



2021  
ENVIRONMENT,  
SOCIAL &  
GOVERNANCE  
REPORT



THE CHILDREN'S  
PLACE



# 2021 ENVIRONMENT, SOCIAL & GOVERNANCE REPORT

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# INTRODUCTION

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**JANE ELFERS**

President and CEO

The Children's Place, Inc.

## A MESSAGE FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER

During 2021, we continued to navigate the impacts of the global pandemic with an unwavering focus on our people, our business partners and the families and children we serve. As a part of our 2030 ESG roadmap and in furtherance of our business initiatives, we reaffirmed our commitment to do our part to address the social and environmental issues impacting communities around the world. We remain firmly committed to fostering an equitable and inclusive workplace, mitigating our environmental impact across our operations and in our global supply chain, maintaining our leadership position regarding our corporate governance policies and practices, and supporting children and families in need through our community-based partnerships.

As a company for moms, led by moms, we are incredibly proud of our industry-leading gender diversity statistics across every level of our organization, including our leadership team and Board of Directors. In fact, we have expanded our commitments this year with new goals to maintain representation of women in our overall workforce of at least 80% and to maintain at least 50% representation of women in our corporate leadership positions. In addition, we focused on our Diversity, Equity and Inclusion goal to double the representation of Black/African American associates at our U.S. corporate headquarters by 2025 and our initiatives to continue to attract and retain top talent.

Addressing the environmental impacts of our business operations, including those in our global supply chain, is a top priority. We are proud to have set clear, science-based goals and to have made meaningful progress in important areas, including the reduction of greenhouse gas (GHG) emissions and the use of more responsibly sourced materials in our business. Importantly, we have reduced GHG emissions by 41% in our owned and leased operations from our baseline year of 2018 and we continue to assess how we can further support a low-carbon economy. We are further embedding our ESG goals across our business units and continue to demonstrate progress in key areas such as waste reduction, product circularity, supply chain compliance and worker well-being. Based on the work conducted in 2021, we launched our first product take-back and circularity program. This program allows our customers to donate gently used children's clothing to people impacted by poverty and tragedy while promoting our circularity goal to provide a new channel for product re-use for our customers.

As we look to the future, we believe our ESG initiatives will continue to create value for our stakeholders: our customers, our shareholders, our associates, our suppliers, and our business partners. We believe we have a special responsibility to create a BETTER PLACE for children and we remain committed to making meaningful progress towards our ESG goals.

# 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 500th 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, Business Transformation through Technology, 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 Omni Channel 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. Together, our brands inspire kids to live, learn and love their childhood!



THE CHILDREN'S PLACE



GYMBOREE



sugar & jade



PJ PLACE

# WHO WE ARE

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



OVER  
**11,000**  
ASSOCIATES GLOBALLY



**672 STORES**  
IN THE U.S. & CANADA



HEADQUARTERED IN  
**SECAUCUS, NJ**

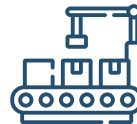


**\$15M**  
IN PRODUCT AND CASH  
DONATIONS TO FAMILIES AND  
CHILDREN IN NEED IN 2021



**DIVERSE**  
COMPANY

CEO is a woman  
Over **50%** of the Board and  
Senior Leadership team are women;  
**87%** of associates are women, and  
**67%** of associates identify as racially/ethnically diverse  
**20%** of the Board identify as racially/ethnically diverse



**211**  
INTERNATIONAL POINTS  
OF DISTRIBUTION IN  
**16 COUNTRIES**

# ABOUT THIS REPORT

This report covers The Children’s Place’s global operations for the 2021 fiscal year beginning January 31, 2021 and ended January 29, 2022. Report data covers FY21 unless otherwise noted. Our last report covered FY20 and is available on our corporate website. This report outlines developments and actions for our key programs, progress toward our ESG goals during FY21 and strategy development for activities in FY22. 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.

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 30, 2021. 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, the risks related to the COVID-19 pandemic, including the impact of the COVID-19 pandemic on our business or the economy in general (including decreased customer traffic, schools adopting remote and hybrid learning models, closures of businesses and other activities causing decreased demand for our products and negative impacts on our customers’ spending patterns due to decreased income or actual or perceived wealth, and the impact of legislation related to the COVID-19 pandemic, including any changes to such legislation), 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 and disruptions 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.

# 2021 HIGHLIGHTS



## Climate & Energy

Achieved 41% reduction in scope 1 and scope 2 greenhouse gas (GHG) emissions across our global operations, exceeding the 30% goal targeted for 2030.



## Diversity, Equity & Inclusion

Established our first gender diversity goals, to maintain at least 80% representation of women in our overall workforce and at least 50% representation of women in our corporate leadership positions.



## Raw Materials - Cotton

Sourced 67% of the cotton fiber used in our apparel through Better Cotton.



