



**THE CHILDREN'S PLACE**  
**2022 ESG REPORT**





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**INTRODUCTION**

## A MESSAGE FROM JANE ELFERS

I am pleased to share with you our fourth annual ESG report, which highlights our initiatives and continued progress on our public ESG commitments.

Children remain at the center of everything we do, and we have a unique opportunity to do our part to promote more sustainable business practices, those that benefit the customers we serve and the people and communities we impact.

We continue to foster a workplace that includes a diverse range of perspectives and backgrounds. A broad base of representation in our workforce positions us to remain competitive in the marketplace. Inclusivity celebrates the diversity of every child and family that we serve and is reflective of the associates that drive our business. As such, we have maintained our industry leading gender diversity statistics for women across our senior leadership team, Board of Directors, and associate workforce. We are proud of the progress we have made to increase Black/African American representation at our US corporate offices, an increase of 45% against our 2020 baseline.

With regards to environmental sustainability, our goals have led to measurable progress in the areas of emissions reduction, more responsibly sourced raw materials and packaging, and programs that

support women within our supply chain. Each year, we continue to identify new opportunities for positive impact through our operations, in areas such as waste reduction and product circularity, and in how we can extend our influence to encourage more sustainable practices from our third-party vendors and manufacturers. This is possible due to the importance we place on ESG in our business and the strong collaborations we have with like-minded partners.

As we look beyond 2022, our work continues to prepare us for increasing customer expectations and the potential for new ESG-related regulations in our industry. These are expectations that we embrace as we are confident in an ESG strategy that is preparing us for the future.

I encourage you to read this report to learn more about our commitments and progress. We strongly believe in these commitments and in their ability to help us create a BETTER PLACE.



### PRESIDENT & CEO

The Children's Place, Inc.

## ABOUT THE CHILDREN'S PLACE

The Children's Place was founded in 1969 in Hartford, Connecticut by two Harvard Business School graduates, David Pulver and Clinton Clark. Both men had children and began by selling branded toys, clothing and accessories. In 1980, the founders repositioned the company as a children's clothing specialty retailer serving newborns to pre-teens and began to offer private-label products under The Children's Place brand. They sold the company in 1981.

During the 1990s, the company expanded rapidly and began publicly trading on the NASDAQ in 1997 under the ticker symbol PLCE. The company opened its 500<sup>th</sup> store in 2001, its first store in Canada in 2002, and first achieved annual sales of \$1 billion in 2004.

Jane Elfers took the helm as President & Chief Executive Officer in 2010 and quickly established a strategic growth plan, including four initiatives to maximize long-term value: Superior Product, Digital Transformation, Alternate Channels of Distribution and Fleet Optimization.

To support these key strategic initiatives, Jane assembled a best-in-class management team and established a foundation of operational excellence. The successful execution of these initiatives has transformed The Children's Place from a North American brick-and-mortar retailer to a Global Digital-First Kids' Specialty Retailer.

In recent years, the company has expanded its brand portfolio, acquiring the rights to the Gymboree brand and launching Gymboree product online and in select stores in early 2020. This iconic brand features colorful designs in playful, bow-to-toe collections that celebrate childhood and help families look their best for any occasion. In late 2021, the Sugar & Jade brand was launched featuring collections tailored to celebrate tween girls' individuality. And in late 2022, the PJ Place brand was launched featuring coordinated sleepwear and accessories for Millennial and Gen-Z customers. Together, our brands inspire kids to live, learn and love their childhood!

THE CHILDREN'S  
PLACE

GYMBOREE

sugar  
& jade

PJ PLACE



COMPANY OVERVIEW

**WHO WE ARE**

Our company transacts with an average of over 400,000 customers each week online and in our stores.



**11,000+**  
Associates globally



**613 Stores**  
In the U.S. & Canada



**Secaucus, NJ**  
Headquarters location



**220**  
International points of distribution in 15 countries



**\$5M**  
Product and cash donations to families and children in need in 2022



**Diverse Company**

**Women-led**  
CEO is a woman

**Over 50%**  
of the Board and Senior Leadership team are women

**86%**  
of associates are women

**68%**  
of associates identify as racially/ethnically diverse

**18%**  
of the Board identify as racially/ethnically diverse



**ABOUT THIS REPORT**

This report covers The Children's Place's global operations for the 2022 fiscal year beginning January 30, 2022 and ended January 28, 2023. Report data covers FY22 unless otherwise noted. Our last report covered FY21 and is available on our corporate website. This report outlines developments and actions for our key initiatives, progress toward our ESG goals during FY22 and strategy development for activities in FY23. The goals and initiatives highlighted in this report are informed by international frameworks and recognized standards such as the Paris Agreement, the ILO core conventions, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals (SDGs) and the OECD Guidelines for Multinational Enterprises. We sought to prepare this report with reference to the Global Reporting Initiative (GRI) Standards and in alignment with the Sustainable Accounting Standards Board (SASB) Standards. We have not obtained external assurance for this report, but its contents have been confirmed by an internal quality review.



**COMPANY OVERVIEW**

**2022 HIGHLIGHTS**

KEY ● Environment ● Social ● Governance

**Climate & Energy**

Achieved **46% reduction in scope 1 and scope 2 greenhouse gas (GHG) emissions**



**Diversity, Equity & Inclusion**

Increased the representation of black associates at corporate by **45% versus our baseline year of 2020**



**Raw Materials—Cotton**

Sourced **72% of the cotton fiber** used in our apparel through Better Cotton



**Giving**

Donated cash and **over 480,000 units of new clothing** with a total value of \$5M



**Chemical Management**

Joined the **Zero Discharge of Hazardous Waste (ZDHC)** initiative to advance our sustainable chemical management strategy



**Worker Well-Being**

**92% of workers at our third-party manufacturers** are now paid digitally, further promoting economic empowerment and financial independence for women in our supply chain

**Funded the launch of an early childhood development center** to support our vendors and the surrounding community in Hawassa, Ethiopia

**ESG Accountability**

Included **two core ESG performance metrics** in our 2022 long-term incentive plan (LTIP) for senior executives

Implemented our **first internal ESG scorecard** to drive accountability and performance across our senior leadership team on ESG goals

**Canopy**

Set new goal to **source all man-made cellulosic fibers** in our apparel from suppliers that have achieved Canopy's "green shirt" ranking by the end of FY25



## OUR GLOBAL COMMUNITY

Our corporate operations, based primarily in the United States, Canada and Hong Kong, support the vendor community that is manufacturing our product around the world. The Children's Place contracts with global third-party vendors to manufacture products and does not own, operate or control any manufacturing facilities.

Our Global Sourcing team manages our product sourcing activities across



Continents

**3**



Countries

**20**



Vendors

**100+**



Manufacturing & Processing Facilities

**300+**

Toronto, Canada  
 Brownsburg, USA  
 Fort Payne, USA  
 Secaucus, USA

Dhaka, Bangladesh  
 Gurugram, India  
 Shanghai, China  
 Hong Kong, China  
 Hyderabad, India  
 Addis Ababa, Ethiopia  
 Nairobi, Kenya  
 Jakarta, Indonesia

KEY ★ Headquarters ● International Office ● Distribution Center ● Sourcing Country

## A MESSAGE FROM ADRIAN SHERMAN

Children remain at the center of everything we do, and it is critical that we have sustainability commitments that drive us to contribute to a better today and tomorrow for our children.

In 2022, we made progress against our broad range of social and environmental impact targets. We continued to develop, adjust, and incorporate sustainability ambitions across our operations. The year saw us create new partnerships that continue to inform our work and reinforce the critical need for progress on ESG matters that affect our business.

We continued our strong gains in emissions reductions as we transitioned to a digital-first business. Greenhouse gas emissions reduced by 46% in our owned and leased operations against our 2018 baseline. We are ahead of schedule in achieving our 100% responsible sourced cotton goal for apparel by 2025, set a new goal regarding responsible sources for the manmade cellulosic fibers used in our products, and have increased the content of recycled materials in our consumer facing packaging.

Within the supply chain, we remain committed to influencing the reduction of emissions, promoting important practices regarding chemical use and water stewardship, and, in partnership with

our vendors, achieving our factory worker well-being goals by the end of 2023. While there was business volatility and challenging supply chain disruptions, we continued to see broad support from our vendors and supply chain partners on the importance of these initiatives.

Along with our successes, we also experienced some challenges. We saw our first decline in the mix of operational waste we recycled due to changes in the composition of our waste stream in 2022. We donated over 4,300 pounds of gently used items through our GiveBackBox online product donation program and believe there is an opportunity to encourage more action. Our learnings continue to drive us to do better and to do more.

Our work in 2022 reinforced that we are on a continuous journey with our partners to make a positive impact. We are more optimistic than ever that through our collaborations and commitments we can do our part to build a BETTER PLACE for all.



### VICE PRESIDENT, ENVIRONMENT & SOCIAL RESPONSIBILITY

Adrian Sherman is Vice President of Environment & Social Responsibility at The Children's Place. He is responsible for leading the development and implementation of the company's environmental and social roadmap in partnership with the CEO and Corporate Responsibility, Sustainability and Governance Committee.



**CHIEF HUMAN RESOURCES OFFICER,  
GLOBAL HUMAN RESOURCES**

Nancy Straface is Chief Human Resources Officer, Global Human Resources at The Children's Place. She is responsible for leading the company's strategies around Talent, Diversity, Equity & Inclusion, and Philanthropy in partnership with the CEO and Human Capital and Compensation Committee.

## A MESSAGE FROM NANCY STRAFACE

At The Children's Place, our people are our competitive advantage. As our associate population continues to diversify with respect to gender, race, ethnicity and age, we recognize the differing needs of associates within our workforce. Our commitment to social purpose is vital to attracting world-class associates. We know more engaged teams are higher performing teams and this focus on our social purpose is vital for the engagement of our workforce.

In 2022, we expanded our investment in our associates' learning and development, both with technical training as well as leadership training. We made strong progress in our goal to double our Black/African American representation in our corporate office by the end of FY25 and continued to diversify the imagery in our product offerings. We solidified our position as a woman-led organization, introducing two new company goals: (1) to maintain our strong representation of women throughout the company and (2) to maintain a majority of women in corporate leadership positions. We demonstrated our commitment to philanthropic efforts supporting

children, families and the environment with our charitable partnerships and the introduction of our company-sponsored day of volunteer service.

These initiatives are at the core of our story, which is woven into the fabric of our company and comes to life by the PLACE we create for our associates. I encourage you to learn more about The Children's Place and the exciting ways we are striving to make a difference in the lives of our associates, our customers and of kids and families around the globe.

## APPROACH TO ESG

We are THE PLACE our customers choose for quality, value, and style as America's largest pure-play children's specialty retailer. This promise extends to how our business impacts families and communities across the world and we recognize the importance of environmental, social and governance matters in meeting this promise to our customers, associates, business partners and investors.

In 2021, we conducted our first [materiality assessment \(2021 ESG Report pg. 11\)](#) to help inform our strategy and 2030 ESG roadmap. Each year, we conduct a competitive analysis of the industry to validate our work, better understand the broader landscape, and identify new and emerging social and environmental topics. This allows us to communicate new opportunities to our leadership team and Board of Directors, and incorporate new initiatives into our planning process, where necessary.

For environmental matters, we have joined like-minded companies focused on sustainability to do our part to reduce greenhouse gas emissions and our generated waste that ends up in landfill. The supply chain is where we can have a significant impact as a manufacturer of children's apparel and footwear. We are committed to incorporating more responsibly sourced materials in our product, to effectively managing chemicals and water use in manufacturing, to influencing vendors and transportation providers on emission reductions, and to promoting factory programs that positively impact the workers who make our product.

For social matters, we stand behind the value of supporting diversity, equity, and inclusion. We believe children deserve a world where all communities are represented and heard. We are dedicated to supporting our associates' well-being through learning and development, and fostering an environment where they can succeed.

All these topics are managed by a strong governance and oversight process. Our strategy is guided by recognized international frameworks and our Board of Directors to effectively manage ESG opportunities and risk. We are keenly aware that sustainability is on the minds of the customers who love our brands and that it is critical to the sustained success of our business that we do our part to make a positive impact in the world for future generations.



## ESG FOCUS AREAS

Our 2030 ESG roadmap encompasses our 16 key focus areas across environment, social and governance. In addition to our materiality assessment and annual assessment of the competitive landscape, we utilize international frameworks and recognized standards such as the Sustainability Accounting Standards Board (SASB) guidelines for apparel and footwear, Global Reporting Initiative (GRI) standards, Task Force on Climate-related Financial Disclosures (TCFD) and UN Sustainable Development Goals (SDGs) to guide our areas of focus.

Environment							
	<b>Climate &amp; Energy</b>	<b>Raw Materials</b>	<b>Chemical Management</b>	<b>Water Stewardship</b>	<b>Waste</b>	<b>Circularity</b>	
	Reducing GHG emissions across our operations and global supply chain	Increasing the use of more sustainable materials in our products	Supporting implementation of responsible chemical management and wastewater systems	Working with vendors to reduce water consumption in manufacturing and processing	Diverting the amount of our waste sent to landfill	Helping to avert product and material disposal through reuse and recycling	
	Social						
		<b>Workplace Health &amp; Safety</b>	<b>Talent</b>	<b>Diversity, Equity &amp; Inclusion</b>	<b>Community</b>	<b>Supply Chain Compliance</b>	<b>Worker Well-Being</b>
		Safeguarding our associates and customers	Investing in the people that make our business possible	Building an inclusive environment where all people feel welcome and valued	Supporting children and families in need	Helping to improve the lives of third-party factory workers and to protect their rights in the workplace	Moving beyond the factory walls to improve the well-being of workers and their families
Governance							
		<b>Board Composition</b>	<b>Board Oversight &amp; Risk Management</b>	<b>Ethics &amp; Integrity</b>	<b>Cybersecurity &amp; Privacy</b>		
		Continuing Board refreshment, prioritizing relevant experience and diversity	Operationalizing expanded Committee responsibilities to enhance oversight of ESG	Operating in an ethical and responsible manner in all aspects of our business	Protecting our proprietary information and the information we receive about our customers, associates and other third-party partners		
							

## ENVIRONMENTAL GOALS

KEY

● New

● On track

● Needs attention

✓ Goal achieved

Focus Area	Target	Initiated	Status	2022 Progress
 <p>Climate &amp; Energy</p>	Reduce absolute scope 1 and scope 2 market-based GHG emissions across our global operations by 30% by end of 2030	2020	✓	Completed
	Reduce absolute scope 1 and scope 2 market-based GHG emissions across our global operations by 50% by end of 2030	2022	<span style="color: blue;">●</span>	46% GHG reduction in FY22 against an FY18 baseline
	Reduce absolute scope 3 GHG emissions from purchased goods and product transport by 30% by end of 2030	2020	✓	38% GHG reduction in FY22 against an FY18 baseline
 <p>Raw Materials</p>	Source 100% responsibly sourced cotton for the cotton fibers used in our apparel by end of 2025	2019	<span style="color: green;">●</span>	72% of the cotton in our apparel was responsibly sourced cotton
	Source 25% recycled material for the polyester fibers used in our apparel by end of 2030	2021	<span style="color: green;">●</span>	3% of the polyester fibers in our apparel was recycled
	Source 100% recycled material for the polyester fibers in pocket bags used in our denim and woven bottoms by end of 2025	2021	<span style="color: green;">●</span>	Rollout in progress
	Source 100% recycled material for the polyester fibers used in our woven labels and zipper tape by end of 2025	2021	<span style="color: green;">●</span>	67% of our woven labels and 56% of our zipper tape converted to recycled polyester
	Source 100% price tickets, hangtags, wrap bands and accessories carding with more sustainable paper sources by end of 2025	2021	<span style="color: green;">●</span>	83% converted to more sustainable paper sources
	Convert 100% zippers and other hardware to finishes that use fewer chemicals and less water and energy by end of 2025	2021	<span style="color: green;">●</span>	96% of our metal zippers and 77% of our metal hardware converted to more sustainable finishes
 <p>Chemical Management</p>	Top 20 denim and woven bottom factories to meet the Sustainable Apparel Coalition's Higg FEM Level 1 sustainability rating in management systems for chemicals by end of 2023	2021	<span style="color: green;">●</span>	65% of the top 20 vendors achieved Higg Level 1 in Chemical module self-assessment
	Join the ZDHC initiative and set timing for zero discharge of hazardous chemicals in our global supply chain by end of 2023	2021	<span style="color: green;">●</span>	Joined ZDHC and launched chemical strategy; began collecting waste water tests in FY22

## ENVIRONMENTAL GOALS

KEY

● New

● On track

● Needs attention

✓ Goal achieved

Focus Area	Target	Initiated	Status	2022 Progress
 <b>Water Stewardship</b>	Vendors managing top 20 denim and woven bottoms factories to reduce water usage by 25% in their manufacturing and washing operations by end of 2023	2021	✓	Completed
	Finished goods manufacturers and nominated mills representing 95% of annual volume to complete the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM) by end of 2023	2021	●	86% of annual FOB volume covered by submitted FEMs
 <b>Waste &amp; Circularity</b>	Divert 80% of waste generated by our corporate headquarters, distribution centers and retail stores from landfill by end of 2025	2021	●	73% of waste diverted from landfill in FY22
	Use a minimum of 50% recycled content in customer-facing packaging by end of 2025	2021	●	Achieved a range of 25%-95% in recycled content
	100% of customer-facing packaging labeled with the How2Recycle label by end of 2025	2021	●	Roll out in progress
	Complete a product end-of-life pilot program and set our circularity goals by end of 2023	2021	✓	GiveBackBox program launched in Jun 2022 Approximately 4300 lbs clothing collected for donation in 2022

## SOCIAL GOALS

KEY

● New

● On track

● Needs attention

✓ Goal achieved

Focus Area	Target	Initiated	Status	2022 Progress
 <p><b>Diversity, Equity &amp; Inclusion</b></p>	Double representation of Black/African American associates at our U.S. corporate offices by end of FY25 (from a base year of FY20)	2021	<span style="color: green;">●</span>	45% increase from our base year
	Maintain at least 80% representation of women in our overall workforce	2022	<span style="color: blue;">●</span>	86% of total population
	Maintain at least 50% representation of women in our corporate leadership positions	2022	<span style="color: blue;">●</span>	62% of total population
 <p><b>Community</b></p>	Implement a day of volunteering at our corporate offices in 2022 and progressively expand our efforts throughout the organization by 2024	2022	<span style="color: blue;">●</span>	Launched in 2022
 <p><b>Supply Chain Compliance</b></p>	Implement systems to assess and improve compliance and traceability in our global supply chain by end of FY23	2021	<span style="color: green;">●</span>	Pilot completed in 2022 and new traceability strategy approved in FY23
	Finished goods manufacturers representing 80% annual volume to complete the Sustainable Apparel Coalition's Higg Facility Social & Labor Module (FSLM) by end of FY23	2021	<span style="color: green;">●</span>	42% of annual FOB volume covered by submitted FSLMs
 <p><b>Worker Well-Being</b></p>	Implement third-party worker well-being programs with our top 25 global vendors impacting 140,000 workers in the global supply chain by end of FY23	2020	<span style="color: green;">●</span>	Through sponsored programs we have impacted 79,000 workers globally and have additional programs underway to meet our FY23 goal
	100% of workers in third-party manufacturing factories transitioned from cash-based systems to digital wage payments by end of FY23	2021	<span style="color: green;">●</span>	92% of third-party workers are paid via digital wages
	In partnership with Plan International, fund and launch an early childhood development center near the Hawassa, Ethiopia Industrial Park by end of FY22	2021	<span style="color: green;">✓</span>	ECD center launched in 2022 and is supporting 74 children and their families

## OUR INITIATIVE PARTNERS

	 <p><b>SCIENCE BASED TARGETS</b></p> <p>The Science Based Targets initiative (SBTi) approved our 30% GHG emissions reduction targets in December 2020 and we are implementing the related GHG emissions reduction initiatives.</p>		 <p><b>south pole</b></p> <p>We work with South Pole to calculate our annual GHG emissions inventory and identify areas where we have the opportunity to reduce our climate and energy impacts.</p>		 <p><b>better cotton</b></p> <p>Our investments in the Better Cotton program contribute to our goal of using more sustainable materials throughout our business.</p>
	 <p><b>Textile Exchange</b></p> <p>As a member of Textile Exchange, we utilize its industry standards, data and insights to help us increase our use of preferred fiber and materials.</p>		<p><b>OEKO-TEX®</b></p> <p>We have started offering baby, sleepwear and underwear products that are OEKO-TEX® STANDARD 100 certified. OEKO-TEX certification ensures that every product detail, from fabric to trim has been tested against strict standards and deemed safe from harmful substances.</p>		 <p><b>FSC</b></p> <p>We are transitioning to more sustainable paper sources for items such as price tickets and hangtags. The FSC® Mix label printed on these trims signifies that the paper is a mixture of materials from FSC®-certified forests, recycled materials, and other controlled sources.</p>
	<p><b>canopy</b></p> <p>We have partnered with Canopy Planet and signed the CanopyStyle and Pack4Good pledges to protect the world's forests, species and climate by sourcing sustainable alternatives for our packaging and man-made cellulosic fibers.</p>		 <p><b>Higg Index</b></p> <p>We are using the SAC's Higg Index suite of tools to measure performance and engage factories to reduce social and environmental impacts throughout the global value chain.</p>		 <p><b>AG</b> AFIRM GROUP</p> <p>As a member of the AFIRM Group, we utilize its resources to work toward continuous advancement of chemical management best practices.</p>

KEY ● Climate & Energy ● Raw Materials ● Chemical Management ● Water Stewardship ● Waste ● Supply Chain Compliance ● Worker Well-Being

## OUR INITIATIVE PARTNERS

 <p><b>ROADMAP TO ZERO</b></p> <p>In partnership with our third-party vendor factories, we use ZDHC's guidelines, tools and platforms to help implement safer chemical management in the manufacturing process.</p>	 <p>We are increasing transparency around chemical usage in our supply chain through The BHive®, a digital platform that allows suppliers to generate chemical inventories via smartphone and check chemical compliance.</p>	 <p><b>SUSTAINABLE PACKAGING COALITION®</b></p> <p>We utilize Sustainable Packaging Coalition (SPC) member resources to work toward making our packaging more sustainable and reducing our waste footprint.</p>
 <p><b>How2Recycle</b></p> <p>By utilizing How2Recycle logos, we are committed to providing better recycling information on our packaging to make recycling easier for consumers.</p>	 <p><b>BetterWork</b></p> <p>We support Better Work's priorities and sponsor programs that establish structures to boost worker-management dialogue and implement lasting workplace improvements</p>	 <p><b>NIRAPON</b></p> <p>As a founding member of the Alliance and a member of Nirapon, we are committed to sustaining a culture of factory safety in Bangladesh.</p>
 <p><b>SOCIAL &amp; LABOR CONVERGENCE</b></p> <p>As a signatory of SLCP, our shared goal is to increase the effectiveness of factory audits, reduce audit fatigue and better utilize collective resources in the global apparel supply chain.</p>	 <p><b>BSR</b></p> <p>Through HERproject, we partner with our global vendors and local NGOs to sponsor programs and help drive positive impact for women and for our business.</p>	 <p><b>PLAN INTERNATIONAL</b></p> <p>We have partnered with Plan International to establish an early childhood development center in Ethiopia in February 2022.</p>

KEY ● Climate & Energy ● Raw Materials ● Chemical Management ● Water Stewardship ● Waste ● Supply Chain Compliance ● Worker Well-Being

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# ENVIRONMENT

## COMMITTED TO ENVIRONMENTAL SUSTAINABILITY

We embrace our role to contribute to a healthier planet through initiatives that reduce our environmental impact at home and around the world.

OUR PLACE is committed to environmental programs across our operations and in partnership with our vendors and third-party manufacturers. We have a responsibility to be a positive influence within our industry and advance approaches that help create a healthy environment for our children.

