



# 2023 SUSTAINABILITY & SOCIAL IMPACT UPDATE



THE CHILDREN'S  
PLACE

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## WELCOME TO THE 2023 SUSTAINABILITY & SOCIAL IMPACT UPDATE

We're pleased to share with you our 2023 update, which highlights our company's ongoing initiatives and continued forward progress on our environmental and social commitments.



# INTRODUCTION

**JARED SHURE**

Chief Administrative Officer,  
General Counsel

## A MESSAGE FROM OUR CHIEF ADMINISTRATIVE OFFICER, GENERAL COUNSEL

I am proud to share with you our fifth annual ESG report, showcasing the continued progress we've made on our public social and environmental goals.

The 2023 fiscal year marked a milestone for The Children's Place as we successfully achieved many of the ambitious objectives we set out in 2019 and 2020. Of the nine goals planned for completion in 2023, eight have been successfully met, advancing our total to 12 out of 27 goals achieved as part of our 2030 roadmap.

Each goal we achieve is a meaningful step forward, reflecting our commitment to improving our processes and practices while striving to make a positive impact on the people affected by our business. This progress is a testament to the dedication of our talented cross-functional teams who are at the heart of these efforts.

As we continue our journey, we acknowledge the evolving environmental, social, and governance (ESG) landscape. We value the diverse perspectives of stakeholders, as these insights help us refine our long-term roadmap. For The Children's Place, the goals we have set remain crucial in building a competitive and purposeful brand—one that our customers can trust and feel confident in supporting. Our 2030 roadmap not only drives our progress but also addresses the risks and opportunities facing our business. With this in mind, we have sharpened our vision to align more closely with our brand promise to all stakeholders.

This refreshed vision is embodied in our commitment to protecting the future of our PLACE:

- **Environment**  
Upholding our promise of Protecting Our PLACES.
- **Social Responsibility**  
Fulfilling our pledge to Caring for Our COMMUNITIES.
- **Governance**  
Ensuring we are Upholding Our PRINCIPLES.

This approach comes at an important moment as we introduce new commercial business strategies for our brand, coinciding with the appointment of a new Board of Directors and President to guide our company forward.

For this year's report, we are presenting an abbreviated 2023 Sustainability & Social Impact Update that highlights our continued progress while we review and refresh the roadmap for our environmental and social responsibility initiatives. We are incredibly proud of the work we have accomplished thus far on behalf of our shareholders, customers, suppliers, and business partners. As we look to the future, we remain committed to creating a footprint that contributes to a healthier planet and supports the communities where we live and work.

## 2023 HIGHLIGHTS

KEY ● Places ● Communities ● Principles

We're passionate about providing fashionable, high-quality products at a great value—while remaining conscious of the steps we can take each day to be a more sustainable business. Our commitment is reflected in the continued progress toward our goals, including those completed in FY23.

### Climate & Energy

Achieved 46% reduction in Scope 1 and Scope 2 greenhouse gas (GHG) emissions.



### Water Stewardship

Vendors representing 95% of our annual volume completed the Higg Facility Environmental Module (FEM), allowing us to monitor vendor environmental performance.



### Worker Well-Being

Impacted 148,000 workers globally through sponsored programs focused on topics related to workplace gender equity, personal growth for women, and community well-being.

100% of workers at our third-party manufacturers are now paid digitally, further promoting economic empowerment and financial independence for women in our supply chain.



### Canopy

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.



### Chemical Management

Progressively rolling out chemical management activities with suppliers as part of our commitment to the Zero Discharge Hazardous Chemicals (ZDHC) initiative.



### Supply Chain Compliance

Implemented a new traceability system to support our strategy to better assess social and environmental risks in the supply chain.

Vendors representing 80% of our annual volume completed the Sustainable Apparel Coalition's Higg Facility Social and Labor Module (FSLM) self-assessment, supporting industry collaboration on social compliance.



## WE'RE DOING OUR PART TO LESSEN OUR ENVIRONMENTAL IMPACT

As part of our company's strategy to contribute to healthier places at home and around the world, we prioritized sourcing more sustainable materials for our product lines.



# PROTECTING OUR PLACES

## BROADENING OUR APPROACH TO MORE SUSTAINABLE COTTON

We launched our first organic cotton collection! Homegrown by Gymboree features soft organic cotton and recycled materials. The collection prioritizes timeless designs and high-quality materials that can be passed along to younger siblings.

Timeless styles **designed with organic cotton.**



GOAL  
**100%**

FY2023  
**89%**

### MAKING PROGRESS WITH RAW MATERIALS

100% responsibly sourced cotton for the cotton fibers in our apparel by end of 2025\*

\*For The Children's Place, responsibly sourced cotton includes Better Cotton™, organic cotton, and recycled cotton.

