



2023 Modern Slavery Report

Report under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*

Financial Year Ended February 3, 2024

This document is designed to meet the reporting obligations of The Children's Place (Canada), LP under Canada's new *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.¹ The Children's Place (Canada), LP is an indirect, wholly-owned subsidiary of The Children's Place, Inc. and is the entity through which The Children's Place primarily operates its Canadian business. For purposes of this report, the reporting entity is The Children's Place (Canada), LP, but certain policies described in this report may be administered and/or implemented by other entities within the corporate structure in a manner that has them apply to goods sold by The Children's Place (Canada), LP. As a result, the terms "The Children's Place", "TCP", "we", "us", or "our" as used herein refer collectively to The Children's Place, Inc. and its subsidiaries, taken as a whole, which shall include The Children's Place (Canada), LP. The Children's Place, Inc. and its subsidiaries share the same core business operations and supply chains, policies prohibiting forced and child

¹ For the purpose of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, The Children's Place (Canada), LP is the only 'entity' under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act and makes this statement as a single statement pursuant to section 11. For the purpose of the relevant approval and signing requirements, this modern slavery statement has been approved by the governing body of The Children's Place (Canada), LP and has been signed by an officer of TCP Investment Canada II Corp., the general partner of The Children's Place (Canada), LP.

labor, and related activities. The report summarizes The Children’s Place policies and practices to respect human rights and the steps that we have taken in FY2023 to prevent and reduce the risk of forced labor or child labor in our supply chain.

Introduction

At The Children’s Place, we are committed to excellence in every aspect of our business. This commitment includes ethical and responsible conduct in our global operations and respect for all human rights. We are committed to respecting the rights of our employees and our third-party workers in our supply chain, in accordance with the International Labor Organization’s (ILO) Core Conventions as set out in the Declaration on Fundamental Principles and Rights at Work, including the right of all individuals not to be subject to forced labor, child labor, or discrimination. We expect our vendors and business partners to share and adopt these same commitments.

We continually work to identify and assess adverse impacts in operations, supply chains and business relationships. Human rights salient to our business include but are not limited to topics such as diversity, equity and inclusion, prevention of sexual harassment, working conditions and forced and child labor in the supply chain. 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. To help us address the complexity and scale of human rights issues, we also collaborate with experts, NGOs, other non-profit organizations and industry peers to identify and implement initiatives.

Structure, Activities and Supply Chain

Structure and Activities

The Children’s Place is an omni-channel children’s specialty portfolio of brands with an industry-leading digital-first model. Its global retail and wholesale network includes four digital storefronts, more than 500 stores in North America, wholesale marketplaces and distribution centers in 16 countries through six international franchise partners. The Children’s Place designs, contracts to manufacture, and sells fashionable, high-quality apparel, accessories and footwear predominantly at value prices, primarily under its proprietary brands: “The Children’s Place”, “Gymboree”, “Sugar & Jade”, and “PJ Place”.

The Children’s Place (Canada), LP is a limited partnership with TCP Investment Canada II Corp., a Nova Scotia corporation, as its General Partner. The Children’s Place (Canada), LP employs over 800 employees and operates 63 retail stores in Canada.

Supply Chain

We have developed a comprehensive and diverse network of vendors and factories around the world to support our brands. Our Global Sourcing team manages the company’s product sourcing activities across three continents, 20 countries, approximately 110 vendors and a network of over 260 manufacturing and processing facilities via our offices, including in the United States, Hong Kong and Ethiopia. The company contracts with global third-party vendors to manufacture products

in their network of factories. The Children's Place does not own, operate or control any manufacturing facilities.

Governance and Policies

Governance

Responsibility for the implementation of our human rights initiatives resides with the Chief Human Resources Officer and the Vice President, Environment and Social Responsibility, who reports to the Senior Vice President, General Counsel. The Responsible Sourcing team, under the Vice President, Environment and Social Responsibility, manages the company's supply chain compliance program. We also have 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 forced labor in the industry, related legislation and trade regulations, and ways to enhance our due diligence process.

Policies

The Children's Place has developed policies to support our commitment to ethical conduct in our global operations and supply chain:

❖ **Human Rights Policy**

We support the principles articulated in the Universal Declaration of Human Rights. As outlined in our [Human Rights Policy](#), we strive to avoid adverse human rights impacts in our own operations and across our business relationships. We strive to carry out human rights due diligence as part of the conduct of our business and work to embed human rights considerations into business decisions and management systems.