This approach starts with what we can control directly. We have committed to greenhouse gas reduction goals aligned with the latest climate science in our owned and leased operations. In 2022, we took another step forward by disclosing our climate action efforts via the Task Force on Climate-related Financial Disclosures (TCFD). A better understanding of the effects of climate change continues to help us determine the long-term risks and opportunities for our business.

A large portion of our impact is tied to the creation of our product. We continue to learn how product design and manufacturing decisions influence more positive outcomes in waste reduction and the re-use of materials. We have much to learn

regarding a more circular approach to our business and continue to focus on incorporating recycled materials in our products and packaging, and how we further encourage customers to donate products to extend their life and promote reuse.

The manufacturing of our product is a resource intensive process. We continue to partner with our vendors on better manufacturing techniques and to leverage industry experts on employing more responsible chemical management practices, water stewardship systems and emissions reduction initiatives. The advancement of approaches that lead to a more sustainable future must be done working collectively with all of our partners in the value chain.



### WE ARE COMMITTED TO:



#### Climate & Energy

Reducing GHG emissions across our operations and global supply chain



#### Raw Materials

Increasing the use of more sustainable materials in our products



#### Water Stewardship

Working with vendors to reduce water consumption in manufacturing and processing



#### Chemical Management

Supporting implementation of responsible chemical management and wastewater systems



#### Waste

Diverting the amount of our waste sent to landfill



#### Circularity

Helping to avert product and material disposal through reuse and recycling



# AN ENVIRONMENTALLY CONSCIOUS PLACE

## OUR CARBON FOOTPRINT

Addressing the impacts of climate change is critical to creating a more sustainable future for the children and families we serve.

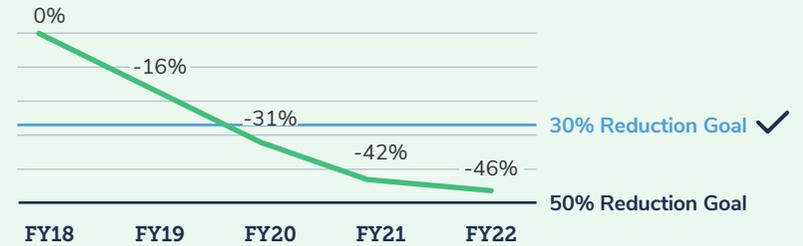
After achieving our initial 30% reduction goal in Scope 1 and 2 GHG emissions in FY21, we built on that progress with a 46% reduction in these scopes in FY22 (against a FY18 baseline). This reduction was primarily driven by store closures from our fleet optimization and digital-first strategies. Energy efficiency projects also contributed to our performance as we completed a light-emitting diode (LED) retrofit at our Canada distribution center and at our corporate office. Combined with the LED retrofit of our Alabama distribution center in FY21 and on-going LED transition in our store fleet, we are now seeing the benefits of the related energy savings.

Since the need for action will only continue to grow with more urgent climate change warnings from the scientific community, we continue to assess our climate strategy to identify additional ways to reduce our GHG emissions. In FY22, we engaged outside experts to research strategies involving renewable energy approaches, i.e. energy that does not entail the burning of fossil fuels and is collected from sources that are naturally replenished by the environment. This work is ongoing, and we continue to study approaches that include investment in onsite renewable energy and the offset of unavoidable emissions through Virtual Purchase Power Agreements (vPPAs) and Renewable Energy Credits (RECs).



### EXISTING GOALS & PROGRESS

**FY18-FY22 Scope 1 & 2 GHG Emissions 50% Reduction Goal Progress (tCO<sub>2</sub>e)**



### Energy Use by Facility Type

Facility	2022 (MWh)	% Total
Stores	56,563	64%
Offices	5,908	7%
Distribution Centers (DCs)	13,338	15%
Warehouse/Storage	12,167	14%
<b>Total</b>	<b>87,976</b>	

**COMBATING CLIMATE CHANGE**

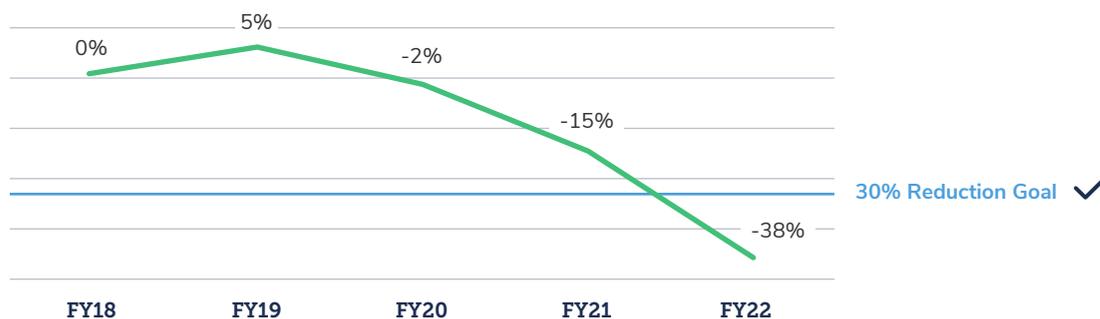
## OUR CARBON FOOTPRINT

In FY22, we reduced our Scope 3 emissions in purchased goods and transport by 38% against our 2018 baseline. Due to excess inventory on hand in FY22, we purchased and manufactured less product which helped us achieve this reduction. We will need to find ways to maintain (and further reduce) our Scope 3 GHG emissions as we sell through this inventory and plan for an increase in product demand in FY23. While we have achieved our 2030 goal, we will further assess how an increase in purchased goods and planned growth may affect our emissions performance in the coming year.

Our climate strategy review has emphasized the work needed to drive emission reduction in the supply chain. Our work with outside experts identified several areas of opportunity. These include accelerating our efforts to source preferred materials for our products, encouraging vendors to adopt energy reduction strategies and engaging with logistics partners on optimization activities that reduce emissions. These approaches will be critical in maintaining our reduction performance in the long term.

We also performed a scenario analysis of climate-related physical risks and climate-related transition risks and opportunities (see TCFD disclosure). This work helps our business support a low-carbon economy and drive innovation to positively impact our future.

**FY18-FY22 Scope 3 GHG Emissions Reduction<sup>1</sup> (mtCO<sub>2</sub>e)**



<sup>1</sup> Scope 3 categories under our corporate goal: Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) and Category 4 (Upstream Transportation and Distribution)

### OPPORTUNITIES FOR SCOPE 3 GHG EMISSION REDUCTION



#### Preferred Materials

Accelerating our efforts to source recycled, organic, and regenerative cotton and polyester



#### Vendor Energy Reduction

Assessing how we can influence mills and manufacturers to maximize energy efficiency and source renewable energy, especially for vendors with high energy production processes



#### Logistics Optimization

Reducing our air freight and engaging logistics providers to better understand alternative fuels and further optimization of routes and loads, where possible

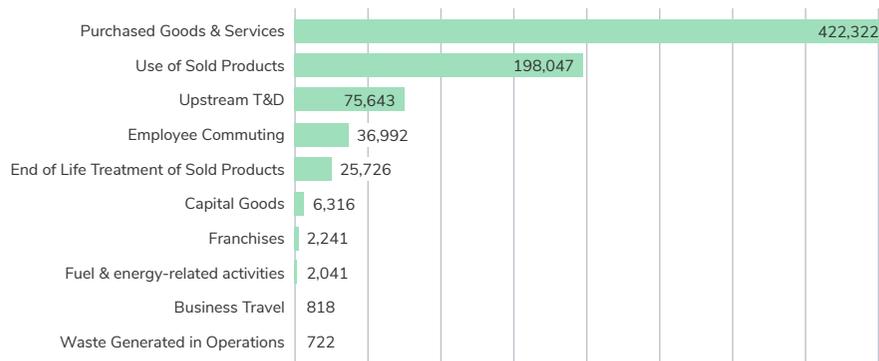
## CLIMATE & ENERGY DATA

### Scope 1 & 2 GHG Emissions Summary Data (tCO<sub>2</sub>e)

	2018	2019	2020	2021	2022	% Total	
<b>Scope 1</b>	5,546	5,114	4,975	4,610	3,964	13.6%	
Stationary Combustion		4,245	4,133	3,816	2,420	8.3%	
Mobile Combustion		5	5	21	754	2.6%	
Fugitive Emissions		865	837	773	791	2.7%	
<b>Scope 2<sup>1</sup></b>	Electricity	48,751	40,229	32,517	27,015	25,252	86.4%
<b>Total</b>	54,297	45,344	37,492	31,625	29,216		

<sup>1</sup> Due to limitations in the availability and quality of market-based emission factors for 2022 accounting, we assumed location-based emission equals market-based emissions as needed.

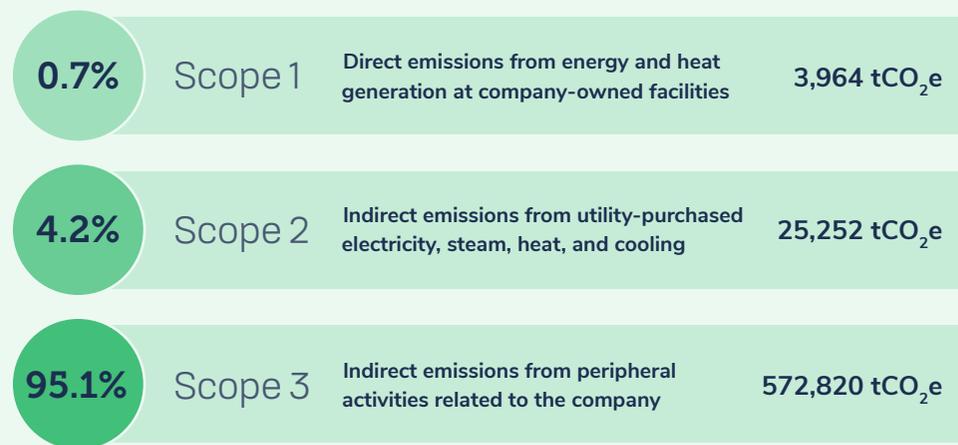
### FY22 Scope 3 GHG Emissions by Category (tCO<sub>2</sub>e)



## Refining our GHG Emissions Data

We have continued to enhance our GHG data collection and reporting processes, which will allow us to better target our reduction activities. In FY22, we shifted our emissions calculation methodology as a result of improved access to raw material specific emission factors—shifting away from using industry life-cycle assessments (LCAs) for comparable products to using emission factors which take into account our specific raw material mixes. We recalculated our emissions inventories for 2018-2021 using the best available raw materials emission factors, per guidance from third-party climate experts. This update resulted in more accurate emissions inventories: a new 2018 baseline that was 15% lower than initially calculated, 11% lower for the 2019 inventory, 8% lower for the 2020 inventory and 13% lower for the 2021 inventory.

### FY22 TOTAL GHG EMISSIONS BY SCOPE (TOTAL: 602,036 tCO<sub>2</sub>e)



## PRODUCT FIBERS

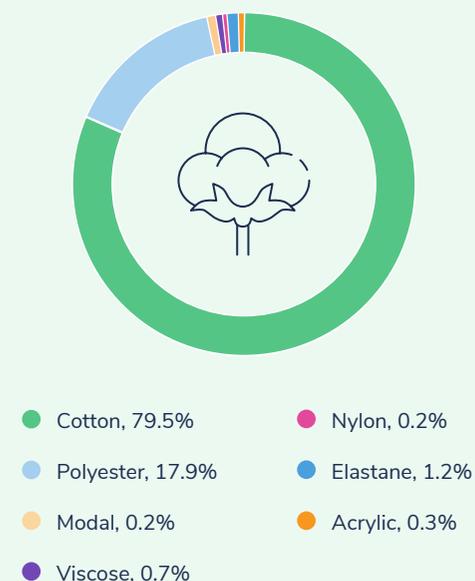
Our business revolves around the product we make, so reducing our impact as a company requires that we move to more sustainable fibers. We define more sustainable fibers as those that have improved environmental and social sustainability impacts than when produced conventionally.

We launched our sustainable materials program in FY19 with a focus on transitioning cotton, our largest raw material input, to cotton sourced through the Better Cotton program. This effort helped us learn how to start presenting sustainability concepts during fabric development and engage more deeply with the mills in our supply chain. We then began to systematically look at other materials and categories, like polyester.

We are proud of the progress we've made in sourcing more sustainable fibers but needed support in identifying impactful opportunities and investments across our material portfolio. Therefore, in FY22,

we conducted an external consulting engagement to develop a product sustainability road map for both apparel and footwear. This project has been critical in engaging across our organization and building alignment on how to provide more sustainable product offerings to our customers. One of the main project outputs was a preferred material matrix—a ranking of key raw materials that measured both positive and negative impacts in areas such as carbon, water scarcity, energy use and end-of-life concepts such as recyclability. The matrix provides our design and sourcing teams with the tools to make better decisions when selecting product materials.

FY22 APPAREL MATERIALS BREAKDOWN



“The material matrix has guided us to better utilize sustainable fibers and enhanced the collaboration between the sourcing, design and merchandising departments—we are now better equipped to share ideas, measure impacts and communicate cross-functionally.”



**Katie Manning**

VP Global Sourcing, Gymboree and Sugar & Jade

# SOURCING MORE SUSTAINABLE MATERIALS

## PRODUCT FIBERS

We recently signed onto Textile Exchange’s **2025 Sustainable Cotton Challenge**. This campaign is accelerating the adoption of lower-impact agricultural practices by working to shift the market toward cotton with improved environmental and social sustainability outcomes. The cotton challenge reaffirms our 100% responsibly sourced cotton goal and supports our learnings from the preferred material matrix.

Our membership in Better Cotton has helped us achieve 72% of our responsibly sourced cotton goal. Better Cotton provides field training that helps reduce resource usage such as water and pesticides and increases cotton yields for smallholder farmers. Though we will continue with our Better Cotton strategy, both the cotton challenge and the matrix highlight the benefits of expanding our approach to more responsibly sourced cotton with alternatives such as cotton from the U.S. Cotton Trust Protocol and organic and recycled cotton. We are working to find ways to integrate these fibers into our cotton sourcing strategy.

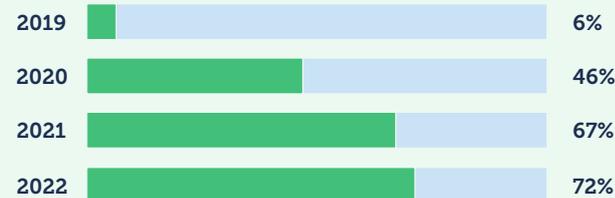
In addition to the positive impacts of more responsibly sourced cotton, we recognize the growing importance in our industry for more traceable cotton. Improved visibility to cotton sources within the supply chain helps brands

better assess the social and environmental impacts of their sourcing decisions. We continue to monitor organizations, programs and technologies focused on material traceability, including work being done by Better Cotton, to support the verification of cotton sources within the supply chain.



### EXISTING GOAL & PROGRESS

Source 100% responsibly sourced cotton for the cotton fibers used in our apparel by end of 2025.



# SOURCING MORE SUSTAINABLE MATERIALS

## PRODUCT FIBERS

Our preferred material matrix has raised the importance of transitioning manmade cellulosic fibers (MMCF) to more sustainable options. Two examples are viscose (also known as rayon) and modal. Though our use of these fibers is very small compared to cotton and polyester, we believe that a commitment to more sustainable MMCF is an important message to our suppliers and customers that even small change can lead to big impact.

Manmade cellulose fibers are made primarily from the dissolved pulp ("cellulose") of trees, and unfortunately in our industry these fibers are sometimes sourced from ancient and endangered forests.<sup>1</sup> These forests provide a variety of benefits such as storing carbon, preventing flooding and serving as a home to the vast majority of biodiversity on land. Sourcing fibers by logging these trees degrades the landscape and disrupts the ability of the forest to maintain a healthy ecosystem.

We have set a new MMCF goal and joined CanopyStyle and Pack4Good, initiatives that aim to protect ancient and endangered forests. We started implementation of our CanopyStyle commitment by launching an assessment of our MMCF product supply chain to determine which of our suppliers have achieved Canopy's "green shirt" ranking.

"Green shirt" producers are those that have been audited and assessed as low risk or have taken substantive action to eliminate known risk of sourcing MMCF from ancient and endangered forests. As we continue our work through CanopyStyle, we can help build a better future that relies on the conservation of these vital forests.

### NEW GOAL

**By end of 2025, source all man-made cellulosic fibers in our apparel from suppliers that have achieved Canopy's "green shirt" ranking, which indicates they employ best practices in protecting forests.**



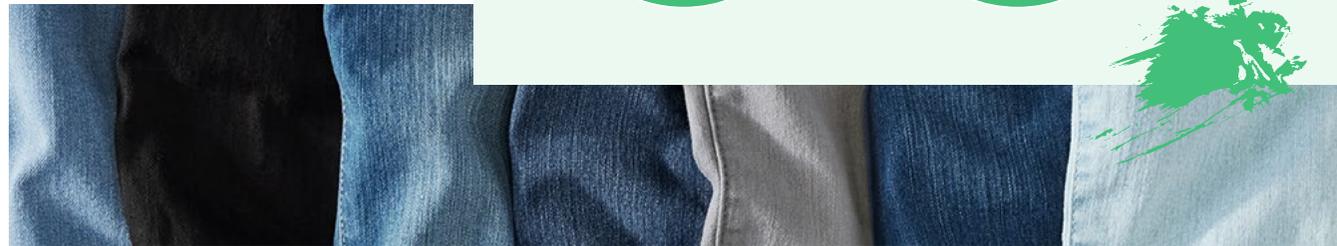
<sup>1</sup> Ancient and Endangered Forests as defined by Canopy. Examples include the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests of British Columbia, Alaska and Chile; Tropical forests and peat lands of Indonesia, the Amazon and West Africa. For more information, please see our Commitment to Forests.

## PRODUCT FIBERS

Recycled materials are ranked high on the list of our preferred material matrix because they re-purpose existing material instead of using resources to source new fibers. Recycled materials also contribute to traceability due to third-party certifications and chain-of-custody systems that track the materials through the supply chain.

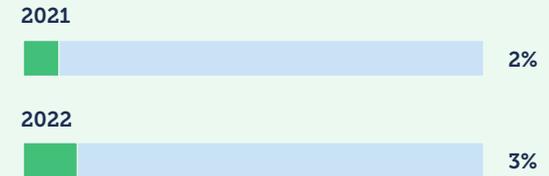
The majority of our recycled content conversion has been with recycled polyester, though progress has been slow due to high material costs in recent years. We continue to build the foundation that will allow us to integrate more recycled polyester into our product portfolio, including developing stronger relationships with vendors with recycled content expertise and developing the internal processes needed to manage product certifications.

Increased cross-functional communication and partnership has helped us identify styles that can most easily be transitioned away from virgin polyester. This collaboration has allowed us to successfully convert a variety of styles across brands such as The Children's Place boys' swimwear, Gymboree backpacks and select denim styles. Our cross-functional team is exploring other recycled materials for select styles for FY23, such as recycled cotton for denim and recycled thermoplastic rubber for our footwear outsoles. We also continue to focus on more sustainable options for garment trims and are making strong progress in our transition of woven labels and zipper tape to recycled polyester.



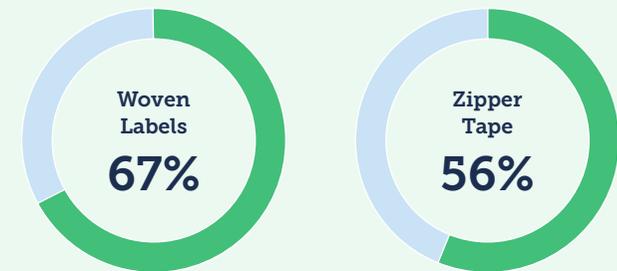
### EXISTING GOALS & PROGRESS

Source 25% recycled material for the polyester fibers used in our apparel by end of 2030.



Source 100% recycled material for the polyester fibers used in our woven labels and zipper tape by end of 2025.

### 2022 PROGRESS



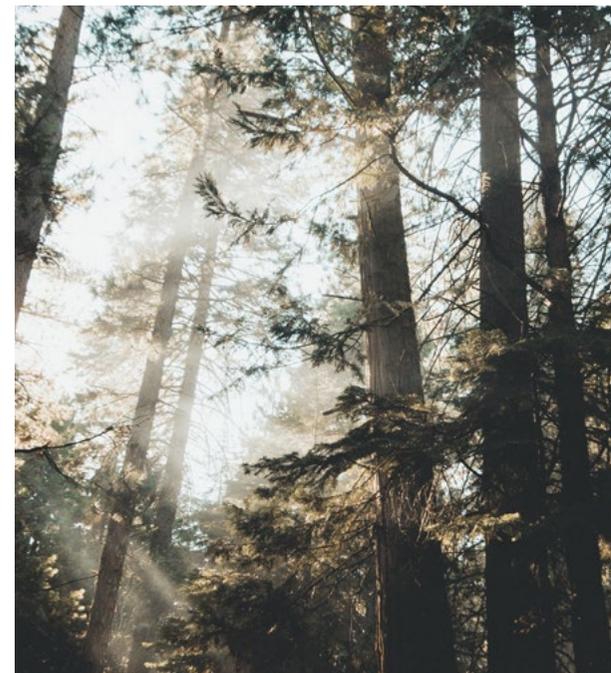
# SOURCING MORE SUSTAINABLE MATERIALS

## TRIMS

Product trims include tags and carding made from paper or plastic, and metal components such as rivets and zippers. Most trims are of small size but when looking at their usage across all product categories, transitioning to more sustainable options impacts a large volume of materials.

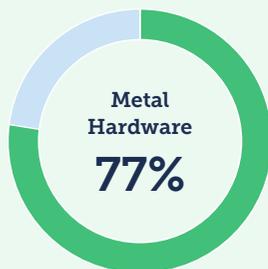
We continue to make good progress on our goal to shift metal hardware and zippers away from the use of electroplating, which is resource intensive and can be potentially harmful to the health of the workers making the product. We are transitioning these trims to finishes that utilize the base color of materials and do not involve the electroplating process. Our 2025 goal is focused on apparel categories such as denim, woven bottoms, outerwear and newborn that utilize a variety of metal hardware including zippers, buttons, snaps and rivets.

Our paper trims are transitioning to material sourced from forests monitored by the Forest Stewardship Council® (FSC®). The FSC® Mix logo printed on our price tickets and hangtags signifies that the paper comes from sustainably managed or controlled forests. In FY22, we also joined the Pack4Good initiative through our partner Canopy which will contribute to our approach to reduce paper waste and move to more sustainable paper sources.

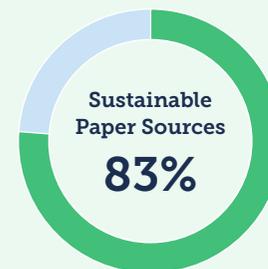


### EXISTING GOAL & PROGRESS

Convert 100% metal zippers and hardware used in our apparel to finishes that use fewer chemicals and less water and energy by end of 2025.



Source 100% of price tickets, hangtags, wrap bands and accessories carding with more sustainable paper sources by end of 2025.



# SOURCING MORE SUSTAINABLE MATERIALS



## PROJECT SPOTLIGHT: A NEW LOOK AT UNDERWEAR PACKAGING

We are fortunate to have associates who are passionate about having an impact and want to create change in our industry. Environmental and social change doesn't happen in a vacuum — it's most effective when associates are able to integrate sustainable practices and ideas into their daily jobs.

Our accessories and trims teams have been particularly effective at embedding this work into their sourcing activities. Each season, they try to look at products and packaging in a new way to find unexpected opportunities to be more sustainable. For example, last year they started experimenting with the design of our underwear packaging. By going through rounds of re-design and engineering with our supplier, including changing how we fold the product, the team was able to reduce material usage in the poly bag, plastic hanger and carding, change to recycled material for the poly bag and eliminate some of the packaging glue. This willingness to explore new ideas and be persistent helps us move forward as a more sustainable company.