### SUSTAINABILITY THROUGH A TOP-TO-BOTTOM APPROACH

100% of the polyester fiber in The Children's Place swimwear and Gymboree boys' swimwear for the 2023 spring/summer season was made from recycled materials—using recycled fibers instead of virgin polyester. We've also incorporated recycled materials into much of our clothing and footwear including sneakers, boots, sandals, and most recently, flip flops.

These outfits incorporate materials **made with recycled polyester.**



GOAL  
**25%**

FY2023  
**10%**

#### ANOTHER STEP CLOSER TO OUR GOAL

25% recycled materials for the polyester fibers used in our apparel by end of 2030

### PRODUCTS TESTED TO THE OEKO-TEX® STANDARD

We continued to roll out new OEKO-TEX® STANDARD 100 certified products throughout 2023. The majority of The Children's Place cotton sleepwear, newborn, socks, leggings, and underwear products, as well as select Gymboree sleepwear, now bear the STANDARD 100 hangtag or label.

Every little product detail is tested and certified so that caregivers can **confidently trust we're delivering the quality and safety every child deserves.**



#### SUSTAINABILITY IS IN THE DETAILS

This certification from OEKO-TEX® means every component of the product—including thread, buttons, and other accessories—has been tested for harmful substances against strict global criteria.

## WE'RE DEDICATED TO STRENGTHENING OUR COMMUNITIES

Through ongoing philanthropic and worker well-being initiatives, we're nurturing a better, brighter future for our associates, customers, and kids—as well as those in our supply chain and communities.



# CARING FOR OUR COMMUNITIES

IRONMATT FOUNDATION | **IronMatt™**

The Matthew Larson Foundation for Pediatric Brain Tumors (or IronMatt) supports families of children with pediatric brain tumors through research funding and family assistance. The Children's Place has proudly supported IronMatt since 2017.

2023 IMPACT:

**241** PJ sets

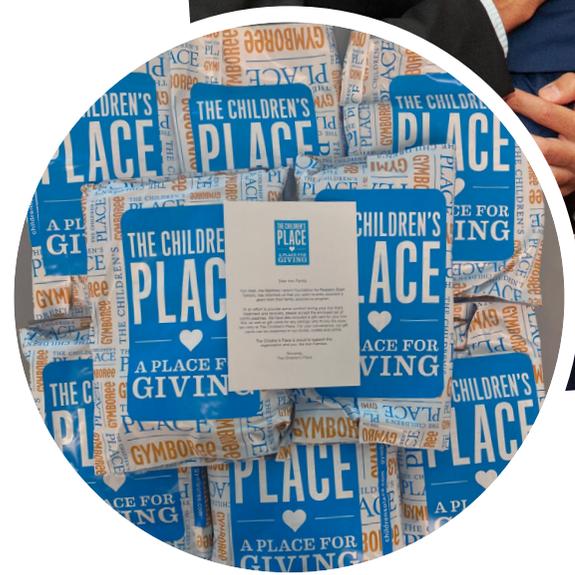
packaged and shipped to patients

**507** gift cards

(\$100 each) sent to patients and siblings

**\$10,000**

pledged to support the 2023 annual fundraiser



“Thank you so much for teaming up with the Matthew Larson Foundation and helping kids like me during treatment. We are blessed to have so many amazing organizations like yours to support us.”

An IronMatt Family

## ST. JUDE CHILDREN'S RESEARCH HOSPITAL



We came together as associates, friends, and family to launch our partnership with St. Jude, an organization dedicated to advancing cures and means of childhood cancer prevention. The Children's Place sponsored a corporate team for the 2023 St. Jude Walk/Run.

## 2023 IMPACT:

**\$13,000**

raised in total

**\$5,000**

corporate donation

**50+**

TCP participants



“ Thank you, TCP, for everything you did to make the North Jersey event such a success. Such a tremendous turnout and incredible fundraising effort thanks to your team. We look forward to our continued partnership with TCP for the children of St. Jude. ”

St. Jude's Leadership Team



## YOUTH CONSULTATION SERVICES (YCS)



One of our longest-standing charitable partners is Youth Consultation Services (YCS), which provides a range of services for thousands of families in New Jersey who have at-risk and special needs children, youth, and young adults.

### 2023 IMPACT:

**100** Winter Wishes

fulfilled by TCP associates who purchased an item from a child's wish list

**30+** TCP volunteers

exchanged art templates with YCS kids, who are often nonverbal and use art to express themselves

**\$15,000**

donated for YCS Field Day; our interns also brought goodie bags and their TCP spirit to make it an extra-special day



2023 TCP Interns

“The kindness and love that the TCP interns show the children at YCS truly warms my heart. We are so honored that The Children's Place has been a supporter of the YCS Family for over 15 years.”