## Water Stewardship

Achieved 28% reduction in water use at our top denim and woven bottom factories, exceeding our 25% goal targeted for 2025.



## Waste & Circularity

Increased our waste diversion rate from 73% to 77% across our operations and assessed partnerships for the launch of our first product take-back program.



## Giving

Donated cash and over 1.4 million units of new clothing with a total value of \$15M.



## Employee Engagement

Established our first volunteering goal to implement a day of volunteering at our corporate office in 2022 and progressively expand our efforts throughout the organization by 2024.



## Raw Materials - Trim

Achieved 66% usage of more sustainable paper sources in our tickets, hangtags, wrap bands and accessory carding.



## ESG Oversight

Renamed and updated charters of two Board Committees to formalize their expanded role in overseeing ESG initiatives.



## Cybersecurity

Engaged an independent third-party expert to conduct a cybersecurity maturity assessment, which helped set the target state maturity of our cybersecurity capabilities.



## Ethics & Integrity

Published first **Human Rights Policy** and strengthened commitment to build an equitable and inclusive culture through awareness and education.

# PJ PLACE

## PJ Place

Began work on our 4th and newest brand leveraging the work we have done around responsibly sourced materials and recycled content in packaging and labeling.



## ADRIAN SHERMAN

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.

# A MESSAGE FROM ADRIAN SHERMAN

## VICE PRESIDENT, ENVIRONMENT & SOCIAL RESPONSIBILITY

**It was a pivotal year for ESG at The Children's Place as we began work on our new commitments and made meaningful progress against our existing goals in the midst of a rapidly evolving business environment.**

In 2021, we operated in a new environment which called for an even greater focus on social and environmental matters that we believe in and where we believe we can have a positive impact. The year saw us focus on our commitments, accelerate our initiatives and further enhance our 2030 ESG roadmap to meet the challenges we face as a company and in the industry.

We are proud of the progress made, but understand that we have much to accomplish in our journey to become A BETTER PLACE. Part of our mission is to provide fashionable, high-quality merchandise at value price points. When kids and teens feel good about themselves, they put the best versions of themselves out in the world. The work we accomplish through our ESG initiatives allows us to become a more purposeful brand, at a time where more progress is needed on the many social and environmental challenges of our time.

In 2021, we made adjustments to better prepare us for action on sustainability matters important to our customers, associates and shareholders. Our new, enhanced governance and oversight

structure allows our management team to actively review and adjust our 2030 ESG roadmap on an ongoing basis. We continued to expand our engagement with third-party experts and industry organizations to assist in the assessment and implementation of our strategies. And, we further integrated our ESG goals across our various business units.

The results of our focused efforts have led to successes, including some ahead of schedule. In 2021, we achieved our 2030 goal of reducing our GHG emissions by 30% for our Scope 1 and 2 emissions, reducing emissions by 41% against our 2018 baseline in only three years. With respect to water stewardship, we reduced water use with our top denim and woven bottoms vendors by 28% and have now met our 2023 goal of 25% reduction. We can also proudly report that over two-thirds of the cotton use for our apparel is now responsibly sourced cotton and supports practices that reduce water and pesticide use, contribute to improved soil health and support livelihoods at the farm level.

As we look ahead at our 2030 ESG roadmap, while we recognize that there is much work to be done, we believe we are well positioned to continue to drive this critical work and do our part to build A BETTER PLACE.





## NANCY STRAFACE

Nancy Straface is Senior Vice President, Global Human Resources at The Children's Place. She is responsible for leading the company's strategies around Talent, Diversity, Equity & Inclusion, and Philanthropy.

# A MESSAGE FROM NANCY STRAFACE

## SENIOR VICE PRESIDENT, GLOBAL HUMAN RESOURCES

**2021 was a year of building, as our company explored and implemented new ways to strengthen our organization by attracting, developing, rewarding and retaining the best talent. I am so proud of the dedicated and talented people at The Children's Place, and the work we are doing to support our global constituencies.**

People are at the center of everything we do as an organization. In 2021, we continued to maintain the highest level of health and sanitation standards at our workplaces. During times of COVID-19 spikes domestically and overseas, we provided immediate response and care to our team members globally. We know we are all in this together and part of one team, the same team.

In 2021, we established a clear Diversity, Equity and Inclusion goal to double our representation of Black/African American associates at our U.S. corporate headquarters by 2025. We believe that diverse teams operating in an inclusive environment simply outperform others. The year saw us kick-start our multi-year roadmap of initiatives by implementing a robust training and development curriculum, consisting of facilitator-led workshops, e-learning modules, a DE&I Toolkit, and ongoing communication and resources for all associates. We look forward to developing new learning offerings to support the continued personal and professional growth of all our associates, from our newly hired interns to our seasoned leaders.

