have set a new goal concerning the use of responsibly sourced cotton. Our expanded commitment will continue to help farmers reduce the negative impact of conventional cotton farming by using less water and fewer chemical pesticides and fertilizers, while at the same time improving yields, profitability and workers' lives.

OUR NEW 2025 RESPONSIBLY SOURCED COTTON GOAL:

75% responsibly sourced cotton for the cotton fibers used in apparel



REDUCE Water, chemical and energy use across our value chain

In fiscal 2020, we published a [Corporate Environmental Policy](#), which reinforced our expectations for suppliers around reducing manufacturing inputs. **We launched our reduction initiatives by receiving commitments from global vendors operating our top 20 factories producing denim and woven bottoms to reduce/manage their use of water, chemical and energy in their operations.** Based on these commitments, we have set new water and chemical reduction goals with this group of vendors to continue to impact the amount of water and chemicals used in their manufacturing processes. We will use the Sustainable Apparel Coalition's standardized Higg Index Facility Environment Module (FEM) to help measure progress toward these goals.

OUR NEW 2023 WATER & CHEMICAL GOALS:

For vendors managing our top 20 denim and woven bottoms factories

25% water reduction in manufacturing & washing operations

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Higg Index FEM Level 1 sustainability rating in management systems for chemicals



We continue to evolve our ESG strategy to expand the reach and impact of our programs. Our Annual Progress Report will be published in the fall and we will continue our public disclosure on ESG issues to measure accountability to our commitments.