“ I've always been adamant about thinking outside the box and believe that even the little steps are important to having a bigger impact. Even if you can just make progress on one style, or one material, that progress builds momentum for the next season. I have a great team that is 100% committed to explore sustainable options.”



**Rebecca Speiser**  
Sourcing Director

# SOURCING MORE SUSTAINABLE MATERIALS

## PRODUCT SAFETY

As a children's apparel retailer, the safety of the families who purchase our product is a top priority. Our product safety and quality program includes factory audits, product safety reviews, material testing and quality assurance inspections at various stages of production and upon receipt of products in our distribution centers. We also perform additional testing and design assessments as needed based on customer feedback.

During the development and production process, our chemical testing program tests for regulatory compliance and we utilize the Restricted Substances List (RSL) defined by AFIRM Group for additional testing and compliance requirements. AFIRM Group is a collaboration between apparel and footwear companies to promote chemical management in the global supply chain. By adopting the most recent version of AFIRM's RSL for finished products, we can restrict the use of harmful chemicals in our products and streamline vendor chemical requirements in line with industry standards.



### CERTIFIED PRODUCT SPOTLIGHT: OEKO-TEX®

Our chemical management program extends to third-party certified materials in our product portfolio. At the end of FY22, we started offering our customers OEKO-TEX® STANDARD 100 certified products.

This certification means that every component of the product, i.e. every thread, button and other accessories, has been tested for harmful substances against strict global criteria by independent OEKO-TEX® partner institutes. We are excited to continue our expansion of these certified offerings to provide the confidence families need for the children they love.

Starting for our Spring 2023 season,

# over 80%

of The Children's Place cotton sleepwear, newborn and underwear products, as well as select Gymboree sleepwear, will bear the STANDARD 100 hangtag or label.

Introducing

# OEKO-TEX® STANDARD 100

*BETTER. SAFER. CERTIFIED.*

Every little product detail—from head to tiny toes—is tested and certified so that you can confidently trust we're delivering the quality and safety your baby deserves.

# MANAGING CHEMICALS MORE RESPONSIBLY

## CHEMICAL USE IN MANUFACTURING

Chemicals are used in apparel production processes such as garment dyeing and washing. If not managed properly, the usage and disposal of these chemicals can negatively impact ecosystems and human health. We work with our vendors to avoid those impacts through the purchase of safer chemicals and a transition to smarter manufacturing processes.

Our chemical management program started in FY19 with a focus on the management systems in our top denim and woven bottom vendors, measured annually through the Higg Facility Environment Module (FEM). Though the vendors we measure for this goal have changed over time due to shifts in our sourcing strategy, we continue to engage with those that do not meet our expectation of achieving Level 1 in the chemical module to make sure they build the foundation for a sustainable chemical management system.

In FY22, we expanded our approach to chemical management in the supply chain by including fabric mills and sweater vendors in our scope of engagement. These partners were a priority due to the amount water and number of chemicals used during production processes. We joined ZDHC and partnered with BHive, a chemical inventory platform, to provide us with additional tools to assess vendor chemical management performance. Our engagement as a Contributor Signatory Brand to ZDHC is critical not just for our sustainable chemical management program but also to support our water stewardship strategy. We can only build water resiliency into our supply chain if we protect freshwater sources by further monitoring wastewater and sludge discharge. ZDHC provides us with resources and wastewater guidelines to help implement our strategy and promote technologies for wastewater treatment used in manufacturing.



### EXISTING GOALS & PROGRESS

**Top 20 third-party denim and woven bottom factories to meet the sustainable apparel coalition's Higg FEM level 1 sustainability rating of chemicals in their operations by end of 2023.**



MEETS LEVEL 1  
SUSTAINABILITY RATING

**65%**

# MANAGING CHEMICALS MORE RESPONSIBLY

## CHEMICAL USE IN MANUFACTURING

We spent FY22 onboarding vendors to our program, training on the fundamentals of sustainable chemical management and assisting with set-up on platforms that track chemical management performance attributes.

Through the Bhive platform, for example, in-scope vendor facilities create monthly chemical inventories, which supports due diligence on chemical compliance against standards such as the ZDHC Manufacturing Restricted Substance List (MRSL). Visibility into chemical inventories can allow for easier remedy when a wastewater issue is found because it helps identify the source of potentially non-compliant chemicals at the input level.

We also tackled unforeseen challenges such as limited wastewater testing services in our key African sourcing countries. With Africa being a newer market for apparel sourcing, there is less access to wastewater samplers

and laboratories with the capability to perform wastewater analysis. By collaborating with our vendors and laboratory partners, we built local expertise on wastewater testing requirements and facilitated collection of wastewater samples in these countries.

These efforts are important steps in the development of our long-term supply chain road-map for eliminating unwanted chemicals and substances. We will continue expanding our vendor engagement on sustainable chemical management as we receive more data from each component of the program.

### SUSTAINABLE CHEMICAL MANAGEMENT COMPONENTS

The results of each component combine to determine ZDHC compliance for our supply chain.



#### Chemical Inventory

Track chemical procurement and usage through factory chemical inventory lists on the Bhive platform.



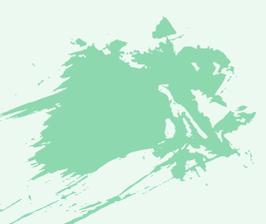
#### Chemical Management Operational Controls

Measure operational capacity through the Higg FEM, which helps assess operational controls and the maturity of chemical management systems.



#### Wastewater & Sludge Testing

Monitor wastewater quality through the testing of wastewater and sludge against ZDHC MRSL parameters.



**MANAGING CHEMICALS MORE RESPONSIBLY**

## WATER STEWARDSHIP

Water is a shared resource, with a variety of stakeholders relying on the limited amount of freshwater available on our planet.

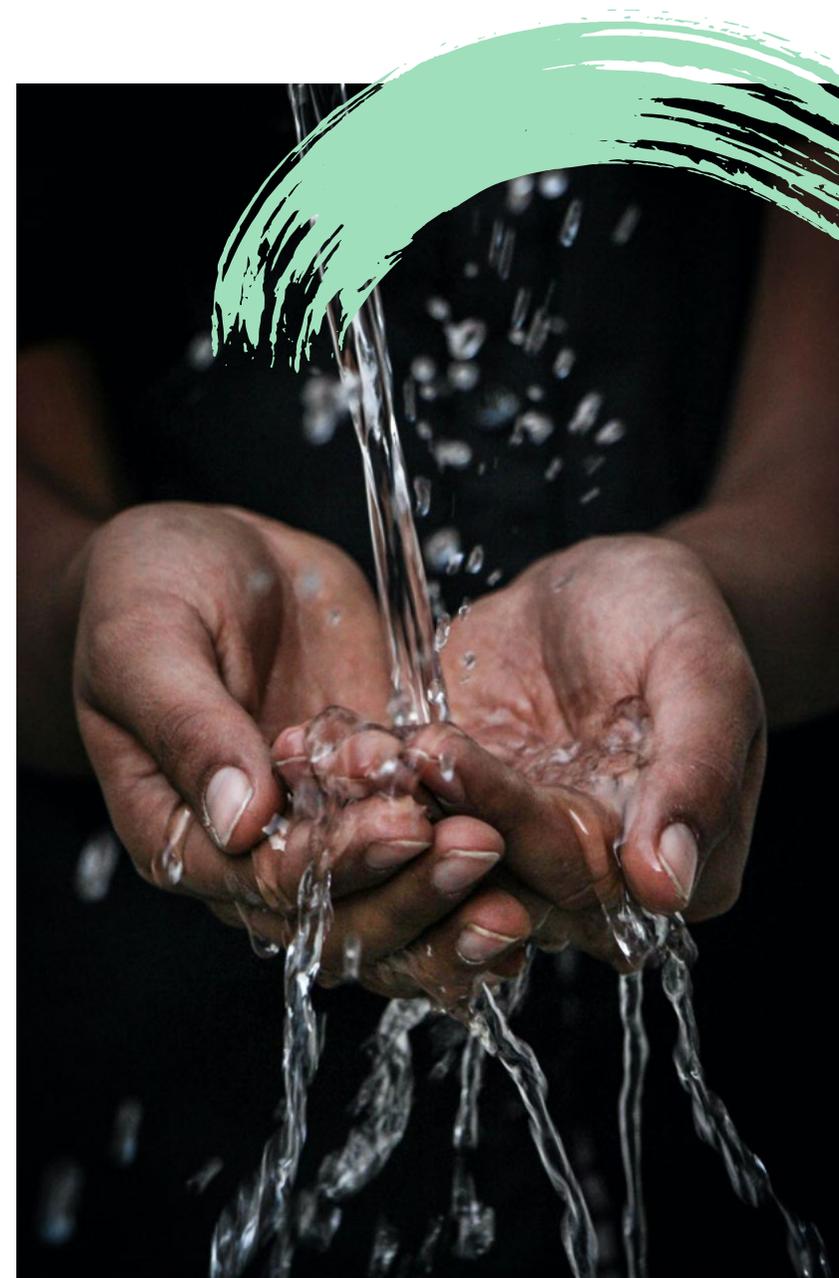
Increasing stress on the global water supply can threaten our supply chain, raise the cost of raw materials and affect the well-being of factory workers. Recent extreme weather and climate change impacts have illustrated the potential damage from water scarcity, such as lower crop yields in key cotton producing countries that have been devastated by drought.

We believe that access to clean, safe water and sanitation is a fundamental human right. To build a better future, our dependence on water in our operations and supply chain must be balanced with the needs of the communities where we source.

In 2021, we reached our goal of our top denim and woven bottom vendors reducing water usage by 25% in their manufacturing and washing operations. This goal was met two years ahead of schedule due to efforts such as machinery upgrades and increased efficiencies. Though this achievement was a good starting point, water reduction in the cut, sew and finishing phase is one of the lowest

in terms of water usage. Industry data shows that mills use far more than the volume of water used in wet processing facilities.

Therefore, we intend to develop a new water stewardship strategy that encompasses more of our supply chain and addresses issues beyond just water reduction. Coupled with our Chemical Management program, which supports improved wastewater quality, this new strategy will help vendor facilities in areas of high-water stress to build resiliency in their operations and for their worker communities. We continue to assess a more comprehensive water stewardship approach for our supply chain. As a first step, we are piloting a water measurement system in facilities that utilize large amounts of water in the processing of our textiles. This, coupled with ongoing strategy planning, will allow us to better develop targeted, measurable, water stewardship goals and a roadmap to achieving those goals.



# REDUCING WATER USAGE

## WASTE FOOTPRINT

Waste in landfill can lead to ocean pollution, soil and groundwater contamination and an increase in greenhouse gas emissions. Certain types of waste can take hundreds of years to decompose, if at all, so there is increasing concern about the high amount of waste our industry generates.

Measuring our waste footprint annually has allowed us to understand the composition of our waste and why it is generated. Since FY19, our total waste generation has declined by approximately 30%. This has been driven by store closures due to our fleet optimization strategy and less product volume due to a decrease in consumer demand. As we prepare for future business growth per our digital-first strategy, we continue to work on increasing the content of recycled materials in our consumer facing packaging and assessing opportunities for more sustainable packaging designs.



### Packaging

Waste generated from the packaging and shipping of product purchased in our e-commerce and store channels.



### Operations

Waste generated by our corporate headquarters, distribution centers, and stores.

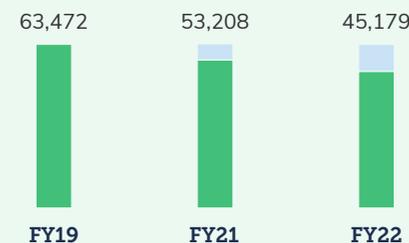


### Product

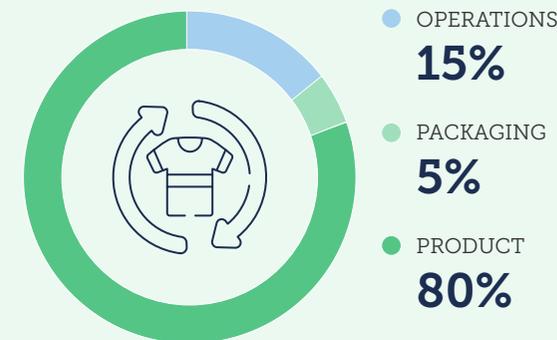
Waste generated by consumers when they discard product after use.

#### EXISTING GOALS & PROGRESS

#### FY19-FY22 Waste Materials Footprint



#### FY22 Waste Material by Source



**DIVERTING WASTE FROM LANDFILL**

## PACKAGING WASTE

In FY22, we made significant progress in our goal to have at least 50% recycled content in consumer-facing packaging and are on track to meet our 2025 goal.

This entails packaging we purchase directly for stores and ecommerce shipping. In addition to material content, we are working to consolidate the number of designs for our shopping bag and mailers so our packaging can be used more broadly across markets and brands, which helps reduce potential waste from overstock.



### CONSUMER-FACING PACKAGING RECYCLED CONTENT STATUS<sup>1</sup>

Packaging Type	Recycled Content
Gift boxes (Gymboree, The Children's Place and PJ Place Everyday)	95%
Paper Shopping Bag (Quad Branded)	80%
Gift Box (PJ Place Holiday)	70%
Poly Bag Mailers (Quad Branded)	53%
Plastic Shopping Bag (Quad Branded)	50%
Paper Shopping Bags (Co Branded)	40%
Corrugate Shipping Boxes (All Brands)	40%
Gift Box (Sugar & Jade)	30%
Poly Bag Mailers (Co Branded)	25%

<sup>1</sup> Excludes remaining stock from discontinued SKUs

**DIVERTING WASTE FROM LANDFILL**

## OPERATIONAL WASTE

While we are making good progress with our consumer facing packaging, we saw a decline in our operational waste diversion rate in FY22. In the distribution centers, when less product is shipped, the related corrugated cardboard weight declines without a similar decrease in the remaining mix of waste. This contributed to a decrease in our waste diversion rate, from 77% in FY21 to 73% in FY22.

It is important to focus our operational waste recycling efforts on where we have the most influence, which is in our retail stores. We have made positive strides through targeted waste reduction efforts, such as a decrease in marketing materials sent to each store. However, our store diversion rate decreased due to inconsistent application of recycling practices and services offered by malls. In FY23, our action plan will target employee awareness and mall landlord engagement. We need more consistent recycling education and measurement with both stakeholders throughout the year to ensure that associates have access to recycling onsite and are actively utilizing recycling services.

### EXISTING GOALS & PROGRESS

**Divert 80% of waste generated by our corporate headquarters, distribution centers, and retail stores from landfill by 2025.**



“Printing on both sides of signage, for example, extends the life of the sign and reduces associate time spent unpacking cartons. These are benefits that provide cost savings in addition to a positive environmental impact. My team is excited to continue to identify these types of opportunities as we integrate sustainability concepts into our daily workflow.”



**Tom Horan**  
GVP Visual, Marketing & Product Lifecycle Operations

**DIVERTING WASTE FROM LANDFILL**

## PRODUCT WASTE

Since the majority of our waste comes from product that will be disposed of at the end of its life, a comprehensive waste strategy must include engagement with our customers through opportunities to reuse, repurpose or recycle our product.

In FY22, we selected GiveBackBox as the partner for our first product takeback initiative. This GiveBackBox partnership allows our ecommerce customers to donate gently used clothing and shoes. The program provides a convenient way of donating to those in need while also recycling corrugate cartons that donations may be shipped in. From June 2022 to January 2023, together with our customers, we donated over 4,300 pounds of goods to non-profit partners that serve children and families in need. We will be expanding customer access to the program in FY23 as we look for additional ways to promote more circular systems that provide an alternative to the “take–make–waste” model that largely exists today.



### Sign Up

Customer sign up and printing of shipping label



### Shipping

Customer reuses packaging and ships product



### Handling

Product received and processed by GiveBackBox



### Donation

Product is donated to various non-profits including TCP's preferred partner, Delivering Good

## PARTNER SPOTLIGHT: DELIVERING GOOD

The Children's Place has partnered with Delivering Good for more than 10 years, donating excess inventory to help provide relief, comfort, and dignity for families dealing with poverty and other challenges. Given our enduring relationship and the need for children's quality merchandise, in 2022 we expanded our partnership to include the acceptance of 'nearly new' product coming from customer donations through GiveBackBox. Because of GiveBackBox's capacity to receive and sort product, Delivering Good was able to set guidelines for the quality of donated product and to date, the product from this expanded partnership has been of high quality with positive feedback from community partners and the individuals who receive the clothing. These additional resources help build self-esteem and dignity, consistent with Delivering Good's core mission.

“Delivering Good is grateful for our partnership with The Children's Place and for the opportunity to work with them on this new source of quality children's clothing, which is always in great demand in the communities we serve.”



**Matthew Fasciano**  
President & CEO, Delivering Good

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**SOCIAL**

## COMMITTED TO SOCIAL RESPONSIBILITY

As America's leading children's specialty apparel retailer, we strive to be the go-to place for quality, value and style that stands the test of time, but our purpose is deeper than that.

Our apparel is designed with childhood in mind—celebrating family, self-expression and confidence. It embraces style, imagination and growth and for every chapter, memory and milestone, we are The Place. Now more than ever, we recognize the social issues affecting families across the world and understand the opportunity we have to impact positive change.

Respect for human rights requires our industry to make ambitious commitments to do more to support communities around the world. We have set public social targets to demonstrate transparency and accountability for our commitments, and to drive progress in our strategic focus areas. Our commitment to positive social practices includes investing in our associates, supporting the people who make our products and giving back to those in need.

We are dedicated to supporting our associates' well-being through targeted programs supporting their learning and development in a diverse and inclusive environment. Our associates are passionate about giving back to our communities and supporting those in need and we regularly provide opportunities for them to collaborate with charitable and community organizations.

In our global supply chain, we seek to work with third party vendors whose business practices align with our principles on human rights, especially for at-risk groups such as women and highly vulnerable populations such as migrant workers. We invest significant time and effort into identifying and working with only those vendors who are committed to providing fair and safe working conditions for their factory workers.

We are dedicated to nurturing a better today and tomorrow for our children. We are The Children's Place, and our Place is your Place.



**A SOCIALLY COMMITTED PLACE**



“ I believe all associates should embrace TCP as if it were their own company as I do, work diligently, and continue to learn as much as possible through all cross-functional teams. More importantly, start each day with a positive attitude, and lots of gratitude. Smile, and remember “Teamwork makes the dream work!”, which I can certainly attest to and followed throughout my 40 years of service at The Children’s Place corporate office. ”



**Rose Kloss-Mills**  
Associate Manager, Outbound Logistics



## OUR DE&I STRATEGY

We are dedicated to creating a better today and tomorrow for all children by working to foster an equitable and inclusive society. We recognize the power of fashion as a way for children to express their personal styles, feel confident and inspired and allow them to dream big!

When kids wear our clothes, we want them to see themselves—from graphics to colors to styles that celebrate the diversity of every child. Our customers are diverse and our fashion should be too. We believe the best way to ensure that our products incorporate diverse themes is to have diverse representation in the associate population creating them.

Our collections incorporate increasing representation of multi-racial/ethnic images in our graphics that celebrate natural beauty in all forms.

As we approached the end of 2022, we were proud to launch our product collection honoring Black History Month. Our dedicated page on our website featured clothing for kids and adults in our designed-to-empower exclusive styles as well as recommendations for children's books that celebrate the culture and achievements of the Black Community.



### Inclusive Recruiting

We have engaged with several organizations to attract and recruit diverse talent. In 2022, we continued to partner with NAACP and engaged new partners like Black Retail Action Group (BRAG), Black Diamond and Howard University in an effort to build a talent pipeline for corporate positions as well as our 2023 Summer Internship program.



### EXISTING GOAL & PROGRESS

2021

We launched our first diversity goal to

**double**

the representation of Black/ African American associates at our U.S. headquarters by 2025

2022

We made considerable progress towards our goal with an increase in representation by

**45%**

with an emphasis on our product-focused and customer-facing roles



**A DIVERSE & INCLUSIVE PLACE**

## OUR COMMITMENT TO GENDER DIVERSITY

Our women-led workforce, many of whom are mothers, deeply understands the wants and needs of our customer, allowing the voice of the customer to be at the forefront of every decision we make.

Our customers are the mothers who want their kids to feel confident in what they are wearing; the mothers who understand both quality and affordability are important when making a purchase and one should not have to be sacrificed to achieve the other.

In 2022, we cemented our commitment to our industry-leading gender diversity at every level of our organization, from our store associates to our Board of Directors, by establishing goals to maintain at least 80% representation of women in our workforce and at least 50% representation of women in corporate

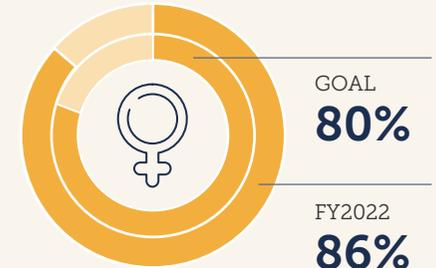
leadership positions. With substantial increases in both promotions and hiring of women to leadership positions, we increased the representation of women in leadership positions to 62%, up from 57% in 2021.

**The impactful role women play in creating our products stretches globally, with women comprising more than 60% of the third-party workers in our global supply chain.** We seek to positively impact these workers' mental and physical well-being by working with suppliers to implement programs supporting them and their families.

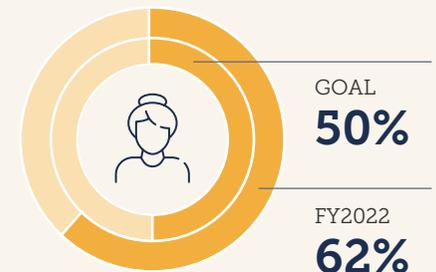
Making meaningful change is a journey requiring ongoing effort and dedication from each of us. Fostering equitable and rewarding experiences for all associates requires a commitment from leaders. In 2022, we focused our training programs around the role our leaders play in developing our inclusive culture.

### EXISTING GOALS & PROGRESS

Maintaining women representation in our overall workforce



Maintaining women representation in our cooperate leadership postilions



# A DIVERSE & INCLUSIVE PLACE

## INTERACTIVE DE&I TRAINING FOR PEOPLE LEADERS

We partnered with MindGym, a best-in-class global training provider specializing in DE&I with a network of over 300 coaches who have trained over 3 million participants across 90 countries, to offer targeted, mandatory training for leaders across the organization.



**All Vice Presidents and above attended in-person training where they explored:**

- How to create an environment where associates feel psychologically safe and able to bring their authentic selves to work
- Recognizing subtle exclusion and how to reduce it
- Identifying any current barriers to leading inclusively and learning strategies for improving communication and self-awareness as leaders



**All Corporate Directors and Managers attended a live, interactive virtual session where they explored:**

- The behavioral science of inclusion and what that means for our organization
- The cornerstones of an inclusive culture, the tensions they present, and how to use them to build a sense of belonging among our associates
- Creating an environment where diversity and individual identities are celebrated and respected



### ► FUTURE FOCUS

In 2023, we will expand this program to our leaders in our international offices, stores and distribution centers

### EMPLOYEE SPOTLIGHT

“A truly inclusive culture only happens when leaders understand the value of true teamwork and are willing to be a champion of inclusive behavior. It all seems simple; however, the journey toward inclusion can only truly occur through persistence, patience, and a long-term change mindset. We are all in this together. What’s obvious through the Leading Inclusively Training is that the result is a big win for the company and our customers.”



**Jonathon Savoy**  
VP, Merchandise Planning TCP  
Boys & Graphics

# A DIVERSE & INCLUSIVE PLACE

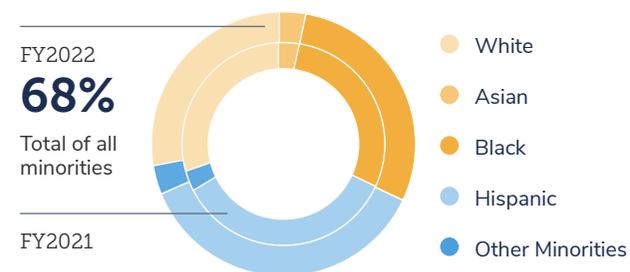
## U.S. WORKFORCE DEMOGRAPHICS

We are focused on fostering an inclusive environment where associates feel represented, heard and respected.