❖ **Code of Business Conduct**

The Children's Place [Code of Business Conduct](#) (the "Code") outlines our commitment to acting with integrity in everything we do. This means displaying ethical, honest and fair behavior in our interactions with employees, customers, shareholders and external business partners. The Code applies to all associates of TCP worldwide and to the Board of Directors. In addition, the Code applies to anyone working for or on behalf of TCP, including agents and independent consultants. If an associate or consultant fails to comply with any company policy, we work to take corrective action, as deemed necessary.

❖ **Reporting and Non-Retaliation**

It is the responsibility of every associate at The Children's Place to speak up if they have concerns about violations of the Code. The Children's Place has an open communications policy, and offers reporting channels through managers, representatives from the Human Resources, Internal Audit, Legal or Loss Prevention departments, and anonymously through a confidential third-party hotline. 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 prohibit any form of retaliation against any associates making a good-faith report of a violation/suspected violation of the Code, The Children’s Place policies, established procedures or for cooperating in an investigation.

❖ **Vendor Code of Conduct**

Our [Vendor Code of Conduct](#) provides the standards against which we work to hold our global third-party vendors and factories accountable and at a minimum, our Vendor Code of Conduct states that all of The Children’s Place third-party vendors are to meet the listed standards. The Vendor Code of Conduct includes 13 categories of code provisions that are aligned with the principles stated in international standards, such as the ILO Core Conventions, the UN Guiding Principles on Business and Human Rights and the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. We require all vendors to certify, on at least an annual basis, that they will conduct their business in line with our Vendor Code of Conduct, abide by our prohibition of forced labor and not knowingly conduct business with vendors that source raw material from certain regions such as Xinjiang, China.

❖ **California Supply Chains Act**

The Children’s Place, Inc. reports under the California Supply Chains Act. That report can be found here: <https://www.childrensplace.com/us/help-center/policies/CaliforniaSupplyChainAct>.

Strategy and Risk Management

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 appropriate. 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 and UN Sustainable Development Goals (SDGs) to guide our strategy. Our 2030 Environment, Social & Governance (ESG) roadmap encompasses 16 key focus areas, with forced and child labor primarily managed through activities in the following:



Supply Chain Compliance

Helping to improve the lives of third-party factory workers and to protect their rights in the workplace



Worker Well-Being

Moving beyond the factory walls to improve the well-being of workers and their families



Board Oversight & Risk Management

Operationalizing expanded Committee responsibilities to enhance oversight of ESG



Ethics & Integrity

Operating in an ethical and responsible manner in all aspects of our business

Forced and Child Labor Risk Assessment

We employ a risk assessment process across all of our sourcing countries in an attempt to identify suppliers that may be at risk for forced and/or child labor. We utilize external resources such as the Bureau of International Labor Affairs (ILAB) lists of goods which it has reason to believe are produced by forced and/or child labor, as well as industry-available country and supplier risk screening tools. We conduct internal and 3rd party screening of suppliers (Tier 1 and 2 facilities) against companies named in media sources, Withhold Release Orders (WROs), the Uyghur Forced Labor Prevention Act (UFLPA) and sanctions lists including, but not limited to those published by Global Affairs Canada, the U.S. Department of Treasury (Office of Foreign Assets Control) and the U.S. Department of Commerce.

Vendor Compliance

The Children's Place seeks to work with global vendors whose business practices align with our principles on human rights, especially for at-risk groups such as women, children and other highly vulnerable populations. We place significant time and effort into identifying and working with only those vendors who we believe are committed to providing fair and safe working conditions for their factory workers. All potential suppliers undergo a pre-sourcing assessment, which includes our internal and/or 3rd party risk screenings and 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 Sourcing and Responsible Sourcing leadership.

We administer a global factory audit program that is designed to hold vendors and factories accountable to their commitment to comply with our Vendor Code of Conduct. We conduct semi-announced audits for new factories and unannounced audits for existing factories. We use our internal compliance auditors as well as external independent audit firms for factory auditing and monitoring. These auditors are located in the key countries from which we source and are preferably native to the region. They typically speak the local language(s) to better communicate with factory managers and workers, and have knowledge of cultural issues that may affect workforce dynamics.

Expanded Worker Interviews

Based on factory volume and country risk factors, we have incorporated an increased number of worker interviews in our audits at key facilities to better understand potential concerns from workers on the factory floor. Expanded interviews entail a more in-depth conversation, in local languages, with workers often outside of the factory production areas. We believe this allows workers to speak more freely on topics such as workplace conditions and job satisfaction. It allows our Responsible Sourcing team to better understand and support workers with potential employment and welfare concerns.