Ruthie Harper,  
Chief Strategy Officer, YCS



## GOOD+FOUNDATION | Good+Foundation

We're making a positive impact on families through our annual contributions to Good+Foundation, a leading national nonprofit that provides tangible goods and innovative services to help low-income parents and caregivers.



### 2023 IMPACT:

# 157,050

clothing sample donations  
(an approximate retail value of \$1,570,500)

# \$10,000

 in gift cards

provided for Shop with Pops, which specifically supports fathers with the funds and opportunity to take their children back-to-school shopping

# 85

 families with babies

received newborn product bundles created by our 2023 interns

# 200+

 families received clothing bundles

curated by TCP volunteers during their day of service



“

For more than two decades, The Children's Place has been a loyal and dedicated partner to Good+Foundation. Their donations of children's clothing help us bring relief to parents while providing pieces that children will be excited to wear. This year, we are excited to continue our Shop with Pops initiative. When Good+ dads receive gift cards from The Children's Place, they also get a special bonding experience with their families. Every year, we see the positive impact of our partnership with The Children's Place and are grateful for their support. ”



**Katherine Snider,**  
Good+Foundation CEO

## POSITIVELY IMPACTING THE PEOPLE WHO MAKE OUR PRODUCTS

Factory jobs offer women workers the opportunity to contribute to their family's financial stability and well-being. However, many are disproportionately disadvantaged due to cultural norms, traditional power structures in the workplace, and the additional burdens of family care. To combat this, we're implementing programs and working with partners like the RISE initiative to educate and improve the well-being of workers and their families both inside the factory walls and beyond.

### 2023 IMPACT:

**148,000** third-party workers

impacted globally by TCP-sponsored programs, including communication and leadership, health, nutrition, financial literacy, and prevention of sexual harassment

**100%** digital wages

across all TCP third-party manufacturing facilities to expand financial inclusion and promote positive financial practices



Photos by © RISE

“ I prefer to be paid into an account [than cash wages]. It's safer and more convenient... I used to keep my savings [in cash] at home in a cabinet. Now I would keep my savings in a savings account. ”

Kam,  
Garment Worker, Phnom Penh



## CREATING A PLACE WHERE KIDS ARE WELCOME AND SAFE

In Ethiopia, many young mothers are forced to end their careers or leave their children unattended due to lack of support or access to quality childcare. In 2021, we began a partnership with Plan International to fund childcare centers for women working at the Hawassa Industrial Park in Hawassa, Ethiopia.



## Two early childhood development (ECD) centers

opened between 2021 and 2023, offering safe, inclusive, age-appropriate early learning opportunities to children ages 0 to 6

## 180 children and their families

were positively impacted in the Hawassa region

## WE'RE COMMITTED TO ACCOUNTABILITY

We hold ourselves to high standards of integrity and authenticity with ESG programs and initiatives that reflect The Children's Place's purpose and values. That includes making intentional choices about our business processes, practices, and partners.



# UPHOLDING OUR PRINCIPLES

## ACTING WITH INTEGRITY

At The Children's Place, integrity means an unwavering commitment to honesty, accountability, fairness, respect, transparency, and trust in every aspect of our business—including our vendor relationships and throughout our supply chain.

### PARTNERING WITH PURPOSE:

We're helping to have a positive impact on our supply chain by choosing partners and suppliers who are committed to the same goals and practices as we are.



### ENABLING TRACEABILITY:

We continue to prioritize the well-being of workers in our supply chain through our Vendor [Code of Conduct](#) and are expanding our work around traceability to better understand the social and environmental impacts of our business.



Photo by © RISE

“Building a business grounded in integrity and trust is vital for the success of our environmental and social impact programs. We are dedicated to strengthening our stakeholder relationships by partnering to address evolving risks and opportunities, while promoting actions that lead to more sustainable outcomes for our organization.”



**Muhammad Asif Seemab,**  
Corporate Responsibility,  
Sustainability & Governance  
Committee (Chair)

## WE'RE TAKING ACTION TO ACCOMPLISH OUR GOALS

We're working every day to create a footprint that contributes to a healthier planet and supports families in the places where we live and work by setting ambitious goals and acknowledging each and every milestone along the way.