Gender Representation		2022	2021
Overall	Women	86%	87%
	Men	14%	13%
Senior Leadership	Women	50%	50%
	Men	50%	50%
Corporate Leadership	Women	62%	57%
	Men	38%	43%
Store Management	Women	92%	91%
	Men	8%	9%
Promotions Overall	Women	94%	93%
	Men	6%	7%
Promotions Corporate Leadership	Women	71%	61%
	Men	29%	38%
Promotions Store Management	Women	97%	96%
	Men	3%	4%
New Hires Overall	Women	87%	89%
	Men	13%	11%
New Hires Corporate Leadership	Women	62%	45%
	Men	38%	55%
New Hires Store Management	Women	84%	86%
	Men	16%	14%

Racial/Ethnic Diversity		2022	2021
White	All Employees	32%	33%
	Corporate Leadership	63%	62%
	Store Management	46%	52%
	New Hires	25%	28%
	Promotions	43%	36%
Asian	All Employees	3%	3%
	Corporate Leadership	20%	23%
	Store Management	2%	2%
	New Hires	2%	2%
	Promotions	1%	3%
Black	All Employees	24%	24%
	Corporate Leadership	3%	3%
	Store Management	20%	15%
	New Hires	34%	34%
	Promotions	21%	18%
Hispanic	All Employees	37%	36%
	Corporate Leadership	9%	10%
	Store Management	30%	28%
	New Hires	34%	31%
	Promotions	34%	39%
Other Minorities	All Employees	4%	4%
	Corporate Leadership	4%	3%
	Store Management	3%	3%
	New Hires	5%	5%
	Promotions	1%	4%
All Minorities	All Employees	68%	67%
	Corporate Leadership	36%	39%
	Store Management	55%	48%
	New Hires	75%	72%
	Promotions	57%	64%

### Employee Racial/Ethnic Diversity Data



### Age Representation

	2022	2021	
All Employees	Under 30	56%	64%
	30-50	34%	28%
	Over 50	10%	8%
Corporate Leadership	Under 30	1%	0%
	30-50	77%	81%
	Over 50	23%	19%
Store Management	Under 30	13%	14%
	30-50	71%	71%
	Over 50	17%	15%

<sup>1</sup> Gender data is inclusive of our global population

<sup>2</sup> Race/Ethnicity data is specific to US associates only

<sup>3</sup> All Other Minorities include associates identifying as American Indian/Alaskan, Pacific Islander/Native Hawaiian and Two or More Races

<sup>4</sup> Corporate Leadership is defined as Director & Above level roles

<sup>5</sup> Store Management is defined as those with the title Store Manager

<sup>6</sup> All data is as of fiscal year end, January 28, 2023

**A DIVERSE & INCLUSIVE PLACE**

## OUR LEARNING & DEVELOPMENT STRATEGY

Our associates are the key to driving a high-performance culture. Great leaders attract great talent and create experiences that inspire our associates to learn and grow.

Our leaders foster a connection to the TCP mission to help parents dress their children in a way that instills confidence, pride and a sense of empowerment. Ensuring we have the best talent is the responsibility of every leader at TCP. We set high standards and hold our teams and ourselves accountable to achieve them. We have an unrelenting focus on attracting, growing and retaining great talent.

Our Learning and Development strategy supports professional development by delivering relevant and robust opportunities, while building capabilities across the company that align with the evolving needs of our workforce and our business strategy.

In 2022, our learning and development efforts focused on three key areas:



1 Creating an emotional connection to our brands from an associate's first day with TCP



2 Equipping leaders with the tools they need to lead high-performing teams



3 Providing technical training for associates to be successful in their roles



### EMPLOYEE SPOTLIGHT

“The courses were instrumental in helping me hone my management skills. Not only were the instructors energetic and informative, but they created a safe environment to field any questions for real or hypothetical situations that could arise at the workplace.”



**Kirsten Geiger**  
Design Manager

**A LEARNING PLACE**

## OUR LEARNING & DEVELOPMENT STRATEGY



### Connecting with our brands

In 2022, we reinvented new associate orientation. On a Corporate associate new hire's first day at TCP, the associate engages in an immersive experience exploring the history of TCP and its brands, hearing from guest speakers from around the organization and learning about our unique culture.

Within their first weeks, these new hires spend a day in one of our stores to gain a better understanding of how their roles and decisions affect store operations and ultimately our customer experience.



### Growing our leaders

We support our leaders and associates by providing resources to help them maximize their teams' potential to deliver top results. In 2022, we launched a series of training courses for both current and aspiring leaders, teaching best in class content and strategies for effective management.

Across the stores, distribution centers and our corporate offices in both the U.S. and internationally, we had nearly

## 800 participants

in our programs, which included:

- Select the Best
- Blanchard Management Essentials®
- Performance Management
- Leading Through Change
- Everything DiSC Workplace
- fierce.®

The common theme of our these programs is for leaders to understand their role in creating environments where individual strengths are maximized and teams thrive; that honest conversations and effective feedback are the cornerstones of establishing trusted relationships and driving performance.



### Solidifying the fundamentals

To ensure Corporate associates are all equipped with the same fundamental skills, we offer technical applications training.

In nearly 50 classes hosted in 2022,

## 700 participants

received refreshers on the basics as well as more advanced skills to assist them in their roles.



# A LEARNING PLACE



## GOING PLACES INTERNSHIP PROGRAM

We invested in our Interns' development by providing each Intern

**40 hours**

of training and development classes

In 2022, these classes included:

- Building Your Professional Brand
- Owning Your Professional Development
- Retail Finance 101
- Perfecting Your Presentation Skills and Resume Writing & Interviewing

At The Children's Place, we strive to attract top talent in the retail industry who are passionate about driving results through cross-functional collaboration, engagement, and communication.

One of the ways we build skills in our organization is through our Going PLACES Internship Program. Through this program, we create a diverse talent pipeline and provide mentorship opportunities for our leaders and associates. Our Going PLACES Internship

Program in New Jersey and Hong Kong is designed to provide a detailed view into our company's inner workings and help prepare the next generation of retail leaders. Our comprehensive 10-week program, from June to mid-August, includes hands-on experience in each intern's desired discipline, cross-functional department exposure, interaction with senior leadership, including our CEO, and volunteer and community service activities.

We have expanded our internship recruiting efforts to include:

**15+**

Universities in the U.S.

**2**

Universities in Hong Kong

**225**

Total interns have participated in our Going PLACES Internship Program to date

**60+**

Total interns were hired into full-time positions across a collection of departments<sup>1</sup>

In 2022, we expanded our reach to more diverse educational institutions, such as Howard University, Spelman College, the College of New Jersey and Rutgers University. We will continue to drive greater representation by attracting an even more diverse applicant base for our program.

<sup>1</sup> Departments include: Design, Global Merchandising, Marketing, Planning & Allocation, Sourcing, Strategic Partnerships, IT, Finance and Human Resources.

**A LEARNING PLACE**

## INVESTING IN OUR ASSOCIATES

Our associates are our most important asset and we know they can only perform at their best when they have the peace of mind provided by fair and equitable pay, as well as health and welfare benefits that meet their unique needs and the needs of their spouses or partners and their families.



### Compensation Strategy

Our compensation strategy incorporates both base pay and performance-based incentive opportunities to reward associates for achievement of financial goals. We continue to take steps to ensure our compensation programs are paying fairly and equitably across all our populations:

- Our US store Sales Associate average hourly rate is more than \$2.50 above the aggregate local minimum wage
- Our Alabama Distribution Center Associate average hourly rate is more than twice the local minimum wage
- We regularly analyze pay equity across our US associate populations to ensure there are no systemic disparities based on gender or race/ethnicity



### Health & Welfare

Recognizing we had an opportunity to improve our health and welfare plans, in 2022, we made the following changes to our benefit programs around the globe and will continue to look for ways to optimize our offerings to best support our associates:

- Changed eligibility allowing all U.S. associates, including all part-time store associates, to participate in the **401(k) Plan with a Company match**
- Selected new medical carriers for our U.S. associates that **provide a wider network of doctors nationwide**, as well as out of network options for all associates, while keeping associate contributions flat
- **Improved our short-term disability benefits**, beginning eligibility within a month of an associate's hire date and extended the length of this benefit to ensure our associates have the security they need to focus on their health in the event they are unable to work due to illness
- Implemented a new global **Employee Assistance Program carrier providing counseling sessions for emotional well-being and support**, chat therapy, personalized guidance on child/elder care options, legal services, and financial wellness guidance along with online tools and resources for stress relief and discounts on products/services
- Changed medical carriers in India and **increased each family's annual benefit allowance while providing Employee Wellness benefits**, including unlimited free tele-consultations with general physicians, health checks and diagnostics and yoga and mindfulness, while reducing premiums
- Introduced a new benefit in Hong Kong, **allowing associates to participate in the Hong Kong Rental Reimbursement program**, which is a tax savings program for associates living in rental properties through the Hong Kong Inland Revenue Department



**A REWARDING PLACE**

## ASSOCIATE WELLNESS & EDUCATION

Associate wellness and education was an area of focus during 2022, and we were once again able to bring services and support to our teams. In our New Jersey corporate headquarters, we offered on-site flu shots for associates regardless of participation in our medical plans. We also hosted a series of live webinars with our providers, exploring topics that include a deep dive into our pharmacy benefits and navigating our mental health benefits.

### Our Southeast Distribution Center continues to prioritize health and wellness.

In 2022, we hosted a benefits fair with 31 vendors, including representatives from our benefit carriers as well as other providers in the local community and throughout the state of Alabama. We hosted a blood drive, **exceeding the target number of participants by 50% with nearly 100 associates donating blood.** We supported our associates by **providing on-site mammograms in a mobile unit** and participation was so strong we plan to offer this service again in 2023. Our on-site health clinic, The Health Spot, was integral in keeping our Distribution Center running during COVID-19, making available vaccinations, including boosters. Additionally, our clinic provides health screening, blood pressure and glucose monitoring, flu shots and acute medical care, ensuring our associates can conveniently get the care they need.



I was referred to the Health Spot seeking guidance for a minor medical condition. After asking a series of questions and reviewing my history, Mrs. Ginger and Mrs. Kathrine referred me to the Neuro and Sleep clinic. After I received the results, I knew that I needed to change my eating and sleeping habits. I am very thankful Mrs. Ginger and Mrs. Kathrine were so professional and cared about my health! ”



**Ben Irby**  
DC Training Coordinator



Our commitment to our associates was recognized this year when we won the 2022 Best Distribution Center of Dekalb Award from the Times-Journal, the oldest newspaper in Dekalb County in Alabama.

This award was voted on by the public and with thousands of votes cast, **TCP was selected over the 20 other distribution centers** competing for this award.

**A REWARDING PLACE**

## GIVING BACK

A better community starts by doing good and giving back. With family at the root of our brand, we are especially dedicated to giving back to those in need. Throughout the year, we proudly partnered with charities across the country, donating to families impacted by poverty and supporting important causes that strive to improve our communities.

We continuously look for new opportunities to create a positive impact in our communities. In 2022, we launched a new initiative—a Company-Sponsored Day of Volunteer Service for our U.S. Corporate associates. Through this initiative, all U.S. Corporate associates have the opportunity to spend one fully paid day each year volunteering with a recognized charitable organization of their choice.

### Some volunteer activities in which our associates participated in 2022 include:



Jersey Cares and Branch Brook Park Alliance's "Care of the Park in Branch Brook Park"

TCP volunteers participated in park restoration efforts for Branch Brook Park



Lincoln Park Coast Cultural District and the City of Newark's "Slam Dunk The Junk"

TCP volunteers participated in a large-scale park clean-up event at Lincoln Park



Table to Table Tuesdays

TCP volunteers helped compile and distribute food items to over 500 families at food banks

“The Table to Table volunteer day of service was a phenomenal event! It was a great way for us to give back to the community and those in need. I really enjoyed working alongside my peers, other TCP associates, and the event organizers while positively impacting the lives of the people supported by the Table to Table initiative.”



**Kayel Flores**  
Associate Manager,  
Amazon Partnership

### ▶ FUTURE FOCUS

In 2023, we are extending this program to our International Corporate associates.

## STRENGTHENING COMMUNITIES

August 2022

### Kevin Hart & The Children's Place Community Learning Centers

Kicking off the Back-to-School season, The Children's Place partnered with Kevin Hart and announced the grand opening of the first-ever The Children's Place Community Learning Center at Thomas Jefferson Recreation Center in East Harlem, NY. **Additional learning centers are located in 10 deserving communities across the nation.**

These learning centers are fun, safe spaces which will encourage creative exploration and discovery among children. Working collaboratively with

local libraries, community centers and ThriftBooks, the leading independent online seller of new and used books, The Children's Place reading centers each feature thousands of books, **totaling over 20,000 books donated by ThriftBooks** to stock the spaces. Each space also features comfortable seating arrangements, interactive chalkboard walls, and empowering wall murals and artwork to **serve as a safe haven where children in each community can gain access to reading materials and learning supplies**, while also allowing themselves to thrive in imagining.



November 2022

### Mandy Moore & Gymboree National Closet Program with Delivering Good

Our holiday season was extra special in 2022 with our special collaboration with Mandy Moore and her family. We were delighted to feature "The Season of Moore" video post on our social media channels, showcasing Mandy sharing what the holidays mean to her and her family—a time of thanks, a time of togetherness, a time of tradition and a time of giving.

In November, we also partnered with Mandy Moore and Delivering Good and unveiled our first community wardrobe closet at Union Station Homeless Services in Pasadena, California. The wardrobe

was stocked to the brim with Gymboree clothing, accessories, and shoes for children. At the center, families were treated to personalized gifts and had the chance to meet Mandy. There was a festive arts and crafts session and a traditional Thanksgiving meal was served. **TCP will continue to donate clothing and we plan to launch nine additional branded wardrobe closets to families in need across the country.** We hope the clothing from these closets will encourage confidence and self-expression among the children in these communities.

With the goal of spreading holiday cheer, while helping children and families look and feel their best, Gymboree, in partnership with Mandy Moore, donated over \$500,000 worth of clothing and launched a number of filled-to-the-brim Gymboree branded wardrobe closets to families in need across the country through their partnership with national nonprofit, Delivering Good.

**A GIVING PLACE**

## STRENGTHENING COMMUNITIES

September 2022

### Ethiopia Tree Planting Event

In September 2022, our TCP Ethiopia associates supported the local government's national Tree-Planting campaign and planted 500 trees in the Bole Lemi Industrial Park—one of the main industrial areas in Addis Ababa, Ethiopia where our products are made. This annual event showcases our commitment to creating a positive impact on our environment.



October 2022

### Clothing & Accessories Donations Drive

In October 2022, we organized a Clothing & Accessories Donations Drive at our Corporate office to support one of our long-standing charitable partners, Delivering Good, and received generous support from our associates. We donated over 38 boxes of new and gently used items of all sizes and styles. Product donations will be distributed to children and families in need by Delivering Good.

Delivering Good is an established nonprofit organization that unites retailers, manufacturers, foundations and individuals to support people affected by poverty and tragedy. This initiative also paralleled our consumer product donations campaign in an effort to create a Better Place, Better Community and Better Future.

“It is always a humbling and rewarding experience when making the choice to serve in the community; however, it is even more special doing this with my TCP Family.”



**Florine Smith**  
Receptionist & HR Assistant

December 2022

### Southeast Distribution Center donations of 15,142 units of non-perishable snacks to the Backpack Buddies Program at Fort Payne City Schools

For the third consecutive year, our Southeast Distribution Center team in Fort Payne, Alabama donated over 15,000 units of non-perishable snacks to the Backpack Buddies Program at Fort Payne City Schools. Through this initiative, snacks were distributed to children who were identified as at-risk of not having enough food at home. Our teams recognized that during this time of the year, it was especially critical to ensure there is a healthy supply of snacks for children in need while they are away from school for the holidays.

## STRENGTHENING COMMUNITIES

November 2022

### Gift card donations to Good+ Shop with Pops Program

We are honored to have supported one of our long-standing charitable partners, Good+Foundation, for 20 years and counting. Good+Foundation is a leading national nonprofit that works to dismantle multi-generational poverty by pairing tangible goods with innovative services for low-income fathers, mothers and caregivers, creating an upward trajectory for the whole family.



November - December 2022

### Winter Wishes to support YCS; 101 wishes fulfilled, surpassed recent years' records by 26 wishes

Every year during the holiday season, TCP fulfills Winter Wishes for children in need through one of our long-standing charitable partners, **YCS (Youth Consultation Service)**. Through 2022's Winter Wishes campaign, our associates fulfilled 101 wishes, purchasing gifts from kids' wish lists, and surpassed our recent years' records.

YCS provides a range of services for at-risk and special-needs children, youth, and young adults to build happier, healthier, and more hopeful lives within families and communities. YCS supports thousands of New Jersey families, some have children at YCS' group homes and are separated from their loved ones and have been affected by trauma, while others have behavioral difficulties as a result of intellectual and developmental disabilities.



December 2022

### Toronto Distribution Center supports Knights Table Food Bank to Help Alleviate Hunger in the Peel Region

During the holiday season, our Toronto Distribution Center associates partnered with Knights Table Food Bank to Help Alleviate Hunger in the Peel Region by supporting children and families who are living in poverty in the community. Our associates' donations to Knights Table Food Bank helped them continue to serve over 138,000 meals and distribute over 1 million pounds of food to support the most vulnerable.



**A GIVING PLACE**

## STRENGTHENING COMMUNITIES

March 2022

### 150,000 units of product donations to GiveBackBox to support children and families of Ukraine

Helping children and families in need is at the core of our philanthropic mission. In March 2022, we mobilized a partnership with GiveBackBox to contribute to humanitarian efforts for children and families of Ukraine. We donated approximately 150,000 units of apparel and footwear to support Ukrainian refugees.

June 2022

### \$10,000 donation to VictimsFirst to support children and families impacted by the tragic event at Robb Elementary School

Our mission has been and will always be nurturing a better place for children to learn and grow. We were heartbroken by the tragic event at Robb Elementary School in Uvalde, Texas in June 2022. To support the children and families impacted, we donated \$10,000 to VictimsFirst, an organization dedicated to helping victims of mass shootings.

June 2022

### \$25,000 donation to NAACP

Our commitment to Diversity, Equity and Inclusion is in our DNA and we remain steadfast in our support to partners with a mandate to fight discrimination, inequality and racial injustice. We are proud to have continued our annual corporate donation of \$25,000 to the NAACP (National Association for the Advancement of Colored People) to support their programs and work on powering the movement for positive change.

July 2022

### Product Donations in Hong Kong—Hong Chi Association and Path

Our philanthropic efforts extend throughout the globe. In 2022, we donated product to Hong Chi Association to support children and families in need in Hong Kong.

Hong Chi Association is dedicated to providing quality education, appropriate training and other empowering programs for people with intellectual disabilities and their families.

October 2022

### \$10,000 donation to IronMatt, plus PJ sets year-round; participation in Annual Gala

Since 2017, through our philanthropic efforts with IronMatt, we have donated more than 700 pairs of pajamas to children battling pediatric brain tumors and \$163,000 in gift cards to sick children and their siblings throughout the United States.

IronMatt was founded in 2007 in memory of Matthew Larson, a young child who was strong and fearless despite losing his five-year battle to a very rare type of brain and spinal cancer.

November 2022

### \$7,200 donation to Table-to-Table's Bag A Lunch, Help A Bunch Donations Drive

In November 2022, we raised over \$7,200 in donations as part of our annual Table-to-Table "Bag A Lunch, Help A Bunch" donations drive.



Photo credit: RISE.BSR

“ Our approach to social responsibility includes promoting fair, safe and ethical working conditions and supporting economic empowerment for women workers in our global supply chain. ”



**Amy Waynik**  
Environment and Social  
Responsibility Director

# SUPPLY CHAIN

## OUR APPROACH TO FACTORY COMPLIANCE

Within our product sourcing operations, we place significant time and effort into identifying and working with those vendors committed to responsible sourcing. We choose to work with partners who share our values, recognize the rights of their employees in the workplace and demonstrate transparency in their business dealings.

As part of our broader Human Rights Policy, our [Vendor Code of Conduct](#) provides the standards by which we hold our third-party vendors and factories accountable. This Code is aligned with the principles set forth by the ILO's core conventions, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We administer a global factory audit program to evaluate and monitor factory working conditions against these standards and in FY22, 91% of our third-party factories were assessed through onsite compliance audits.

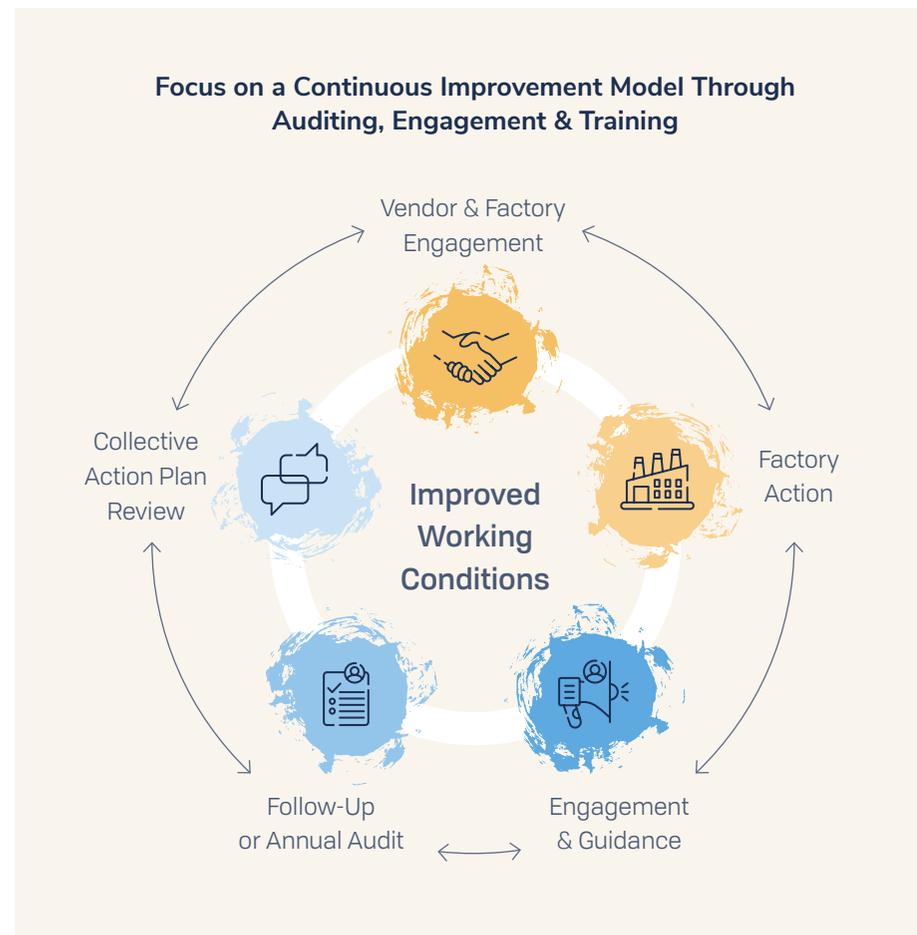
We utilize a continuous improvement model, and when issues are identified, offer guidance and training to our vendors and factories to

achieve compliance to our Code of Conduct standards. We continue to assess ways to leverage shared audit results across our industry to support vendors and reduce audit fatigue in the supply chain. Our adoption of the Higg Facility Social & Labor Module (FSLM) is one approach we continue to explore to achieve this goal. In FY22, approximately 42% of our finished goods annual volume was assessed through the FSLM. We are working on ways to better utilize FSLM findings so our responsible sourcing team can focus on capacity building and deeper human rights due diligence approaches within the supply chain.