Traceability

A topic of priority within The Children's Place is supply chain traceability. Our work around traceability is especially important when applied to a forced labor context. Traceability down to the raw material level, such as a cotton farm, has historically been very difficult for the apparel industry

given the fiber blending and mixing that takes place during the many steps between raw material and finished product.

We continually engage with industry associations and peer brands to understand both best practices and lessons learned as our industry explores more traceability solutions. We have completed a variety of activities to set the foundation for a new traceability program, including the development of a fabric mill risk matrix, a cotton fiber forensic testing pilot program and trials of different technology platforms to better understand chain of custody for materials within our supply chain. In 2023, we selected a supply chain mapping service provider and are currently focused on working with the provider and our internal IT and business intelligence teams to integrate the tool into our Sourcing operations. Scaling our supply chain mapping activities will help expand our risk-based due-diligence as we work toward end-to-end supply chain visibility.

Remediation Measures

Audit Non-Compliance

If compliance issues are found, our first step is to partner with the factory to institute needed improvements over time. While we reserve the right to terminate our business relationship for breaches of our Vendor Code of Conduct, we first work collaboratively with the factory on a corrective action plan (CAP) in an attempt to address issues and maintain orders so that workers are not adversely affected.

Our Responsible Sourcing team leads these efforts by working with suppliers to develop CAPs and providing support to close identified compliance issues. We believe in a continuous improvement model and when needed, engage with audit firms, peer brands and independent experts to help support remediation efforts and implement capacity building programs.



We conduct additional due diligence if forced labor or child labor indicators are found in a factory during an audit or reported by external stakeholders. In the case of underage labor, we also require the factory to pay the underage worker a living allowance and tuition stipend for a timeframe determined by local legal working age, as well as an offer of employment when the worker reaches local legal working age (if desired by the worker).

In 2023, we did not identify occurrences of the loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains. As such, we have not taken measures to remediate these issues during the reporting period.

Worker Well-Being

We recognize our role in promoting worker well-being and helping vendors expand their knowledge of human rights issues. We utilize initiatives such as the ILO and IFC's Better Work program, which aim to build supportive factory environments with open dialogue in order to address challenging issues such as gender discrimination and inclusion, and worker voice and representation. Through factory advisory and training sessions, the program provides practical assistance for workers and employers to cooperate effectively for improved working conditions and business competitiveness. We have integrated learnings from Better Work into our engagement with factories located in regions not covered by the program, including capacity building workshops, our expanded worker interview protocol and dialogue around effective worker grievance mechanisms.

In Bangladesh, we require our manufacturers to participate in the [Amader Kotha Helpline](#), a toll-free nationwide hotline that aims to provide a safe, timely, effective communication channel for the purpose of identifying and resolving safety and other concerns of workers in the Bangladesh ready-made garment (RMG) sector. We support implementation through onsite spot checks and review of reported grievance metrics.

Training

Annual Compliance Training is integral to our commitment to upholding our ethical principles. Each year, we conduct training for our corporate and international offices. The number of courses assigned is based on the associate's start date, location, and role within the business, with the Human Trafficking & Slavery course required for Senior Leaders and corporate and international associates who intersect with our product supply chain. The assigned training is to be completed during a defined time period.

Effectiveness and Continuous Improvement

We track key metrics around factory compliance to ensure we are addressing risk in our supply chain and helping factories improve their compliance management systems. For example, we monitor closure of corrective actions through desktop and onsite reviews which lead to the assignment of factory ratings. These ratings assist our team in identifying factories that might need additional training and guidance, and are defined as follows:

- **High Performance:** High performing facilities with few non-compliance issues (none urgent) and effective compliance management systems.
- **Above Average:** Above average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable compliance management systems.
- **Satisfactory:** Average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable but inconsistent compliance management systems.
- **Needs Attention:** Lower performing facilities that need sustained improvement on urgent noncompliance issues and have ineffective compliance management systems.
- **Immediate Remediation Required:** Facilities with zero tolerance violations or numerous urgent non-compliance issues and no compliance management systems.

While we recognize that no audit program can guarantee that every factory used by every vendor for The Children's Place is in full compliance with our Vendor Code of Conduct, we continually strive to enhance our audit program and do our part in addressing global issues such as forced and child labor.

Approval and Attestation

This report was approved by the board of directors of TCP Investment Canada II Corp., the general partner of The Children's Place (Canada), LP, as a report of for the fiscal year ended February 3, 2024 in accordance with subparagraph 11(4)(a) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name: Sheamus Toal

Title: President & Treasurer, TCP Investment Canada II Corp., as the general partner of The Children's Place (Canada), LP

Date: May 29, 2024

Signature: /s/ Sheamus Toal

"I have the authority to bind The Children's Place (Canada), LP."