# CELEBRATING OUR PROGRESS

## ENVIRONMENT GOALS

KEY

● New

● On track

● Needs attention

✓ Goal achieved

✗ Retired

Focus Area	Target	Initiated	Status	2023 Progress
 <b>Climate &amp; Energy</b>	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	●	46% GHG reduction in FY23 against an FY18 baseline
	Reduce absolute Scope 3 GHG emissions from purchased goods and product transport by 30% by end of 2030	2020	✓	Completed
 <b>Raw Materials</b>	Source 100% responsibly sourced cotton for the cotton fibers used in our apparel by end of 2025	2019	●	89% converted in 2023
	Source 25% recycled material for the polyester fibers used in our apparel by end of 2030	2021	●	10% converted in 2023
	Source 100% recycled material for the polyester fibers in pocket bags used in our denim and woven bottoms by end of 2025	2021	●	98% converted in 2023
	Source 100% recycled material for the polyester fibers used in our woven labels and zipper tape by end of 2025	2021	●	94% woven labels and 91% zipper tape converted to recycled polyester in 2023
	Source 100% price tickets, hangtags, wrap bands, and accessories carding with more sustainable paper sources by end of 2025	2021	●	97% converted in 2023
	Convert 100% zippers and other hardware to finishes that use fewer chemicals and less water and energy by end of 2025	2021	●	91% metal zippers and 85% snaps/hardware produced with more sustainable finishes
 <b>Chemical Management</b>	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	●	88% of facilities meet the Higg Level 1 sustainability rating
	Join the ZDHC initiative and set timing for zero discharge of hazardous chemicals in our global supply chain by end of 2023	2021	✓	Completed

## ENVIRONMENT GOALS

KEY

● New

● On track

● Needs attention

✓ Goal achieved

✗ Retired

Focus Area	Target	Initiated	Status	2023 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 FEM by end of 2023	2021	✓	Completed
 <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	●	77% operational waste diverted from landfill in FY23 (calculated annually)
	Use a minimum of 50% recycled content in customer-facing packaging by end of 2025	2021	●	All packaging except for e-commerce corrugated shipping boxes converted to minimum 50% recycled content
	100% of customer-facing packaging labeled with the How2Recycle label by end of 2025	2021	✓	All converted except for one polybag type that can't be labeled with How2Recycle due to the third-party carrier stickers attached for mailing
	Complete a product end-of-life pilot program and set our circularity goals by end of 2023	2021	✓	Approximately 19,000 pounds of clothing collected and donated to charities since the inception of the program in 2022

## SOCIAL GOALS

KEY

● New

● On track

● Needs attention

✓ Goal achieved

✗ Retired

Focus Area	Target	Initiated	Status	2023 Progress
 <b>Diversity, Equity &amp; Inclusion</b>	Double representation of Black/African American associates at our U.S. corporate offices by end of FY25 (from a base year of FY20)	2021	✗	We support initiatives that bring diverse perspectives to our company to strengthen our business. However, due to the current political climate regarding DE&I, we will no longer report publicly on our internal goals for this focus area.
	Maintain at least 80% representation of women in our overall workforce	2022	✗	
	Maintain at least 50% representation of women in our corporate leadership positions	2022	✗	
 <b>Community</b>	Implement a day of volunteering at our corporate offices in 2022 and progressively expand our efforts throughout the organization by 2024	2022	●	27% of total population utilized our volunteering program
 <b>Supply Chain Compliance</b>	Implement systems to assess and improve compliance and traceability in our global supply chain by end of FY23	2021	✓	A new traceability system and audit process have been implemented
	Finished goods manufacturers representing 80% annual volume to complete the Sustainable Apparel Coalition's Higg FSLM by end of FY23	2021	✓	Completed
 <b>Worker Well-Being</b>	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	✓	Through sponsored programs we have impacted 148,000 workers globally
	100% of workers in third-party manufacturing factories transitioned from cash-based systems to digital wage payments by end of FY23	2021	✓	Completed
	In partnership with Plan International, fund and launch an early childhood development center near the Hawassa, Ethiopia, Industrial Park by end of FY22	2021	✓	Delivery of two childcare centers impacting approximately 180 children and their families

## NOTICE OF DISCLOSURES

You can find more detailed documentation of our company's goals, commitments, and progress in our separate disclosures document. To view them, please visit our [corporate website](#).



## FORWARD-LOOKING STATEMENTS

This Sustainability and Social Impact Update 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 results of operations, including adjusted net income (loss) 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 February 3, 2024. Included among the risks and uncertainties that could cause actual results and performance to differ materially are the risk that the Company will be unable to achieve operating results at levels sufficient to fund and/or finance the Company's current level of operations and repayment of indebtedness, 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 risk that changes in the Company's plans and strategies with respect to pricing, capital allocation, capital structure, investor communications, and/or operations may have a negative effect on the Company's business, the risk that the Company's strategic initiatives to increase sales and margin, improve operational efficiencies, enhance operating controls, decentralize operational authority, and reshape the Company's culture 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 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 securities, 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, risks related to the existence of a controlling shareholder, 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.