 **75%** of our third-party factories achieved a responsible sourcing rating of "High Performance" or "Above Average", an improvement from 69% in 2021

<sup>1</sup> International Labor Organization

<sup>2</sup> Organization for Economic Cooperation and Development



# MONITORING FACTORY COMPLIANCE

## WORKPLACE DIALOGUE

Positive workplace dialogue and the support of effective grievance processes play a key role in identifying and remediating the root causes of compliance findings. By promoting dialogue in factories, management and workers improve their working relationships and communication. Positive interactions can help workers feel more comfortable airing grievances and contribute to sustainable solutions so that compliance issues do not recur in the future.

We utilize initiatives such as the ILO and IFC's Better Work program to help create the safe and supportive factory environment needed for open dialogue, particularly for women workers. The Better Work program addresses challenging issues such as gender discrimination and inclusion and worker voice and representation through factory advisory and training sessions. The program aims to provide practical assistance for workers and employers to cooperate effectively for improved working conditions and business competitiveness.

We have integrated the learnings from BetterWork to employ our own expanded worker interviews on workplace satisfaction and launch new technologies such as Labor Solution's WOVO. WOVO is a digital tool that supports a more engaged workforce through improved communication and proper grievance mechanisms. Through WOVO's cellphone application, workers can also access knowledge on various well-being topics, including financial literacy, gender awareness and stress management.

“Facilitating communication and building trust between workers and management, at factory, sector and global levels, can have a transformative effect and is key to improving working conditions and creating healthier supply chains.”



**Conor Boyle**  
Head of Programme Development,  
Learning and Country Programmes  
Better Work

“WOVO promotes local factory ownership by providing the tools necessary to collect and respond effectively to worker feedback. Each factory has been able to focus on the specific needs of their workforce, resulting in localized outcomes – we’ve seen everything from improved workplace safety to improved worker health.”



**Elena Fanjul-Debnam**  
Co-Founder + Chief Executive Officer  
Labor Solutions



In FY22, this WOVO technology was implemented in

**14** Factories across China, Cambodia, Vietnam and Indonesia

Bringing positive impact for

**11,000** Workers

# MONITORING FACTORY COMPLIANCE

## TRACEABILITY & FORCED LABOR

Traceability involves tracking each supply chain entity that supplies or manufactures every component of our products. Traceability helps us protect against negative social and environmental practices in our global supply chain and deliver on the promise to our stakeholders to operate in an ethical and more sustainable way.

Traceability is increasingly important as part of our human rights due diligence program. Knowing the origin of raw materials is vital due to reports of forced labor within the global apparel supply chain and given associated government regulations. Our policy on forced labor has been in place for years and continues to be clear and unequivocal: use of forced labor, in any form, is prohibited.

**But policy is only one piece of a comprehensive forced labor program, which is why we monitor vendor compliance with this policy through:**



### 1 Onsite Compliance Audits

All of our vendors undergo onsite compliance audits based on our Vendor Code of Conduct



### 2 Vendor Certifications

We require an annual certification from vendors that certifies compliance with specific forced labor prohibitions, including raw material sourcing and material in the Xinjiang, China region



### 3 Supplier Screenings

We conduct regular internal and third-party screening of all suppliers



# MONITORING FACTORY COMPLIANCE

## TRACEABILITY & FORCED LABOR

Traceability extends beyond the textile mill level. Our industry has been challenged given the fiber blending and mixing that takes place during the many steps between raw material and finished product.

Therefore, building on the work of our internal forced labor working group and traceability pilots, we plan to expand our risk-based due-diligence activities as we work toward end-to-end supply chain visibility.



### THE PATH TO SUPPLY CHAIN TRACEABILITY



### ▶ FUTURE FOCUS

In 2023, we will take the next step in traceability by investing in

# new technologies

that support supply chain mapping, material tracking and verification



# MONITORING FACTORY COMPLIANCE

## WOMEN'S EMPOWERMENT & WELL-BEING

As a women-led company with a commitment to gender diversity, we have placed growing importance on supporting interventions focused on woman workers. Women workers play a critical role in our supply chain but can be disproportionately disadvantaged due to cultural norms, traditional power structures in the workplace and additional burdens of family care.

Since the launch of our initial worker well-being program in 2015, we have worked with our vendors to expand our impact beyond monitoring and compliance. We are focused on programs that can positively impact the lives of the people who make our product and address the specific needs of women workers. The Worker Well-Being Guide we launched in 2021 was created to support vendors in designing sustainable, in-factory worker well-being programs. The guide leverages our own experiences, in addition to publicly available content and resources from industry organizations such as [Rise](#).

Today, the programs we sponsor with our vendors include topics such as communication, leadership and prevention of sexual harassment. As we learn about the important topics affecting women in the regions where we manufacture, we strive to identify and launch programs that meet their needs through partnerships with

international non-government organizations (NGOs) and local women's organizations.

While we work toward our 2023 goal, we continue to assess new pathways for worker well-being, including opportunities that increase our impact via quality of programming, associated services and stronger industry collaboration.



Our worker well-being programs have been implemented across 10 countries in

# 44 factories

Through 19 programs focused on topics related to workplace gender equity, personal growth for women and community well-being.

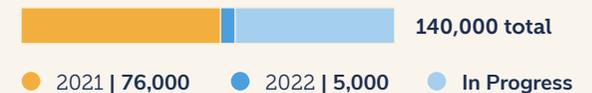


Photo credit: RISE/BSR

### EXISTING GOAL & PROGRESS

Based on the on-going implementation of vendor programs, we are on track to exceed our goal to reach 140,000 total workers by the end of 2023.

#### Workers Impacted



# PROMOTING WORKER WELL-BEING

## WOMEN'S EMPOWERMENT & WELL-BEING

Factory jobs offer the opportunity for women workers to contribute to their families' financial stability and well-being.

Unfortunately, many of these women lack access to formal financial services and sometimes, due to regional gender norms, have less input into how their wages are allocated. We feel strongly that our worker well-being strategy needs to include a commitment to programs that promote financial literacy for women.

In 2019, we completed our first financial literacy program with our Bangladesh manufacturers through BSR's HERfinance initiative. These interventions educated workers on the benefits of financial planning and expanded financial inclusion through wage digitization. Importantly, for women workers, digitization allowed better control of their earnings separately from family members, such as husbands and in-laws, and promoted positive financial practices such as saving, family planning and access to banking services.

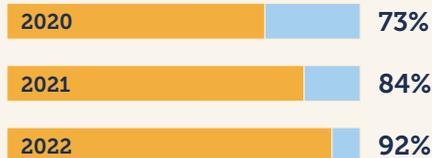
Transitioning from cash payments to digital wages also provided benefits to our vendors. In the Bangladesh program, wage digitization led to a 53% reduction in administration hours spent on transporting, counting, preparing and distributing wages for participating factories.

**The success of programs such as HERfinance demonstrate how wage digitization contributes to the economic empowerment of women workers.**

Accordingly, in 2021, we established a goal that 100% of the workers in our third-party manufacturing factories be transitioned from cash-based systems to digital wage payments. 92% of workers employed by our manufacturers are now paid digitally and we are working to achieve our 100% goal by the end of 2023.

### EXISTING GOAL & PROGRESS

Transition 100% of workers in third-party manufacturing factories from cash-based systems to digital wage payments by end of 2023.



“The HERfinance Program is excellent. I like the topic of saving. After taking the training, I have saved money in the bank for my son’s future study in university. I also shared this knowledge with my husband and he agreed to save money in the bank on a monthly basis.”



**Hoeun Sokleak**  
QC from Sun Hsu, New World

## WOMEN'S EMPOWERMENT & WELL-BEING

In 2021, we identified a unique opportunity to support women factory workers near the Hawassa Industrial Park in Ethiopia, one of our sourcing countries. This region had gone through extensive growth but with a lack of local childcare support and infrastructure, many factory workers had to leave their children with family or relatives in their home villages, far from the park.

We partnered with Plan International, a children's rights and girls' equality organization, to establish an Early Childhood Development Center (ECD) in the community. The creation of an ECD Center was to provide safe, dependable childcare for the workers who make our products. As **approximately 90% of the workforce in the industrial park are women, ages 18 to 24, it would meet a need to reduce the burden of childcare** for these workers and help promote gender equity in the region.

In February 2022, the ECD Center had its grand opening and **welcomed its first group of 50 children between ages one to six years, 36 of whom were children of factory workers at the Hawassa Industrial Park.** The ECD Center is open five days a week to provide children a safe place to go while their parents

or caregivers work, while also providing them the opportunity to learn, play and eat nutritious meals.

### ▶ FUTURE FOCUS

With 75 children now attending, the plan is to expand the care center in 2023 so it has a capacity to service

# 150 children

We are supporting the expansion of the facility and the learnings from this initiative are informing how we may support early childhood development programs in the future.



“ I was very impressed with the level of cleanliness and attention to detail. The Center has now established a sun-shade structure which enables the children to play outside in a cool and comfortable shaded space. I'm very proud to see the facility in action, creating real impact to the local community and supporting the health, safety and development of children in the area.”



**Thulani Duma**

Regional Responsible Sourcing Manager, Greater Africa

# PROMOTING WORKER WELL-BEING

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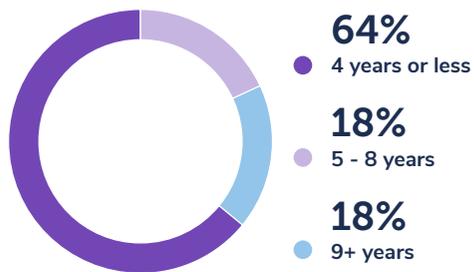


# GOVERNANCE

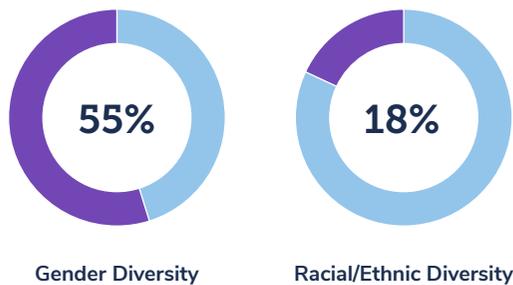
## BOARD OF DIRECTORS

Our thoughtful approach to Board refreshment prioritizes relevant business and industry experience along with diversity, when considering recruitment of directors.

### Balanced Tenure



### Diverse Perspectives



### Directors Bring Deep, Relevant Experience



“The Children’s Place has made great strides in integrating ESG into every aspect of its operations, from the use of sustainable sourcing and ecologically-conscious production methods, to diversity in leadership and employment at every level, to enhanced Board governance. In furtherance of the company’s ESG goals, the Board reorganized and renamed its Committees in 2021 to expand certain Committees’ ESG responsibilities and strengthen the Board’s oversight and prioritization of ESG topics. As the new Chair of the Corporate Responsibility, Sustainability and Governance Committee, I am committed to ensuring that ESG remains a focus of the company, as we work to create a better environment for our associates, our customers, our shareholders, and our children.”

**John Frascotti**  
 Independent Director  
 Chairman of the CRS&G Committee

## BOARD OF DIRECTORS



Norman Matthews

**Independent Director  
Since 2009**

Chairman of the Board, Human Capital & Compensation Committee; Corporate Responsibility, Sustainability & Governance Committee



Marla Beck

**Independent Director  
Since 2015**

Corporate Responsibility, Sustainability & Governance Committee



Elizabeth J. Boland

**Independent Director  
Since 2019**

Human Capital & Compensation Committee



Alicia Enciso

**Independent Director  
Since 2023**

Corporate Responsibility, Sustainability & Governance Committee



Katherine Kountze

**Independent Director  
Since 2021**

Audit Committee



Debby Reiner

**Independent Director  
Since 2019**

Human Capital & Compensation Committee (Chair)



John E. Bachman

**Independent Director  
Since 2016**

Audit Committee (Chair)



John A. Frascotti

**Independent Director  
Since 2021**

Corporate Responsibility, Sustainability & Governance Committee (Chair)



Wesley S. McDonald

**Independent Director  
Since 2023**

Audit Committee



Michael Shaffer

**Independent Director  
Since 2023**

Audit Committee



Jane Elfers

**Director  
Since 2010**

CEO & President

## BOARD OF DIRECTORS

### Board Refreshment

Our Board prioritizes diversity as well as relevant business and industry experience in considering recruitment of directors, as demonstrated by our five newest Directors who joined the Board in the past three years as part of our ongoing refreshment process:

- Mr. Frascotti is a proven leader with an exceptional track record as a senior executive in the consumer products and retail industries and brings a broad strategic and operations skillset to the Board.
- Mr. McDonald is an accomplished financial leader with extensive experience in the consumer and retail industries, and brings a distinctive set of qualifications and skills to the Board.
- Ms. Enciso is an experienced executive with extensive expertise in building high-performing brands and leading digital transformation and e-commerce capabilities.
- Ms. Kountze brings valuable insight to the Board as an expert in cybersecurity and an experienced information technology and C-suite executive, and is a key liaison between the Board and the business as we continue our focus on our accelerated digital transformation.
- Mr. Shaffer brings to the Board years of senior level operational and financial experience as an executive in the specialty retail industry, including valuable perspective in finance, accounting and retail operations.
- In addition, during fiscal 2022, as we continue to evolve on our ESG journey, we have added "ESG experience" to our annual director skill assessment questionnaire.

### Board Composition & Evaluation

Other than our CEO, all of our Board members are independent Directors. There are several factors that guide our Board's composition and evaluation process:

#### 1. Skill Set & Experience

The Board, as a whole, is to have a diverse mix of skills, background and experience necessary to further our strategic initiatives.

#### 2. Diversity

Diversity in gender, race, thinking, experience, background and approach enhances Board leadership, deliberations and decision-making.

#### 3. Tenure

Broad tenure range among the Directors gives the Board a balance of fresh perspectives and the benefit of experience.

#### 4. Evaluation Process

Annual evaluation of our Directors' diversity, skills, backgrounds and experience allows the Board to determine how well the Board functions as a whole, as well as at the Committee and individual Director levels.

#### 5. Refreshment & Succession Planning

Through its annual evaluation, the Board prioritizes refreshment and succession planning for the Board, as a whole, and for its Committees.

### Shareholder Outreach

Our Board and management team have a long and continuous history of engaging with shareholders and responding to their feedback. 2022 marked the 11th consecutive year that members of the Board—the Chair of the Corporate Responsibility, Sustainability & Governance Committee and the Chair of the Human Capital & Compensation Committee—along with members of senior management, engaged in conversations with our shareholders to exchange ideas and share perspectives.

In 2022, we reached out to shareholders holding over 82% of our outstanding shares, and two independent Directors and members of our senior management spoke with institutions holding 21% of our outstanding shares. We are proud of the relationships we have cultivated with our shareholders. The invaluable shareholder feedback and insights received during our engagement are shared with the full Board, which annually considers shareholders' perspectives as part of its decision-making process.

## GOVERNANCE & RISKS

As a company focused on children's products, we believe it is imperative that our business contribute to a healthy planet and equitable society for the benefit of future generations. Our ESG strategy is informed by these values, guided by international frameworks, and underpinned by strong corporate governance.

We identified our key ESG focus areas announced in fiscal 2020 through research and industry benchmarking against the Sustainability Accounting Standards Board (SASB) guidelines for apparel and footwear, the Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals. In fiscal 2021, we published our first materiality assessment to formally incorporate the views of internal and external stakeholders through surveys and interviews. This process has helped to validate our focus on the areas that are most material to our business and where we believe we can have the most impact. Additionally, we learned that while some of our existing ESG goals are aligned with or exceed industry benchmarks, there are other areas that could benefit from the setting of new and possibly more impactful goals. Continued stakeholder engagement is key to helping our leadership team keep our ESG strategy aligned with the expectations of stakeholders, industry trends and the risks

and opportunities associated with our business. As we continue to evolve our ESG strategy to expand the reach and impact of our programs, we recognize the increasing importance to our shareholders and other key stakeholders of enhanced Board oversight of ESG topics.

**In FY21, two of the three Board Committees were renamed and all three Committees amended their charters, as each Committee was reassigned certain oversight responsibilities for ESG topics:**

- The **Audit Committee** remains responsible for overseeing our financial and enterprise risk matters, including matters related to our global supply chain, information and data security, privacy, and business transformation activities.
- The **Corporate Responsibility, Sustainability & Governance Committee** is responsible for overseeing the company's ESG risk management activities, including climate, energy, water and chemicals, raw materials, waste and circularity; and social topics such as worker well-being and responsible sourcing in the company's global supply chain. This Committee is also charged with the oversight of the company's corporate governance matters.

- The **Human Capital & Compensation Committee** has the oversight responsibility for the company's human capital management policies and practices, including diversity, equity, and inclusion ("DE&I") initiatives and all other human capital management topics, in addition to oversight of compensation matters.

Additionally, in FY22, as part of the company's efforts toward achieving our 26 public ESG goals, each senior leadership team (SLT) member was assigned a scorecard that identified certain ESG goals specific to their functional area. These scorecards are utilized to track progress towards these ESG goals. On a quarterly basis, these scorecards are provided to our CEO for in-depth discussion and review.



# MANAGING ESG RISK

## GOVERNANCE & RISKS

We have continued to incentivize ESG performance through executive compensation mechanisms.

As mentioned on the previous page, the company has introduced ESG scorecards for each year that determine up to 25% of the performance review for associates at the Vice President level and above, which can have a positive or negative impact on annual bonuses.

Additionally, to further reflect the increasing importance of ESG topics for the company's business and our stakeholders, we have incorporated two ESG metrics into the company's Long Term Incentive Plan for our senior management team, representing up to 10% of their performance-based stock award opportunity:

Performance Metric	Rationale for Selection
 <p data-bbox="70 1005 255 1061"><b>Responsibly Sourced Cotton</b></p>	<ul style="list-style-type: none"> <li>- Measures the percentage of cotton sourced through more sustainable programs and initiatives, such as Better Cotton</li> <li>- Added in FY20 as a modifier, and converted into a core performance metric in FY22</li> <li>- Focuses on the company's sustainability ESG initiatives</li> </ul>
 <p data-bbox="70 1244 255 1300"><b>Black Associate Representation</b></p>	<ul style="list-style-type: none"> <li>- Measures the percentage representation by Black/African American associates at the company's U.S. corporate offices</li> <li>- Added as a core performance metric in FY22</li> <li>- Focuses on the company's DE&amp;I initiatives</li> </ul>



## BOARD OVERSIGHT & RISK MANAGEMENT

The Board plays a fundamental role in overseeing our strategy, succession planning and risk-management activities.

The Board has charged each of our standing Committees with the responsibility for the oversight of the management of certain risks. Our Board and its three standing Committees, which are each composed solely of independent Directors, regularly review and evaluate management's activities concerning the major risks we face in the course of our domestic and international business operations. Our ESG focus areas are bucketed under specific risk areas overseen by the Committees.



## UPHOLDING OUR COMMITMENT TO ETHICAL CONDUCT IN OUR GLOBAL OPERATIONS

At The Children's Place, integrity means an unyielding commitment to our principles and standards: honesty, accountability, fairness, respect, transparency and trust. These principles are the foundation of our business relationships with our customers, associates, suppliers, and shareholders.

Our commitment to ethical and responsible conduct in every aspect of our business extends throughout our value chain and requires a respect for all human rights. As outlined in our [Human Rights Policy](#), we strive to avoid adverse impacts across our business relationships and work to embed human rights considerations into business decisions. We continue to identify salient human rights issues, which are primarily managed through our corporate Human Resources policies, third-party factory audit and remediation processes, country sourcing screenings and programs promoting worker well-being.

Promoting inclusivity and respecting the rights of all who produce and shop our brands are essential to earning the trust of our customers.

Preserving trust requires a [Code of Business Conduct](#) that establishes our expectation that every member of The Children's Place team displays ethical, honest and fair behavior in all interactions. We are committed to conducting our business in compliance with all applicable laws and regulations of the countries where we operate and where our products are manufactured. This includes compliance with all laws, domestic and foreign, prohibiting improper payments or inducements to any person, including government officials. To ensure compliance with these laws, and promote ethical conduct, we have adopted an [Anti-Corruption Policy](#). This policy sets out the principles that govern the actions of all associates conducting business on behalf of The Children's Place, and provides information and guidance on how to recognize and deal with corruption, bribery, and other unethical conduct. Mandatory annual training for our corporate and international associates is an integral part of our commitment to upholding these ethical principles.



### Ethics Hotline

We have an open communications policy where associates are encouraged to report concerns. One channel for reporting is a confidential [Ethics Hotline](#), which is operated by an independent third party and available at any time for both internal and external complaints. Details of the calls submitted to our Ethics Hotline are reviewed by appropriate members of our management team and, as appropriate, with the Audit Committee of our Board of Directors. We prohibit any form of retaliation against any associate making a good faith report of a violation/suspected violation of our Code of Business Conduct, our policies, established procedures or for cooperating in an investigation.



# OPERATING WITH INTEGRITY

## PROTECTING PERSONAL & PROPRIETARY INFORMATION

Protecting the information we receive about our customers, associates, vendors and other third parties is important to The Children's Place. Similarly, we strive to secure our own confidential and proprietary information covering financial results, strategic plans, product sourcing and design, and a host of other business related information.

We consider cybersecurity and privacy to be important issues affecting the enterprise both in terms of reputational risk and economic risk. We believe that we employ appropriate standards, guidelines and best practices to manage cybersecurity-related risk and have implemented comprehensive controls consistent with the requirements of the International Organization for Standardization ("ISO") and assess our cybersecurity maturity levels against the National Institute of Standards and Technology ("NIST") framework. The Audit Committee has oversight responsibility for our cybersecurity risk identification and mitigation activities, and that Committee and senior management provide reports regularly to the Board of Directors.

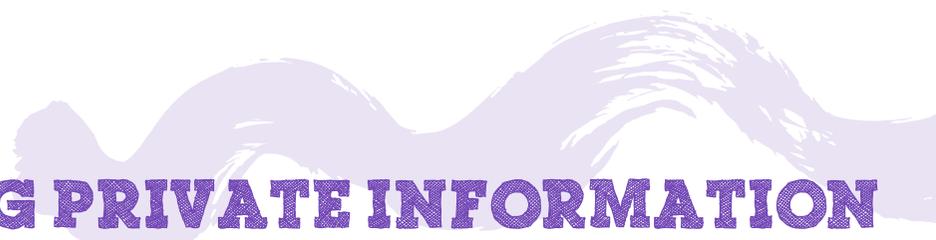
To keep pace with ever-evolving threats and industry best practices, we have made, and will continue to make, sizeable investments in building and developing cybersecurity talent and expertise and implementing state-of-the-art systems and tools. We employ benchmarking to understand best practices and industry trends. We conduct security and compliance assessments throughout each year to validate the efficacy of our programs and practices. We also engage an independent third party expert to assess our cybersecurity maturity annually against the retail industry. The results of this yearly assessment inform our cybersecurity development roadmap going forward and are presented to the Audit Committee and the Board of Directors.

Ms. Kountze was appointed to the Board of Directors and the Audit Committee in November 2021, and is a cybersecurity and information technology expert. Six other members of the Board are all experienced in data security matters—Ms. Elfers, our CEO, Mses. Beck and Boland, Mr. Bachman, who is the Chair of our Audit Committee (and chairs the audit committees of other public boards) and two of our newest

members of the Board, Messrs. McDonald and Shaffer, who each sit on our Audit Committee and have held key senior financial and operational executive positions at their previous companies.

In an effort to ensure that our associates are knowledgeable about our data security and protection policies, and to enable them to proficiently handle the threat of cyber-attacks, all associates are required to participate in a cybersecurity awareness training program annually. Financial, IT and other associates who have access to sensitive information are also required to attend additional training courses during the year. We circulate cyber awareness materials on a periodic basis on our intranet and hold a "Cyber Awareness Month" each year to promote the importance of cybersecurity topics. In addition, members of senior management participate in periodic crisis management exercises with third-party experts on crisis management best practices to apply their learnings to the Company's business continuity management program. In 2023, the table-top exercise that was conducted focused on the topic of cybersecurity.

We are committed to maintaining the trust we have established with our customers and associates. They expect that we will protect their personal information. Our comprehensive privacy program includes standards and practices focused on keeping data we collect secure and reflects our commitment to respecting privacy rights. Our [Privacy Policy](#) is available on our website and we continually assess and update this Policy to reflect industry best practices and applicable laws and regulations.



**SAFEGUARDING PRIVATE INFORMATION**

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# DISCLOSURES

SASB Standards enable companies to provide industry-based disclosures on the subset of environmental, social, and governance issues most relevant to financial performance. The following disclosures reference the Standards for the Apparel, Accessories & Footwear industry and the Multiline and Specialty Retailers & Distributors industry, for the period beginning January 30, 2022 and ended January 28, 2023.

## APPAREL, ACCESSORIES & FOOTWEAR

Topic	Disclosure Number	Description	Disclosure Language
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substance regulations	<p>We are committed to managing the use of chemicals in our supply chain in an effort to reduce environmental impacts, promote manufacturing best practices and provide customers with safe products. We have developed chemical testing processes designed to help control for quality, safety and environmental issues. During the development and production process, products undergo testing to support compliance with regulatory requirements. The selection of chemicals to be tested is informed by regulations, chemicals that are used in a particular product category and other risk-based considerations.</p> <p>Our internal testing protocol contains testing guidelines as part of the quality standards set for all products sold in The Children's Place stores and websites. Our vendors certify that their products conform to these testing requirements.</p> <p><u>Reference:</u> Managing Chemicals More Responsibly in 2022 ESG Report (pg. 28)</p>
Management of Chemicals in Products	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<p>We monitor the use of restricted substances both in our finished goods and during manufacturing with a view of minimizing and working toward eliminating their usage. Our requirements are stated both in our Restricted Substances Policy and in our Vendor Environmental Policy. We are a Contributor Signatory Brand of ZDHC to support implementation of our sustainable chemical management strategy.</p> <p><b>Finished Product</b></p> <p>Beyond testing for compliance with regulatory requirements, we have adopted the most recent version of AFIRM Group's Restricted Substances List (RSL) for finished products. By adopting AFIRM's RSL, we are able to restrict use of unwanted substances in our products and streamline chemical requirements for vendors. For products that are not covered under the AFIRM RSL, such as jewelry and hair accessories, we have set limitations on the use of chemicals based on our understanding of industry best practice. We reserve the right to request and/or select materials, components, trims, accessories or finished goods for testing in order to verify compliance with the RSL. We take a risk-based approach to testing against the RSL based on risk factors related to product category and material composition. All vendors certify to implementation of product testing that follows our Restricted Substances Policy throughout their supply chains.</p>

## APPAREL, ACCESSORIES & FOOTWEAR

Topic	Disclosure Number	Description	Disclosure Language
			<p><b>Manufacturing</b></p> <p>We work with our third-party vendors to improve their chemical management systems and prevent the discharge of unwanted substances in our supply chain. There are three main components to our manufacturing chemical management strategy:</p> <ul style="list-style-type: none"> <li>- Track chemical procurement and usage through factory chemical inventory lists</li> <li>- Measure operational capacity through the Higg Facility Environment Module (FEM)</li> <li>- Monitor wastewater quality through the testing of wastewater and sludge against ZDHC Manufacturing Restricted Substance List (MRSL) parameters</li> </ul> <p>Our current focus is on our top third-party washing facilities, textile mills and sweater vendors because these facilities pose some of the highest risk for polluting the environment with hazardous substances. We are also managing chemicals at the cotton cultivation level by using responsibly sourced cotton, which supports reduction of chemical usage at the farm level.</p> <p><u>Reference:</u> Managing Chemicals More Responsibly in 2022 ESG Report (pg. 30)</p>
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	<p>Our Vendor Code of Conduct states that vendors are expected to comply with all applicable environmental laws, regulations and other requirements, including permits and laws relating to solid and hazardous waste and water discharge. In our audit compliance program, facilities are in scope for wastewater review if production processes generate industrial effluent (such as dyeing, washing and printing) or if a facility has a sewage treatment plant.</p> <p>We collect supplier wastewater information through our audits and through the Higg FEM.</p> <p>Denim laundries present some of the greatest risk for contaminated wastewater due to their manufacturing processes. In FY22, none of the denim laundries at our third-party manufacturers had open audit findings related to non-compliance with applicable local wastewater permits or discharge requirements.</p> <p><u>Reference:</u> Managing Chemicals More Responsibly in 2022 ESG Report (pg. 30)</p>
Environmental Impacts in the Supply Chain	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or equivalent environmental data assessment	<p>Tier 1 supplier factories representing approximately 88% of our FY22 FOB completed a Higg FEM self-assessment.</p> <p>Beyond Tier 1, mills representing approximately 81% of our FY22 cotton lint consumption completed a Higg FEM self-assessment. Cotton lint volumes were calculated using conversion factors developed by Better Cotton.</p>

## APPAREL, ACCESSORIES & FOOTWEAR

Topic	Disclosure Number	Description	Disclosure Language
Labor Conditions in the Supply Chain	CG-AA430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been assessed to a labor code of conduct, (3) percentage of total assessments conducted by a third-party auditor.	<p>1. In FY22, approximately 91% of our Tier 1 factories were assessed against our Vendor Code of Conduct through onsite audits.</p> <p>2. Beyond Tier 1, approximately 91% of our processing and trim these factories were audited in FY22.</p> <p>3. In FY22, approximately 48% of our audits were conducted by a third-party assessor: 29% through the ILO Better Work program and 19% through third party social compliance audit firms.</p> <p><u>Reference</u>: Monitoring Factory Compliance in 2022 ESG Report (pg. 54)</p>
Labor Conditions in the Supply Chain	CG-AA430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct assessments	<p>Our third party vendor factories undergo periodic audits to assess compliance with our Vendor Code of Conduct. After each audit, factories work with The Children's Place team and industry partners to create the needed corrective action plans and timelines for completion. We monitor closure of corrective actions through desktop and onsite reviews, and support the factories in improving their compliance management systems.</p> <p><b>Factory ratings are defined as follows:</b></p> <ul style="list-style-type: none"> <li>- High Performance: High performing facilities with few non-compliance issues (none urgent) and effective compliance management systems.</li> <li>- Above Average: Above average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable compliance management systems.</li> <li>- Satisfactory: Average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable but inconsistent compliance management systems.</li> <li>- Needs Attention: Lower performing facilities that need sustained improvement on urgent non-compliance issues and have ineffective compliance management systems.</li> <li>- Immediate Remediation Required: Facilities with zero tolerance violations or numerous urgent non-compliance issues and no compliance management systems.</li> </ul> <p><b>The Children's Place ended FY22 with 181 rated Tier 1 factories, segmented into the following categories:</b></p> <ul style="list-style-type: none"> <li>- High Performance: 22%</li> <li>- Above Average: 52%</li> <li>- Satisfactory: 20%</li> <li>- Needs Attention: 3%</li> <li>- Immediate Remediation Required: 3%</li> </ul> <p><u>Reference</u>: Monitoring Factory Compliance in 2022 ESG Report (pg. 54)</p>

## APPAREL, ACCESSORIES & FOOTWEAR

Topic	Disclosure Number	Description	Disclosure Language
Labor Conditions in the Supply Chain	CG-AA430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	<p>We leverage international frameworks and recognized standards, industry trends and best practices and our FY21 third-party materiality assessment to help validate our focus on the areas that are most material to our business and supply chain, including:</p> <ul style="list-style-type: none"> <li>- Greenhouse gas emissions and energy reduction</li> <li>- Sustainable raw materials</li> <li>- Water stewardship</li> <li>- Chemical management</li> <li>- Waste diversion and circularity</li> <li>- Supply chain labor compliance</li> <li>- Worker well-being</li> </ul> <p><u>Reference:</u> ESG Strategy in 2022 ESG Report (pg. 10)</p>
Raw Materials Sourcing	CG-AA-440a.1	Description of environmental and social risks associated with sourcing priority raw materials	<p>For FY22, we estimate that approximately 97% of the product fiber used in our apparel was either cotton or polyester and roughly 1% was manmade cellulosic fiber.</p> <p>Sourcing each of these materials presents environmental and social risks. Some of the most prevalent risks include:</p> <ul style="list-style-type: none"> <li>- Water scarcity due to the volume of water used for cotton cultivation;</li> <li>- Negative impacts on worker health and biodiversity due to the use of agrochemicals (such as pesticides and fertilizers) in conventional cotton production;</li> <li>- Negative effects on farmers' livelihoods due to volatile cotton crop yields;</li> <li>- Human rights issues such as forced labor within the supply chain;</li> <li>- Polyester's dependence on petroleum, a non-renewable resource that contributes to climate change and can damage water quality and biodiversity if released into the environment;</li> <li>- Polyester fibers discarded as waste that remain in landfill and pollute water systems as they degrade into microplastics;</li> <li>- Manmade cellulose sourced from ancient and endangered forests;</li> <li>- Chemicals used during yarn and fabric processing, which if not managed properly can be discharged into the environment; and</li> <li>- Poor labor practices and working conditions within the supply chain.</li> </ul> <p><u>Reference:</u> Sourcing More Sustainable Materials (pg. 22) and Monitoring Factory Compliance in 2022 ESG Report (pg. 54)</p>

## APPAREL, ACCESSORIES & FOOTWEAR

Topic	Disclosure Number	Description	Disclosure Language
Raw Materials Sourcing	CG-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	<p>In FY22:</p> <ul style="list-style-type: none"> <li>- We sourced approximately 72% of our cotton through Better Cotton.</li> <li>- Approximately 0.2% of our cotton was recycled.</li> <li>- Approximately 3% of our polyester was recycled.</li> </ul> <p>We require recycled content to be certified against the Global Recycled Standard (GRS) or the Recycled Claim Standard (RCS).</p> <p><u>Reference</u>: Sourcing More Sustainable Materials in 2022 ESG Report (pg. 22)</p>
Activity Metric	CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	At the end of FY22, our third-party vendors operated 181 Tier 1 manufacturing facilities, 59 processing facilities and 52 trim facilities.

## MULTILINE AND SPECIALTY RETAILERS &amp; DISTRIBUTORS

Topic	Disclosure Number	Description	Disclosure Language																																				
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	<p>We have implemented controls consistent with the requirements of the International Organization for Standardization ("ISO") and assess our cybersecurity maturity levels against the National Institute of Standards and Technology ("NIST") framework. We employ industry standards, guidelines and best practices to manage cybersecurity-related risk, including:</p> <ul style="list-style-type: none"> <li>- Investments in building and developing cybersecurity talent and expertise;</li> <li>- Implementing state-of-the-art systems and tools;</li> <li>- Benchmarking to understand best practices and industry trends;</li> <li>- Security and compliance assessments to validate the efficacy of our programs and practices; and</li> <li>- Annual engagement with an independent third-party expert to assess our cybersecurity maturity annually against the retail industry.</li> </ul> <p>All associates are required to participate in a cybersecurity awareness training program annually. Financial, IT and other associates who have access to sensitive information are also required to attend additional training courses during the year.</p> <p>Reference: Safeguarding Private Information in 2022 ESG Report (pg. 69) and <a href="#">Privacy Policy</a></p>																																				
Labor Practice	CG-MR-310a.1	(1) Average hourly wage of store & DC employees (excluding overtime), (2) Percentage of in-store & DC employees earning minimum wage by region	<table border="1"> <thead> <tr> <th>Average Hourly Wage</th> <th>Canada</th> <th>USA</th> </tr> </thead> <tbody> <tr> <td>Distribution Group</td> <td>CAD 19.84</td> <td>\$17.97</td> </tr> <tr> <td>Store</td> <td>CAD 15.66</td> <td>\$14.10</td> </tr> <tr> <th>Minimum Wage</th> <th>% At Minimum</th> <th>% Above Minimum</th> </tr> <tr> <td>Stores: Canada Region</td> <td>69%</td> <td>31%</td> </tr> <tr> <td>Stores: Central Region</td> <td>3%</td> <td>97%</td> </tr> <tr> <td>Stores: Northeast Region</td> <td>46%</td> <td>54%</td> </tr> <tr> <td>Stores: Puerto Rico Region</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Stores: Southeast Region</td> <td>4%</td> <td>96%</td> </tr> <tr> <td>Stores: West Region</td> <td>54%</td> <td>46%</td> </tr> <tr> <td>Alabama DC</td> <td>0%</td> <td>100%</td> </tr> <tr> <td>Canada DC</td> <td>0%</td> <td>100%</td> </tr> </tbody> </table>	Average Hourly Wage	Canada	USA	Distribution Group	CAD 19.84	\$17.97	Store	CAD 15.66	\$14.10	Minimum Wage	% At Minimum	% Above Minimum	Stores: Canada Region	69%	31%	Stores: Central Region	3%	97%	Stores: Northeast Region	46%	54%	Stores: Puerto Rico Region	0%	100%	Stores: Southeast Region	4%	96%	Stores: West Region	54%	46%	Alabama DC	0%	100%	Canada DC	0%	100%
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## MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS

Topic	Disclosure Number	Description	Disclosure Language												
Workforce Diversity, Equity & Inclusion	CG-MR-330a.1	(1) Percentage of gender and racial/ethnic group representation for management, (2) Percentage of gender and racial/ethnic group representation for all other employees	<table border="1"> <thead> <tr> <th></th> <th data-bbox="1385 368 1470 389">Minority</th> <th data-bbox="1740 368 1825 389">Women</th> </tr> </thead> <tbody> <tr> <td data-bbox="1002 411 1364 432">All Employees</td> <td data-bbox="1385 411 1438 432">68%</td> <td data-bbox="1740 411 1793 432">86%</td> </tr> <tr> <td data-bbox="1002 456 1364 477">Corporate Leadership</td> <td data-bbox="1385 456 1438 477">36%</td> <td data-bbox="1740 456 1793 477">62%</td> </tr> <tr> <td data-bbox="1002 501 1364 521">Store Management</td> <td data-bbox="1385 501 1438 521">55%</td> <td data-bbox="1740 501 1793 521">92%</td> </tr> </tbody> </table>		Minority	Women	All Employees	68%	86%	Corporate Leadership	36%	62%	Store Management	55%	92%
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			Corporate Leadership	36%	62%										
Store Management	55%	92%													
Minority includes Asian, Black, Hispanic, Native America, Pacific Islander and two or more Races. Corporate Leadership is defined as Director & Above. Store Management is defined as Store Manager.															
Reference: U.S. Workforce Demographics (pg. 42)															
Product Sourcing, Packaging & Marketing	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	See disclosure for Management of Chemicals in Products (CG-AA-250a.2).												
Product Sourcing, Packaging & Marketing	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	<p>To reduce the environmental impact of our packaging, we are working to reduce the amount of virgin material used and to further support consumer recycling.</p> <p><b>Material</b></p> <p>Our raw material efforts include:</p> <ul style="list-style-type: none"> <li>- Joining Canopy's Pack4Good initiative to help ensure the pulp and paper in our packaging is not sourced from ancient and endangered forests;</li> <li>- Converting our hangtags and some unit packaging such as header cards from virgin paper material to FSC Mix; and</li> <li>- Increasing the amount of recycled content in our poly mailers, corrugated cartons, paper shopping bags and internal polybags.</li> </ul> <p>We have a public goal to use a minimum of 50% recycled content in customer-facing packaging by end of 2025.</p> <p><b>Recycling</b></p> <p>We are engaging vendors to help us source packaging that can be labeled as recyclable under the How2Recycle program, an industry-recognized standardized labeling system to communicate recycling instructions to the public. We have a public goal to label 100% of our customer-facing packaging with the How2Recycle label by end of 2025.</p> <p>Reference: Diverting Waste From Landfill in 2022 ESG Report (pg. 32)</p>												

## MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS

Topic	Disclosure Number	Description	Disclosure Language
Activity Metric	CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	<p><b>Retail Stores</b> As of January 28, 2023, we operated 613 stores throughout North America with approximately 2.9 million total square footage.</p> <p><b>Distribution Centers</b> In FY22, we operated the following distribution centers with approximate square footage:</p> <ul style="list-style-type: none"> <li>- Fort Payne, Alabama (700,000 sq ft)—Owned facility that supports our U.S. retail store operations and U.S. e-commerce operations</li> <li>- Ontario, Canada (95,000 sq ft)—Leased facility that supports our Canadian retail store operations and Canadian e-commerce operations</li> <li>- Brownsburg, Indiana (315,000 sq ft)—Supports our U.S. e-commerce fulfillment operations via a third-party provider</li> <li>- Ontario, Canada (184,000 sq ft)—Supports our Canadian e-commerce fulfillment operations via a third-party provider</li> </ul>
Activity Metric	CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	

The Children's Place has reported in accordance with the Global Reporting Initiative (GRI) Standards for the period beginning January 30, 2022 and ended January 28, 2023.

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-1	Organizational details	<ul style="list-style-type: none"> <li>a. report its legal name;</li> <li>b. report its nature of ownership and legal form;</li> <li>c. report the location of its headquarters;</li> <li>d. report its countries of operation.</li> </ul>	<p>The Children's Place, Inc</p> <p>Reference: <a href="#">2022 Annual Report</a></p>
2-2	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>a. list all its entities included in its sustainability reporting;</li> <li>b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting;</li> <li>c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including:               <ul style="list-style-type: none"> <li>i. whether the approach involves adjustments to information for minority interests;</li> <li>ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities;</li> <li>iii. whether and how the approach differs across the disclosures in this Standard and across material topics.</li> </ul> </li> </ul>	<p>Reference: <a href="#">2022 Annual Report</a></p>
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>a. specify the reporting period for, and the frequency of, its sustainability reporting;</li> <li>b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this;</li> <li>c. report the publication date of the report or reported information;</li> <li>d. specify the contact point for questions about the report or reported information.</li> </ul>	<p>This report covers The Children's Place's global operations for the 2022 fiscal year beginning January 30, 2022 and ended January 28, 2023. Report data covers FY22 unless otherwise noted. We plan to report our ESG efforts on an annual basis.</p> <p><a href="mailto:responsiblesourcing@childrensplace.com">responsiblesourcing@childrensplace.com</a></p>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-4	Restatements of information	a. report restatements of information made from previous reporting periods and explain the reasons for the restatements and the effect of the restatements.	The Children's Place has undergone a shift in our emissions calculation methodology as a result of improved access to raw material specific emission factors. This methodology improvement is a result of shifting away from using industry LCAs for comparable products to using emission factors which take into account TCP specific raw material mixes. We recalculated our emissions inventory for 2018 - 2021 using the best available raw materials emission factors which are from the 2021 Higg raw material emission factor database. This update resulted in our 2018 baseline year emissions decreasing by 15%, our 2019 emissions decreasing by 11%, our 2020 emissions decreasing by 8% and our 2021 emissions decreasing by 13%.
2-5	External assurance	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider.	We have not obtained external assurance for this report, but its contents have been confirmed by an internal quality review.
2-6	Activities, value chain and other business relationships	a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organization's activities, products, services, and markets served; ii. the organization's supply chain; iii. the entities downstream from the organization and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period.	The Children's Place does not own operate or control any manufacturing facilities, but rather, contracts with global third-party vendors to manufacture products in their network of factories. Our Global Sourcing team manages the Company's product sourcing activities across three continents (North America, Africa and Asia) via our main offices in the United States and Hong Kong.  <u>Reference:</u> <a href="#">2022 Annual Report</a>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-7	Employees	<ul style="list-style-type: none"> <li>a. report the total number of employees, and a breakdown of this total by gender and by region;</li> <li>b. report the total number of: <ul style="list-style-type: none"> <li>i. permanent employees, and a breakdown by gender and by region;</li> <li>ii. temporary employees, and a breakdown by gender and by region;</li> <li>iii. non-guaranteed hours employees, and a breakdown by gender and by region;</li> <li>iv. full-time employees, and a breakdown by gender and by region;</li> <li>v. part-time employees, and a breakdown by gender and by region;</li> </ul> </li> <li>c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: <ul style="list-style-type: none"> <li>i. in head count, full-time equivalent (FTE), or using another methodology;</li> <li>ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;</li> </ul> </li> <li>d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b;</li> <li>e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.</li> </ul>	<u>Reference:</u> U.S. Workforce Demographics (pg. 42)
2-8	Workers who are not employees	<ul style="list-style-type: none"> <li>a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: <ul style="list-style-type: none"> <li>i. the most common types of worker and their contractual relationship with the Organization;</li> <li>ii. the type of work they perform;</li> </ul> </li> <li>b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: <ul style="list-style-type: none"> <li>i. in head count, full-time equivalent (FTE), or using another methodology;</li> <li>ii. at the end of the reporting period, as an average across the reporting period, or using another methodology;</li> </ul> </li> <li>c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.</li> </ul>	In FY 22, we had an estimated 325 temporary associates who follow guided procedures to ensure items for shipment (to our stores and customers) are processed according to our standards.

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-9	Governance structure and composition	<ul style="list-style-type: none"> <li>a. describe its governance structure, including committees of the highest governance body;</li> <li>b. list the committees of the highest governance body that are responsible for decision making on and overseeing the management of the organization's impacts on the economy, environment, and people;</li> <li>c. describe the composition of the highest governance body and its committees by:               <ul style="list-style-type: none"> <li>i. executive and non-executive members</li> <li>ii. independence;</li> <li>iii. tenure of members on the governance body;</li> <li>iv. number of other significant positions and commitments held by each member, and the nature of the commitments;</li> <li>v. gender;</li> <li>vi. under-represented social groups;</li> <li>vii. competencies relevant to the impacts of the organization;</li> <li>viii. stakeholder representation.</li> </ul> </li> </ul>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>
2-10	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>a. describe the nomination and selection processes for the highest governance body and its committees;</li> <li>b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration:               <ul style="list-style-type: none"> <li>i. views of stakeholders (including shareholders);</li> <li>ii. diversity;</li> <li>iii. independence;</li> <li>iv. competencies relevant to the impacts of the organization.</li> </ul> </li> </ul>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>
2-11	Chair of the highest governance body	<ul style="list-style-type: none"> <li>a. report whether the chair of the highest governance body is also a senior executive in the organization;</li> <li>b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.</li> </ul>	<p>Reference: <a href="#">2023 Proxy Statement</a></p>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-12	Role of the highest governance body in overseeing the management of impacts	<p>a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;</p> <p>b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:</p> <ol style="list-style-type: none"> <li>i. whether and how the highest governance body engages with stakeholders to support these processes;</li> <li>ii. how the highest governance body considers the outcomes of these processes;</li> </ol> <p>c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.</p>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>
2-13	Delegation of responsibility for managing impacts	<p>a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including:</p> <ol style="list-style-type: none"> <li>i. whether it has appointed any senior executives with responsibility for the management of impacts;</li> <li>ii. whether it has delegated responsibility for the management of impacts to other employees;</li> </ol> <p>b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.</p>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>
2-14	Role of the highest governance body in sustainability reporting	<p>a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information;</p> <p>b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.</p>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-15	Conflicts of interest	<ul style="list-style-type: none"> <li>a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;</li> <li>b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:               <ul style="list-style-type: none"> <li>i. cross-board membership;</li> <li>ii. cross-shareholding with suppliers and other stakeholders;</li> <li>iii. existence of controlling shareholders;</li> <li>iv. related parties, their relationships, transactions, and outstanding balances.</li> </ul> </li> </ul>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>
2-16	Communication of critical concerns	<ul style="list-style-type: none"> <li>a. describe whether and how critical concerns are communicated to the highest governance body;</li> <li>b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.</li> </ul>	<p>Reference:</p> <p><a href="#">Governance Documents</a></p> <p><a href="#">2023 Proxy Statement</a></p>
2-17	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.</li> </ul>	<p>Reference: <a href="#">2023 Proxy Statement</a></p>
2-18	Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> <li>a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people;</li> <li>b. report whether the evaluations are independent or not, and the frequency of the evaluations;</li> <li>c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.</li> </ul>	<p>Reference: <a href="#">2023 Proxy Statement</a></p>
2-19	Remuneration policies	<ul style="list-style-type: none"> <li>a. describe the remuneration policies for members of the highest governance body and senior executives, including:               <ul style="list-style-type: none"> <li>i. fixed pay and variable pay;</li> <li>ii. sign-on bonuses or recruitment incentive payments;</li> <li>iii. termination payments; iv. clawbacks; v. retirement benefits;</li> </ul> </li> <li>b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.</li> </ul>	<p>Reference: <a href="#">2023 Proxy Statement</a></p>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-20	Process to determine remuneration	<p>a. describe the process for designing its remuneration policies and for determining remuneration, including:</p> <ul style="list-style-type: none"> <li>i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration;</li> <li>ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration;</li> <li>iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives;</li> </ul> <p>b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.</p>	Reference: <a href="#">2023 Proxy Statement</a>
2-21	Annual total compensation ratio	<p>a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual);</p> <p>b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total</p> <p>c. compensation for all employees (excluding the highest-paid individual); report contextual information necessary to understand the data and how the data has been compiled.</p>	Reference: <a href="#">2023 Proxy Statement</a>
2-22	Statement on sustainable development strategy	<p>a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.</p>	Reference: Message from President and CEO in 2022 ESG Report (pg. 3)

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-23	Policy commitments	<ul style="list-style-type: none"> <li>a. describe its policy commitments for responsible business conduct, including:</li> <li>b. the authoritative intergovernmental instruments that the commitments reference;</li> <li>c. whether the commitments stipulate conducting due diligence;</li> <li>d. whether the commitments stipulate applying the precautionary principle;</li> <li>e. whether the commitments stipulate respecting human rights;</li> <li>f. describe its specific policy commitment to respect human rights, including:</li> <li>g. the internationally recognized human rights that the commitment covers;</li> <li>h. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment;</li> <li>i. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;</li> <li>j. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level;</li> <li>k. report the extent to which the policy commitments apply to the organization's activities and to its business relationships;</li> <li>l. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.</li> </ul>	<p><u>Reference:</u></p> <p><a href="#">Environmental Policies</a></p> <p><a href="#">Social Policies</a></p> <p><a href="#">Governance Documents</a></p>
2-24	Embedding policy commitments	<ul style="list-style-type: none"> <li>a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: <ul style="list-style-type: none"> <li>i. how it allocates responsibility to implement the commitments across different levels within the organization;</li> <li>ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures;</li> <li>iii. how it implements its commitments with and through its business relationships;</li> <li>iv. training that the organization provides on implementing the commitments.</li> </ul> </li> </ul>	<p>We are working to integrate sustainability across our operations and business units. We have set public ESG targets to demonstrate accountability to our commitments and drive progress in our strategic focus areas.</p> <p>To further reflect the increasing importance of ESG topics for the company's business and our stakeholders, ESG goal performance has been incorporated into senior leadership team member bonuses and our FY22 Long Term Incentive Plan.</p> <p><u>Reference:</u> Managing ESG Risk in 2022 ESG Report (pg. 65)</p>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-25	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to;</li> <li>b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in;</li> <li>c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;</li> <li>d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms;</li> <li>e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.</li> </ul>	<p>We carry out human rights due diligence as part of the conduct of our business and work to embed human rights considerations into business decisions. We continue to identify salient human rights issues and assess prevention and mitigation opportunities in each area. These issues are identified and addressed through our corporate HR policies, factory audit and remediation process, country sourcing screenings and programs around worker well-being.</p> <p>We have an open communications policy where employees are encouraged to report concerns to their supervisors or to appropriate representatives from the Human Resources, Internal Audit, Legal or Loss Prevention departments. Individuals may also report concerns through a confidential Ethics Hotline, which is operated by an independent third party and available at any time for both internal and external complaints. Details of the calls submitted to our Ethics Hotline are reviewed by our management team and, as appropriate, with the Audit Committee of our Board of Directors. We strive to resolve every complaint based on the information provided.</p> <p><u>References:</u> Upholding Our Commitment to Ethical Conduct in our Global Operations (pg. 68)</p> <p><a href="#">Human Rights Policy (link)</a></p> <p><a href="#">Code of Business Conduct (link)</a></p>
2-26	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>a. describe the mechanisms for individuals to: <ul style="list-style-type: none"> <li>i. seek advice on implementing the organization's policies and practices for responsible business conduct;</li> <li>ii. raise concerns about the organization's business conduct.</li> </ul> </li> </ul>	

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-27	Compliance with laws and regulations	<p>a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:</p> <ul style="list-style-type: none"> <li>i. instances for which fines were incurred;</li> <li>ii. instances for which non-monetary sanctions were incurred;</li> </ul> <p>b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by:</p> <ul style="list-style-type: none"> <li>i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period;</li> <li>ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods;</li> </ul> <p>c. describe the significant instances of non-compliance;</p> <p>d. describe how it has determined significant instances of non-compliance</p>	<p>Reference: <a href="#">2022 Form 10-K</a></p>
2-28	Membership associations	<p>a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.</p>	<p>The Children's Place has joined a variety of industry and advocacy organizations, including those listed below.</p> <ul style="list-style-type: none"> <li>*AFIRM Group</li> <li>*American Apparel &amp; Footwear Association</li> <li>*American Association of Textile Chemists and Colorists</li> <li>*Better Cotton</li> <li>*BetterWork</li> <li>*BSR</li> <li>*Canopy</li> <li>*How2Recycle</li> <li>*National Retail Federation</li> <li>*Nirapon</li> <li>*Textile Exchange</li> <li>*Supplier Compliance Audit Network</li> <li>*Sustainable Apparel Coalition</li> <li>*Sustainable Packaging Coalition</li> <li>*ZDHC</li> </ul> <p>Reference: Our Initiatives Partners in 2022 ESG Report (pgs. 15-16)</p>

## GRI 2: GENERAL DISCLOSURES

Disclosure Number	Description	Reporting Requirements	Disclosure Language
2-29	Approach to stakeholder engagement	a. describe its approach to engaging with stakeholders, including: <ul style="list-style-type: none"> <li>i. the categories of stakeholders it engages with, and how they are identified;</li> <li>ii. the purpose of the stakeholder engagement;</li> <li>iii. how the organization seeks to ensure meaningful engagement with stakeholders.</li> </ul>	<p>We believe that collaborating with external stakeholders and value chain partners who share our goals will help us more effectively contribute to finding solutions. Frequency of and depth of engagement depends on the specific initiative but includes reviewing corporate policies and training materials, providing subject matter expertise during program development and partnering on industry best practice. We will continue to deepen existing relationships and engage new partners as we work to strengthen our long-term, sustainable ESG approach.</p> <p>We engage stakeholders on key topics and areas of risk identified during the development and execution of our ESG roadmap:</p> <ul style="list-style-type: none"> <li>*Greenhouse gas emissions and energy reduction</li> <li>*Raw materials</li> <li>*Water stewardship</li> <li>*Chemical management</li> <li>*Waste diversion and circularity</li> <li>*Diversity, equity &amp; inclusion *Community</li> <li>*Supply chain labor compliance</li> <li>*Worker well-being</li> </ul> <p><u>Reference:</u> ESG Strategy in 2022 ESG Report (pg. 10)</p>
2-30	Collective bargaining agreements	a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	None of our employees are covered by a collective bargaining agreement.

### GRI 3: MATERIAL TOPICS

Disclosure Number	Description	Reporting Requirements	Disclosure Language
3-1	Process to determine material topics	a. describe the process it has followed to determine its material topics, including: <ul style="list-style-type: none"> <li>i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships;</li> <li>ii. how it has prioritized the impacts for reporting based on their significance;</li> </ul> b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	To address the expectations from our institutional investors, customers, associates and other key stakeholders, we leverage the Global Reporting Initiative (GRI) Standards and the Sustainable Accounting Standards Board (SASB) guidelines for apparel and footwear. Our goals and initiatives are informed by international frameworks and recognized standards such as the Paris Agreement, the ILO core conventions, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals (SDGs) and the OECD Guidelines for Multinational Enterprises. We also assess industry trends and evaluate best practices in order to identify and make adjustments to our strategic focus areas. Our third-party materiality assessment has supported our view that we are focused on the topics that are currently most material to our operations and business performance, and that matter most to our stakeholders.
3-2	List of material topics	a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	The activities described in GRI disclosure 3-1 have enabled us to develop and execute a comprehensive roadmap for our ESG work in areas where we face risk and believe we can have the most impact, including: <ul style="list-style-type: none"> <li>*Greenhouse gas emissions and energy reduction</li> <li>*Raw materials</li> <li>*Water stewardship</li> <li>*Chemical management</li> <li>*Waste diversion and circularity</li> <li>*Diversity, equity &amp; inclusion</li> <li>*Community</li> <li>*Supply chain labor compliance</li> <li>*Worker well-being</li> </ul> <u>Reference:</u> ESG Focus Areas in 2022 ESG Report (pgs. 11-14)

## MANAGEMENT OF MATERIAL TOPICS

Through our risk and materiality assessments, we have identified the three strategic focus areas below where we believe we can have the most impact. We have set public ESG targets in these focus areas to demonstrate accountability to our commitments and drive progress.

Focus Area	Description	Public Goals	Boundary	Report Location
Climate & Energy	Reducing greenhouse gas emissions from our operations and across our global value chain	Yes	Corporate Operations Global Supply Chain	pg. 19
Raw Materials	Using more sustainable materials throughout our business	Yes	Product	pg. 22
Water Stewardship	Working with vendors to reduce water consumption in manufacturing	Yes	Global Supply Chain	pg. 31
Chemical Management	Supporting implementation of responsible chemical management and wastewater systems	Yes	Global Supply Chain	pg. 28
Waste	Diverting the amount of our waste sent to landfill	Yes	Corporate Operations	pg. 32
Circularity	Helping to prevent product and material disposal through reuse and recycling	Yes	Product	pg. 35
Workplace Health & Safety	Safeguarding our associates and customers	No	N/A	pg. 69
Talent	Investing in the people who make our business possible	No	N/A	pg. 43
Diversity, Equity & Inclusion	Building an inclusive environment where all people feel welcomed and valued	Yes	Corporate Operations	pg. 39
Community / Philanthropy	Supporting children and families in need	Yes	Corporate Operations	pg. 48
Supply Chain Compliance	Helping to protect third-party factory workers and their rights in the workplace	Yes	Global Supply Chain	pg. 54
Worker Well-Being	Moving beyond the factory walls to improve the well-being of workers and their families	Yes	Global Supply Chain	pg. 58

The Children's Place recognizes the importance of the United Nations 2030 Agenda for Sustainable Development and while we understand the related Sustainable Development Goals (SDGs) are not in their own right a reporting framework, we believe that business has a role to play in meeting those goals. We have mapped our initiatives to specific SDG targets that are material to our company using GRI's "Linking the SDGs and the GRI Standards" (March 2021).

### GRI 200: ECONOMIC

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <ul style="list-style-type: none"> <li>i. Direct economic value generated: revenues;</li> <li>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</li> <li>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</li> </ul> <p>b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.2.1When compiling the information specified in Disclosure 201-1, the reporting organization shall, if applicable, compile the EVG&amp;D from data in the organization's audited financial or profit and loss (P&amp;L) statement, or its internally audited management accounts.</p>	Reference: <a href="#">2022 Annual Report</a>	<p>Targets 8.1, 8.2</p> <p>Targets 9.1, 9.4, 9.5</p>  

**GRI 300: ENVIRONMENTAL**

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
301-1	Materials used by weight or volume	<p>The reporting organization shall report the following information:</p> <p>a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:</p> <p>i. non-renewable materials used;</p> <p>ii. renewable materials used.</p>	<p>For our 2022 seasonal calendar, we estimate that approximately 97% of the product fiber used in our apparel is either cotton or polyester:</p> <p>*76% cotton                      *22% polyester                      *1% Elastane                      *1% Other (includes fibers such as viscose/rayon, nylon, acrylic, modacrylic, metallic / lurex yarn, linen and wool)</p> <p>In FY22, we sourced 72% of the cotton used in our apparel through Better Cotton (approximately 18,468 of 25,700 metric tons of cotton lint).</p> <p>We also used &lt;1% recycled cotton and 3% recycled polyester in our apparel.</p> <p><u>Reference:</u> Sourcing More Sustainable Materials in 2022 ESG Report (pg. 22)</p>	<p>Target 8.4</p> <p>Target 12.2</p>  
302-1	Energy consumption within the organization	<p>The reporting organization shall report the following information:</p> <p>a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.</p> <p>b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used.</p> <p>c. In joules, watt-hours or multiples, the total: i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption</p> <p>d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold</p> <p>e. Total energy consumption within the organization, in joules or multiples.</p> <p>f. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>g. Source of the conversion factors used.</p>	<p>FY22 Total Energy Use by Facility Type (in MWh):</p> <p>*Stores 56,563                      *Distribution Centers 13,338                      *Warehouses / Storage 12,167                      *Offices 5,908</p> <p><u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)</p>	<p>Targets 7.2, 7.3</p> <p>Target 8.4</p> <p>Target 12.2</p> <p>Target 13.1</p>    

## GRI 300: ENVIRONMENTAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
302-3	Energy intensity	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Energy intensity ratio for the organization.</li> <li>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</li> <li>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</li> <li>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</li> </ul>	<p>FY22 Average Energy Intensity by Facility Type (in kWh/sq ft):</p> <ul style="list-style-type: none"> <li>*Stores 19.4</li> <li>*Distribution Centers 12.5</li> <li>*Warehouses / Storage 10.8</li> <li>*Offices 25.2</li> </ul> <p>AVERAGE TCP ENERGY INTENSITY: 16.5</p> <p><u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)</p>	<p>Targets 7.2, 7.3</p> <p>Target 8.4</p> <p>Target 12.2</p> <p>Target 13.1</p>    
302-1	Management of water discharge-related impacts	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:                             <ul style="list-style-type: none"> <li>i. how standards for facilities operating in locations with no local discharge requirements were determined;</li> <li>ii. any internally developed water quality standards or guidelines;</li> <li>iii. any sector-specific standards considered;</li> <li>iv. whether the profile of the receiving waterbody was considered.</li> </ul> </li> </ul>	<p>We monitor the use of restricted substances both in our finished goods and during manufacturing with a view of minimizing and working toward eliminating their usage. Our requirements share stated both in our Restricted Substances Policy and in our Vendor Environmental Policy.</p> <p>We are a Contributor Signatory Brand of ZDHC to support implementation of our sustainable chemical management strategy. We work with our third-party vendors to improve their chemical management systems and prevent the discharge of unwanted substances in our supply chain. There are three main components to our manufacturing chemical management strategy:</p> <ul style="list-style-type: none"> <li>- Track chemical procurement and usage through factory chemical inventory lists</li> <li>- Measure operational capacity through the Higg Facility Environmental Module (FEM)</li> <li>- Monitor wastewater quality through the testing of wastewater and sludge against ZDHC Manufacturing Restricted Substance List (RSL) parameters</li> </ul> <p><u>Reference:</u> Managing Chemicals More Responsibly in 2022 ESG Report (pg. 28)</p>	<p>Targets 6.3</p> 

**GRI 300: ENVIRONMENTAL**

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
303-5	Water consumption	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Total water consumption from all areas in megaliters.</li> <li>b. Total water consumption from all areas with water stress in megaliters.</li> <li>c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.</li> <li>d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.</li> </ul>	<p>FY22 Total Water Withdrawal by Facility (in kGal):</p> <ul style="list-style-type: none"> <li>*Stores 21,590</li> <li>*Distribution Centers 4,738</li> <li>*Warehouses / Storage 6,768</li> <li>*Offices 2,716</li> </ul> <p>TOTAL TCP WATER WITHDRAWAL: 35,811</p> <p>Water withdrawal was calculated using actual water data where available (through utility bills) and estimated for locations where full actual data was not available. For retail stores where only partial actual data was available, gaps were filled using each site's average actual monthly withdrawal. To estimate withdrawal for active sites where The Children's Place does not pay for utilities directly, water withdrawal intensities were developed (kGal/sqft/year) based on actual data for each facility type. The Children's Place does not currently assess the water stress risk of corporate locations.</p>	N/A
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> <li>a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent.</li> <li>b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</li> <li>c. Biogenic CO2 emissions in metric tons of CO c. 2 equivalent.</li> <li>d. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> <li>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source</li> <li>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p>FY22 Scope 1 GHG Emissions (in metric tons CO2e):</p> <ul style="list-style-type: none"> <li>*Stationary combustion 2,420</li> <li>*Mobile combustion 754</li> <li>*Refrigerants 791</li> </ul> <p>TOTAL SCOPE 1 GHG EMISSIONS 3,964</p> <p><u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)</p>	<p>Target 3.9</p> <p>Target 12.4</p> <p>Target 13.1</p> <p>Target 14.3</p> <p>Target 15.2</p>



## GRI 300: ENVIRONMENTAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> <li>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</li> <li>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</li> <li>c. If available, the gases included in the calculation; whether CO, CH, N O, HFCs, PFCs, SF, NF, or all.</li> <li>d. Base year for the calculation, if applicable, including:                             <ul style="list-style-type: none"> <li>i. the rationale for choosing it;</li> <li>ii. emissions in the base year;</li> <li>iii. the context for any significant changes in emissions that triggered recalculations year bs yr emissions</li> </ul> </li> <li>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p>FY22 Scope 2 Market-Based GHG Emissions (in metric tons CO2e):</p> <p>*Electricity 25,252 TOTAL SCOPE 2 MARKET-BASED GHG EMISSIONS 25,252</p> <p><u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)</p>	<p>Target 3.9</p> <p>Target 12.4</p> <p>Target 13.1</p> <p>Target 14.3</p> <p>Target 15.2</p>     

## GRI 300: ENVIRONMENTAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
305-3	Other indirect (Scope 3) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.</li> <li>b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</li> <li>c. Biogenic CO2 emissions in metric tons of CO2 equivalent.</li> <li>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</li> <li>e. Base year for the calculation, if applicable, including: i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> <li>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</li> <li>g. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p>FY22 Scope 3 GHG Emissions (in metric tons CO2e):</p> <ul style="list-style-type: none"> <li>* Category 1 - Purchased Goods and Services 422,322</li> <li>* Category 2 - Capital Goods 6,316</li> <li>* Category 3 - Fuel- and Energy-Related Activities 2,041</li> <li>* Category 4 - Upstream Transportation and Distribution 75,643</li> <li>* Category 5 - Waste Generated in Operations 722</li> <li>* Category 6 - Business Travel 818</li> <li>* Category 7 - Employee Commuting 36,992</li> <li>* Category 11 - Use of Sold Products 198,047</li> <li>* Category 12 - End of Life Treatment of Sold Products 25,726</li> <li>* Category 14 - Franchises 2,241</li> </ul> <p>TOTAL SCOPE 3 GHG EMISSIONS 770,867</p> <p><b>Categories Not Relevant</b></p> <ul style="list-style-type: none"> <li>* Category 8 - Upstream Leased Assets</li> <li>* Category 9 - Downstream Transportation and Distribution</li> <li>* Category 10 - Processing of Sold Products</li> <li>* Category 13 - Downstream Leased Assets</li> <li>* Category 15 - Investments</li> </ul> <p><u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)</p>	<p>Target 3.9</p> <p>Target 12.4</p> <p>Target 13.1</p> <p>Target 14.3</p> <p>Target 15.2</p>     
305-4	GHG emissions intensity	<ul style="list-style-type: none"> <li>a. GHG emissions intensity ratio for the organization.</li> <li>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</li> <li>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</li> <li>d. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</li> </ul>	<p>GHG emissions intensity - scope 1 + 2, market-based (metric tons CO2e/sq ft):</p> <ul style="list-style-type: none"> <li>*FY18 0.0082</li> <li>*FY19 0.0064</li> <li>*FY20 0.0055</li> <li>*FY21 0.0051</li> <li>*FY22 0.0055</li> </ul> <p><u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)</p>	<p>Target 13.1</p> <p>Target 14.3</p> <p>Target 15.2</p>   

**GRI 300: ENVIRONMENTAL**

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
305-5	Reduction of GHG emissions	a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO2 equivalent. b. Gases included in the calculation; whether CO2 , CH4 , N2O, HFCs, PFCs, SF6 , NF3 , or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	From FY 2018 to 2022, The Children's Place had a 38% decrease in Scope 1, Scope 2 (market-based), and Scope 3 GHG emissions. Scope 1 and 2 GHG emission reductions can be mainly attributed to store closures. Scope 3 GHG emission reductions can be mainly attributed to store closures and lower numbers of purchased and sold units for all product categories.  Scope 1, 2 and 3 Emissions (in metric tons CO2e): *FY18 970,912 *FY19 990,436 *FY20 897,148 *FY21 786,668 *FY22 602,036  <u>Reference:</u> Combating Climate Change in 2022 ESG Report (pg. 19)	Target 13.1 Target 14.3 Target 15.2    
306-2	Management of significant waste-related impacts	The reporting organization shall report the following information: a. Actions, including circularity measures, taken to prevent waste generation in the organization's own activities and upstream and downstream in its value chain, and to manage significant impacts from waste generated. b. If the waste generated by the organization in its own activities is managed by a third party, a description of the processes used to determine whether the third party manages the waste in line with contractual or legislative obligations. c. The processes used to collect and monitor waste-related data.	We complete an annual waste stream assessment that includes waste management data, shipping and sales records, packaging and marketing material specifications, site waste audits, a store associate survey and facility management interviews.  Based on the results of our annual assessment, we are taking actions such as: - Developing a store associate engagement plan to support recycling practices and address barriers to recycling; - Reaching out to landlords and store associates to increase access and use of recycling services in malls; - Encouraging the use of durables at our corporate headquarters; - Engaging vendors on How2Recycle guidelines and the recyclability of our packaging; and - Increasing the amount of recycled content in our poly mailers, corrugated cartons, paper shopping bags and internal polybags.  <u>Reference:</u> Diverting Waste From Landfill in 2022 ESG Report (pg. 32)	Target 3.9 Target 6.3 Target 8.4 Target 11.6 Targets 12.4, 12.5      

## GRI 300: ENVIRONMENTAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
306-3	Waste generated	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.</li> <li>b. Contextual information necessary to understand the data and how the data has been compiled.</li> </ul>	<p>Through our waste stream assessment, we calculated our FY 22 total footprint at an estimated 45,179 tons. This is broken out into three categories: Operations 6,621 tons</p> <p>Packaging 2,187 tons</p> <p>Product 36,371 tons</p> <p>Operations includes our owned and operated facilities, including our Distribution Centers, Stores, and Offices; the majority of our operational waste was from corrugated cardboard. To calculate our Packaging and Product waste, we utilized shipping and sales data to determine the packaging waste generated from shipping orders to customers.</p> <p><u>Reference:</u> Diverting Waste From Landfill in 2022 ESG Report (pg. 32)</p>	<p>Target 3.9</p> <p>Target 6.3</p> <p>Target 11.6</p> <p>Targets 12.4, 12.5</p>    
306-4	Waste diverted from disposal	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.</li> <li>b. Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations.</li> <li>c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations: i. Preparation for reuse; ii. Recycling; iii. Other recovery operations.</li> <li>d. For each recovery operation listed in Disclosures 306-4-b and 306-4-c, a breakdown of the total weight in metric tons of hazardous waste and of non-hazardous waste diverted from disposal: i. onsite; ii. offsite.</li> <li>e. Contextual information necessary to understand the data and how the data has been compiled.</li> </ul>	<p>In FY 2022, The Children's Place achieved a 73% waste diversion rate in our Operations. We diverted 4,828 of the 6,621 tons of waste generated in operations. The majority of the operations waste diversion rate was attributed to the distribution centers, which had a diversion rate of 88%.</p> <p><u>Reference:</u> Diverting Waste From Landfill in 2022 ESG Report (pg. 32)</p>	<p>Target 3.9</p> <p>Target 11.6</p> <p>Targets 12.4, 12.5</p>   

**GRI 300: ENVIRONMENTAL**

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
308-1	New suppliers that were screened using environmental criteria	The reporting organization shall report the following information: a. Percentage of new suppliers that were screened using environmental criteria.	All potential suppliers undergo a pre-sourcing assessment, which includes a review of environmental requirements as outlined in our Vendor Code of Conduct. Suppliers are not approved for production until the assessment is satisfactorily completed and there is sign-off from both Responsible Sourcing and Sourcing leadership. In addition, on an ongoing basis we collect environmental information through the Sustainable Apparel Coalition's Higg Facility Environmental Module (FEM). Tier 1 supplier factories representing 88% of our FY22 FOB completed a Higg FEM self-assessment.	N/A

## GRI 400: SOCIAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
405-1	Diversity of governance bodies and employees	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> <li>b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul>	<p>The Children's Place tracks diversity metrics by age, ethnicity and gender in categories such as total employees, corporate leadership, store management, new hires and promotions.</p> <p><u>Reference:</u> U.S. Workforce Demographics (pg. 42)</p>	<p>Targets 5.1, 5.5</p> <p>Target 8.5</p>  
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work.</li> <li>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk.</li> <li>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</li> </ul>	<p>We employ a risk assessment process across all of our sourcing countries to determine suppliers that may be at risk for child labor. We utilize external resources such as the Bureau of International Labor Affairs (ILAB) list of goods and their source countries which it has reason to believe are produced by child labor, as well as industry-available country and supplier risk screening tools.</p> <p>Child labor is strictly prohibited by our Vendor Code of Conduct. Suppliers across all of our sourcing countries are monitored for compliance with our policies through our social compliance audit program, which includes worker interviews, and engaged throughout the remediation of related corrective actions.</p> <p><u>Reference:</u> Monitoring Factory Compliance in 2022 ESG Report (pg. 54)</p>	<p>Target 5.2</p> <p>Target 8.8</p> <p>Target 16.1</p>   

## GRI 400: SOCIAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>The reporting organization shall report the following information:</p> <p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	<p>We employ a risk assessment process across all of our sourcing countries to determine suppliers that may be at risk for forced labor. We utilize external resources such as the Bureau of International Labor Affairs (ILAB) list of goods which it has reason to believe are produced by forced labor, as well as industry-available country and supplier risk screening tools. Forced labor is strictly prohibited by our Vendor Code of Conduct. We monitor compliance with our forced labor policy through:</p> <ul style="list-style-type: none"> <li>- Regular Auditing. We audit all factories against our Vendor Code of Conduct, with the Responsible Sourcing team conducting further investigation if any allegations arise.</li> <li>- Certifications. We require annual certification from vendors that certify compliance with our general policies and standards as well as more specific certifications around forced labor prohibitions, raw material sourcing and the Xinjiang region.</li> <li>- Supplier screenings. We conduct regular internal and third party screening of all suppliers against companies named in the Uyghur Forced Labor Prevention Act Entity List, OFAC sanctions list, U.S. Commerce List and media articles.</li> </ul> <p>We have also created an internal forced-labor assessment working group that includes senior executives from the Legal, Sourcing and Responsible Sourcing teams. This group typically convenes several times a quarter to discuss new reports of forced labor in the industry, related legislation and trade regulations, and ways to enhance our due diligence process.</p> <p><u>Reference:</u> Monitoring Factory Compliance in 2022 ESG Report (pg. 54)</p>	<p>Targets 5.2</p> <p>Target 8.8</p>  

## GRI 400: SOCIAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
414-1	New suppliers that were screened using social criteria	The reporting organization shall report the following information: a. Percentage of new suppliers that were screened using social criteria.	All potential suppliers undergo a pre-sourcing assessment, which includes a review of social and labor requirements as outlined in our Vendor Code of Conduct. Suppliers are not approved for production until the assessment is satisfactorily completed and there is sign-off from both Responsible Sourcing and Sourcing leadership.	Targets 5.2 Target 8.8 Target 16.1   

## GRI 400: SOCIAL

Disclosure Number	Description	Reporting Requirements	Disclosure Language	Sustainable Development Goals
414-2	Negative social impacts in the supply chain and actions taken	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Number of suppliers assessed for social impacts.</li> <li>b. Number of suppliers identified as having significant actual and potential negative social impacts.</li> <li>c. Significant actual and potential negative social impacts identified in the supply chain.</li> <li>d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.</li> <li>e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.</li> </ul>	<p>Our third-party vendor factories undergo periodic audits to assess compliance with our Vendor Code of Conduct. After each audit, factories work with The Children's Place team and industry partners to create the needed corrective action plans and timelines for completion. We monitor closure of corrective actions through desktop and onsite reviews, and support the factories in improving their compliance management systems.</p> <p>Factory ratings are defined as follows:</p> <ul style="list-style-type: none"> <li>- High Performance: High performing facilities with few non-compliance issues (none urgent) and effective compliance management systems.</li> <li>- Above Average: Above average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable compliance management systems.</li> <li>- Satisfactory: Average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable but inconsistent compliance management systems.</li> <li>- Needs Attention: Lower performing facilities that need sustained improvement on urgent non-compliance issues and have ineffective compliance management systems.</li> <li>- Immediate Remediation Required: Facilities with zero tolerance violations or numerous urgent non-compliance issues and no compliance management systems.</li> </ul> <p>The Children's Place ended FY22 with 181 rated Tier 1 factories, segmented into the following categories:</p> <ul style="list-style-type: none"> <li>- High Performance: 22%</li> <li>- Above Average: 52%</li> <li>- Satisfactory: 20%</li> <li>- Needs Attention: 3%</li> <li>- Immediate Remediation Required: 3%</li> </ul> <p><u>Reference:</u> Monitoring Factory Compliance in 2022 ESG Report (pg. 54)</p>	<p>Targets 5.2</p> <p>Target 8.8</p> <p>Target 16.1</p>   

The Task Force on Climate-Related Financial Disclosures (TCFD) has recommended disclosures to help companies provide the information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities. This is our first year reporting to the TCFD.

## TASK FORCE ON CLIMATE-RELATED DISCLOSURES (TCFD) INDEX

Disclosure		Reference
<b>Governance</b>	<ul style="list-style-type: none"> <li>a. Describe the board's oversight of climate-related risks and opportunities.</li> <li>b. Describe management's role in assessing and managing climate-related risks and opportunities.</li> </ul>	<a href="#">Governance</a> <a href="#">Managing ESG Risk in 2022 ESG Report</a>
<b>Strategy</b>	<ul style="list-style-type: none"> <li>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</li> <li>b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</li> <li>c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li> </ul>	<a href="#">Climate Risk and Opportunity Analysis</a> <a href="#">Combating Climate Change in 2022 ESG Report</a>
<b>Risk Management</b>	<ul style="list-style-type: none"> <li>a. Describe the organization's processes for identifying and assessing climate-related risks.</li> <li>b. Describe the organization's processes for managing climate-related risks.</li> <li>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</li> </ul>	<a href="#">Our Approach</a> <a href="#">Combating Climate Change in 2022 ESG Report</a>
<b>Metrics and Targets</b>	<ul style="list-style-type: none"> <li>a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</li> <li>c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</li> </ul>	<a href="#">Combating Climate Change in 2022 ESG Report</a>

## GOVERNANCE

The Board plays a fundamental role in overseeing our business strategy, succession planning and risk-management activities. Our Board and its three standing Committees regularly review and evaluate management's activities concerning the major risks we face in the course of our domestic and international business operations. Climate-related risk management activities are included under an ESG focus area overseen by the Corporate Responsibility, Sustainability & Governance (CRS&G) Committee. Environmental strategies, initiatives and goals, including those related to climate and energy, are proposed by relevant departments of The Children's Place and, twice a year during regularly scheduled CRS&G Committee meetings, the Committee reviews our activities concerning these goals and the progress being made toward achieving them.

Our Vice President, Environmental and Social Responsibility, who reports to our General Counsel, is responsible for the on-going implementation of our ESG program by setting climate-related corporate targets, monitoring progress against climate-related corporate targets, assessing climate-related risks and opportunities, and managing climate-related risks and opportunities. The CRS&G Committee has oversight responsibility for these environmental activities, as well as corporate governance matters and social activities focused on global supply chain compliance and worker well-being.

## OUR APPROACH

To assess risk and guide our ESG strategy, we leverage the Sustainability Accounting Standards Board (SASB) guidelines and utilize international frameworks and recognized standards, such as the Paris Agreement, the ILO core conventions, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals (SDGs) and the OECD Guidelines for Multinational Enterprises. We also assess industry trends and evaluate best practices in order to identify and make adjustments to our strategic focus areas. In FY21, we conducted a third-party materiality assessment with a sustainability consulting firm to survey internal and external stakeholders on their personal ESG priorities, as well as those they believe are integral to our business success. In FY22, we engaged with a climate consulting firm to identify gaps in our climate strategy and develop an emission reduction roadmap that included initiatives around low-carbon energy procurement. We have also integrated ESG issues, including climate risk, into our annual multi-disciplinary company-wide risk management process with senior leadership.

### Scenario Analysis

In FY23, we worked with a leading sustainability firm to perform a qualitative scenario analysis of climate-related physical risks and climate-related transition risks and opportunities:

- **Physical Climate Risk and Resilience Assessment:** The evaluation of a facility's exposure to climate-related acute (event-driven) and chronic (long-term changes) physical hazards.
- **Transition Risk and Opportunity Assessment:** The evaluation of potential climate-related transition risks and business opportunities arising from the transition towards a low carbon economy.

Through this process, we identified inherent climate-related risks in the short (present-day), medium (2030) and long term (2050) timeframes across both our value chain and direct operations. Though

scenarios are hypothetical and not intended to be timebound forecasts or predictions, they are helpful in exploring future developments driven by changes to "business-as-usual" assumptions.

We are taking a phased approach to scenario analysis of our portfolio and focused the initial analysis on two of our most critical facilities, our owned distribution center in Alabama, USA and our leased distribution center in Mississauga, Canada. As a result of our fleet optimization strategy and the broad shift away from brick-and-mortar stores to e-commerce, our store fleet was not included in the scope of this initial assessment but will be considered for scenario analysis in the future.

Shared Socioeconomic Pathways (SSP) scenarios were developed for use in the Sixth Intergovernmental Panel on Climate Change (IPCC) Assessment Report and were used in the physical scenario assessment (IPCC 2021). We used the following scenarios to evaluate our distribution centers' exposure to climate change risks under a range of potential futures.

- SSP2-4.5 (Middle of the Road) assumes social, economic, and technological trends do not shift markedly from historical patterns and the scenario represents a future with decreasing GHG emissions after mid-century and lesser physical impacts, consistent with global warming of 2.7°C by 2100.
- SSP5-8.5 (Fossil-fueled Development) represents a higher greenhouse gas (GHG) emissions future with increasing GHG emissions through 2100 and greater physical impacts from climate change and is consistent with global warming of 4.4°C by 2100.

Consistent with the TCFD recommendations, we evaluated both climate-related acute and chronic physical climate change hazards. The following hazards have been considered:

#### Chronic Physical Risks

- Increasing temperatures
- Rising sea levels

#### Acute Physical Risks

- Extreme temperatures
- Inland flooding
- Coastal flooding

- Tropical cyclones
- Drought (water stress)
- Wildfires

Indicators for each hazard were then examined to evaluate the potential effect on our business. Peer-reviewed climate change data was collected and analyzed, and each site was evaluated for each climate indicator under the two scenarios across the selected timeframes. The evaluation considered each site's potential exposure (likelihood and magnitude) as well as its sensitivity (consequence) to the climate hazard. We used a stoplight scoring system to determine overall vulnerability, meaning the tendency to be adversely affected by climate-related risks.

For the transition risk and opportunities assessment, scenarios from the International Energy Agency (IEA) World Energy Outlook (WEO) and the Network of Central Banks and Supervisors for Greening the Financial System (NGFS) were used along with insights from the World Business Council for Sustainable Development (WBCSD). The IEA develops and updates the WEO scenarios which are widely used transition scenarios recommended by the TCFD. Two scenarios, Stated Policies (STEPS) and Net Zero Emissions by 2050 (NZE) from the IEA's World Energy Outlook 2022 were selected to assess the potential climate-related transition risks and opportunities to TCP's business and operations.<sup>1</sup>

- The STEPS scenario is based on a sector-by-sector assessment of the specific policies that governments presently have in place, as well as those that have been announced by governments around the world. It generally aligns to a 2.5°C temperature increase by 2100.<sup>2</sup>
- The NZE scenario sets out a pathway for the global energy sector to achieve net-zero CO<sub>2</sub> emissions by 2050. The temperature increase in the NZE scenario is approximately 1.5°C in 2100.<sup>3</sup>

The NGFS Scenarios have been developed to provide a common starting point for analyzing climate risks to the economy and financial system. While developed primarily for use by the banking sector they are also useful to the broader private sector, government, and academia. The NGFS scenarios incorporate countries' commitments to reach net-zero emissions and have been enriched with an expanded set of macroeconomic variables, and country-level granularity. From the NGFS, the disorderly Delayed Transition (DT) scenario was selected as a third forward-looking scenario in this assessment. It is important to consider the DT scenario as it represents a scenario with higher transition risk due to abrupt and unpredictable policy changes that are inconsistent across countries and sectors, making it more difficult for companies and other entities to monitor and prepare.

- The DT scenario assumes new climate policies are not introduced until 2030 and the level of action differs across countries and regions based on currently implemented policies, leading to a "fossil recovery" out of the economic crisis brought about by COVID-19. It assumes greenhouse gas emissions do not decrease until 2030 and strong policies are implemented to limit warming to below 2°C after 2030. There is a rapid decrease in emissions from 2030 to 2050 in the DT scenario. The temperature increase in the DT scenario is approximately 1.6°C by 2100<sup>4</sup>, which is larger than in the NZE scenario due to the delay in climate action.

For each scenario and time horizon, we analyzed future potential impacts on our operations, markets, supply chain and associated potential effects on our revenues, cost and expenditures. Similar to the climate-related physical hazard scenario analysis, all identified risks and opportunities were scored based on exposure (likelihood) as well as sensitivity (consequence) to our operations.

<sup>1</sup> <https://www.iea.org/reports/world-energy-outlook-2022>

<sup>2</sup> <https://www.iea.org/reports/global-energy-and-climate-model/stated-policies-scenario-steps>

<sup>3</sup> <https://www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze>

<sup>4</sup> [https://www.ngfs.net/sites/default/files/media/2021/08/27/ngfs\\_climate\\_scenarios\\_phase2\\_june2021.pdf](https://www.ngfs.net/sites/default/files/media/2021/08/27/ngfs_climate_scenarios_phase2_june2021.pdf)

## CLIMATE RISK AND OPPORTUNITY ANALYSIS

### Climate-Related Physical Risk and Transition Risk Assessment Results

The qualitative scenario analysis showed that physical climate hazards are projected to increase in severity and intensity from the present day through 2030 and 2050 for our distribution centers. Extreme temperatures are projected to have the greatest potential impacts on the facilities, followed by inland flooding and chronic increases in temperatures and wildfire. Our distribution centers may experience a variety of impacts, including but not limited to:

- Personnel heat stress during extreme temperatures;
- Increasing costs due to rising and extreme temperatures as well as disruptions to energy / power systems;
- Inland flooding blocking employee access roads to the facility; and
- Damage to the site property, buildings and equipment from flooding and flood-caused debris.

The impacts noted above may result in disruptions to our distribution operations, increasing operational costs and employee lost time.

Beyond the asset-level assessment, we conducted an enterprise-level review of physical risk. Water stress (when the demand for water is greater than the available water supply) was identified as an enterprise-wide hazard of concern due to our reliance on raw materials such as cotton. Cotton is an extremely water-intensive crop, and increasing and extreme temperatures, drought and flooding from increased precipitation intensity are projected in regions where our sourced cotton is grown. Water stress projections indicate potential disruptions to broader crop supply and possible impacts on cost.

Our main climate-related transition risks were identified as changing customer behavior and increased cost of raw materials and production costs. Under the Delayed Transition and NZE scenarios, by 2050, shifts and changes in consumer purchasing behavior towards more sustainable products may affect our market share if the company is not able to pivot towards more sustainable, less-carbon intensive garment options. The risk to our raw material and production costs were generally higher under higher emissions scenarios (STEPS and DT in 2030) when compared to the NZE scenario because the larger physical impacts of climate change on cotton production may negatively impact yield and production processes. Additionally, broader competition for recycled polyethylene terephthalate (PET) feedstock with bottling and packaging needs may increase the competition for recycled PET sourcing for products, increasing costs.

## CLIMATE-RELATED RISKS SUMMARY TABLE

The following table includes the physical and transition risks that were evaluated and rated medium or high for either the medium or long-term time horizons. It excludes risks with no significant impacts identified or rated low across all time horizons. The table summarizes the potential impacts to the Company and examples of our current risk mitigation strategies.

Risk Type	Risk Description	Potential Financial Impacts	Short Term	Medium Term 2030	Long Term 2050	Risk Mitigation Example
<b>Physical: Acute</b>	Extreme Temperatures	Increased safety and health risks to employees, risk of blackouts/power reliability and cooling costs	Medium	Medium	High	<ul style="list-style-type: none"> <li>- Distribution center management monitors and prepares for extreme heat days by providing staff with longer and more frequent breaks, water and hydrating snacks to avoid heat stress.</li> <li>- Distribution centers have made recent upgrades to the HVAC systems.</li> <li>- Backup electricity is available at the Alabama distribution center, allowing for continuity of critical operations in the event of a utility disruption.</li> </ul>
	Inland Flooding	Business interruptions, damage to facility and infrastructure or higher insurance premiums	Medium	Medium	Medium	
	Wildfires	Increased safety and health risks to employees, hazardous air quality (indoor and outdoor air quality) and HVAC system degradation	Low	Low	Medium	
<b>Physical: Chronic</b>	Increasing Temperatures	Increasing cooling costs	Medium	Medium	Medium	

## CLIMATE-RELATED RISKS SUMMARY TABLE

Risk Type	Risk Description	Potential Financial Impacts	Short Term	Medium Term 2030	Long Term 2050	Risk Mitigation Example
<b>Transition: Policy &amp; Legal</b>	Mandates on and Regulation of Existing Products and Services	Carbon-related taxation and costs, and indirect costs from suppliers that are impacted by a carbon pricing scheme	Low	Low-Medium	Medium	- We track all U.S., and European climate-related disclosure legislation and sector-relevant policy updates from groups such as the American Apparel and Footwear Association and National Retail Federation.
<b>Transition: Market</b>	Changing customer behavior	Decrease in revenue and loss of market share resulting from changing consumer behavior driven by influences related to climate change	Low-Medium	Medium	High	- We have goals aimed at increasing the use of more sustainable fibers and materials.
<b>Transition: Market</b>	Increased cost of raw materials and/or production costs	Increased costs as cotton production experiences regional yield differences, thereby affecting material costs, product margin, ability to fill orders and production and delivery schedule	Low-Medium	Medium	High	- We have a goal to achieve 100% responsibly sourced cotton in our apparel by 2025, including recycled and organic cotton
<b>Transition: Market</b>	Supply chain logistics	Increased operating costs to support low carbon shipping and indirect increased costs for shipping from suppliers with net zero goals as they pursue more sustainable fuel options	Low-Medium	Medium	Medium	- We monitor sector-relevant policy updates from groups such as the American Apparel and Footwear Association and National Retail Federation and have started engaging with logistics partners on optimization activities that reduce emissions

### Opportunities in the Transition to a Low-Carbon Economy

Our transition opportunities are projected to be greatest under the rapid and smooth transition of the NZE scenario, increasing from present-day through 2050. Under the NZE scenario, public incentives such as funding, resources, and policies for low-carbon infrastructure and energy sources are rapidly and smoothly implemented, increasing opportunity and risk. Only the opportunity related to raw material resiliency scored higher under STEPS than NZE. This scoring is due to physical impacts from climate change being larger in a STEPS scenario and more likely to negatively impact cotton production and yield than in the NZE, where physical impacts would be less severe. This leads to increased opportunity for us to invest in a more stable cotton agricultural sector through sourcing decisions, industry collaboration and other supportive actions under a STEPS scenario.

## CLIMATE-RELATED OPPORTUNITIES SUMMARY TABLE

The following table summarizes the transition opportunities that were evaluated, potential impacts to the company and examples of our current opportunity enhancement strategies.

TCFD Opportunity Category	Key Opportunities	Potential Financial Impacts	Short-term	Mid-term	Long-term	Opportunity Enhancement Example
<b>Resource Efficiency</b>	Use of more efficient logistics and global transportation (e.g., air, ocean freight, ground) across the supply chain	Lower net-carbon emissions from use of more efficient logistics and associated lower carbon pricing costs.	Low	Medium	Medium–High	– We have started engaging with logistics partners on optimization activities that reduce emissions
<b>Energy Source</b>	Use of lower-emission sources of energy for TCP fleet (stores, distribution centers)	Increased availability and decreased cost of renewable energy leading to lower net-carbon emissions and associated decrease in carbon pricing costs.	Low–Medium	Medium	Medium–High	– We are studying renewable energy approaches that include investment in onsite renewable energy and the offset of unavoidable emissions through Virtual Purchase Power Agreements (vPPAs) and Renewable Energy Credits (RECs)
<b>Products and Services</b>	Development of new lower carbon products and services (re-commerce)	Potential new sources of revenue from developing low-carbon garments (and attracting consumers who prefer purchasing from more sustainable brands).	Low	Medium	Medium–High	– We are working on educating and aligning our design, merchandising and sourcing teams on topics such as preferred materials and designing for circularity
<b>Resilience</b>	Supporting initiatives to build raw material resilience to climate change	Stabilization of cotton prices, avoidance of costs associated with insufficient (in quantity or quality) cotton as a raw material in the supply chain and decreased OpEx from having to adjust supply chain vendors due to extreme weather events that impact cotton yield.	Low–Medium	Medium	Medium–High	– We have a raw materials program that focuses on increasing the use of more sustainable materials in our product and are also consolidating our fabric mill base to help build long-term relationships and ensure long-term supply

This ESG Report contains or may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to statements relating to the Company's strategic initiatives and adjusted net income per diluted share. Forward-looking statements typically are identified by use of terms such as "may," "will," "should," "plan," "project," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements are expressed differently. These forward-looking statements are based upon the Company's current expectations and assumptions and are subject to various risks and uncertainties that could cause actual results and performance to differ materially. Some of these risks and uncertainties are described in the Company's filings with the Securities and Exchange Commission, including in the "Risk Factors" section of its annual report on Form 10-K for the fiscal year ended January 28, 2023. Included among the risks and uncertainties that could cause actual results and performance to differ materially are the risk that the Company will be unsuccessful in gauging fashion trends and changing consumer preferences, the risks resulting from the highly competitive nature of the Company's business and its dependence on consumer spending patterns, which may be affected by changes in economic conditions (including inflation), the risks related to the COVID-19 pandemic, including the impact of the COVID-19 pandemic on our business or the economy in general, the risk that the Company's strategic initiatives to increase sales and margin are delayed or do not result in anticipated improvements, the risk of delays, interruptions, disruptions and higher costs in the Company's global supply chain, including resulting from the COVID-19 pandemic or other disease outbreaks, foreign sources of supply in less developed countries, more politically unstable countries, or countries where vendors fail to comply with industry standards or ethical business practices, including the use of forced, indentured or child labor, the risk that the cost of raw materials or energy prices will increase beyond current expectations or that the Company is unable to offset cost increases through value engineering or price increases, various types of litigation, including class action litigations brought under consumer protection, employment, and privacy and information security laws and regulations, the imposition of regulations affecting the importation of foreign-produced merchandise, including duties and tariffs, and the uncertainty of weather patterns. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. The Company undertakes no obligation to release publicly any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

## FORWARD-LOOKING STATEMENTS