Supporting and nurturing our associates is at the core of our mission as a company and an integral part of our People strategy. We also remain steadfast in our philanthropic mission to help children and families in need. In 2021, we were an active philanthropic contributor and provided over \$15 million in product and monetary donations to a collection of global, national and local charitable organizations.

As we look ahead, we recognize the power of our People initiatives and are truly proud of the story that we have to tell. I encourage you to learn more about The Children's Place. Our doors are always open for incredible talent and there is a place for everyone. Perhaps one day you will make **Our PLACE, Your PLACE!**

## OUR APPROACH TO ESG

As America's largest pure-play children's specialty retailer, we strive to be the PLACE for quality, value and style that stands the test of time. We also want to meet the expectations of customers, investors and associates who are increasingly looking at our impact in the world beyond just the product we offer. Sustainability is on the minds of the moms who love our brands and is increasingly important to our new GenZ Sugar & Jade customer who cares deeply about the health of our planet. We believe our ESG efforts have the potential to unlock value and new opportunities for our business as the next generation of parents shifts to brands with more robust sustainability credentials. In discussions with our investors, we are aligned with their belief that companies that positively manage their sustainability impact will enhance their future financial performance for shareholders. Finally, we know our associates want to do what's right, contribute via good corporate citizenship and drive achievement of goals to help build A BETTER PLACE.

We believe it is critical that our business contribute to a healthy planet and equitable society for the benefit of current and future generations. Our ESG strategy is informed by these values, guided by international frameworks, and underpinned by strong corporate governance. As we have continued to evolve our ESG strategy to expand the reach and impact of our programs, we recognize the increasing importance to all our key stakeholders, our investors, customers and

associates, of enhanced Board oversight of ESG topics. We maintain a strong corporate governance program that is designed to promote the effective oversight of risk by our Board and its committees, building integrity and an unyielding commitment to our principles.

We have built a strong foundation for our ESG strategy and we have released a comprehensive set of goals across our key focus areas, including goals that contribute to the fight against climate change, promote diversity, equity and inclusion in our community, mitigate negative environmental and social impacts in our supply chain, and promote more circular business models. With the strategy and goals in place, we are now focused on increasing our efforts to integrate sustainability into our daily operations. We believe our power to contribute to positive change depends on collaboration and new ways of thinking across our business units. We also believe that it is important to demonstrate our commitment by setting internal benchmarks and establishing key performance indicators to help us deliver on our goals. We strongly believe in partnering with other like-minded brands, organizations, experts and NGOs in our pursuit of a more sustainable industry and a more hopeful future for our children.

Finally, we strive to protect our proprietary information and the information we receive about our customers, associates, vendors and other third parties. We believe this work is vital to maintaining the trust we have worked so hard to establish with all stakeholders that are so critical to our success.



# MATERIALITY ASSESSMENT

Our ability to have an impact depends on identification of the issues that are most material to our operations and business performance, which in our industry are often defined through a materiality assessment process. We conducted a materiality assessment to better identify the value, risks and opportunities associated with our ESG activities. This assessment will inform the development of our ESG roadmap and goal planning, and allow us to take more targeted action in the focus areas that matter most to our business and stakeholders.

For our materiality assessment, we partnered 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. Stakeholders included associates from all areas of our business (including those who best know our customer), investors, vendors, sustainability organizations and NGOs. We identified the base list of material topics using our consulting partner’s ESG research on the apparel & footwear industry and via our annual internal ESG benchmarking exercise. Recognized standards such as the Sustainability Accounting Standards Board (SASB) guidelines for apparel and footwear, the Global Reporting Initiative (GRI), and the UN Sustainable Development Goals (SDGs) also informed the list of topics.

We found the results of the assessment and priorities of our stakeholders to be aligned with our existing ESG strategy. Our intent is to periodically perform this type of assessment to validate our strategy and make adjustments to our roadmap as needed. It is important to note that we are using the GRI’s definition of materiality, which is different than the definition used for Securities and Exchange Commission (SEC) filings.



# ESG FOCUS AREAS

Our 2030 ESG roadmap encompasses our 16 key focus areas across environment, social and governance. We conduct an annual assessment of the competitive landscape, utilize recognized reporting standards, and apply our materiality assessment in an effort to make certain our focus areas are in line with the issues that create business value and meet stakeholder expectations. This work guides our strategic planning projects and informs the activities and goals we include in our 2030 ESG roadmap.

## ENVIRONMENT



**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

## SOCIAL



**Workplace Health & Safety:**  
Safeguarding our associates and customers.



**Talent:**  
Investing in the people that make our business possible.



**Diversity, Equity & Inclusion:**  
Building an inclusive environment where all people feel welcome and valued.



**Community:**  
Supporting children and families in need.



**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.

## GOVERNANCE



**Board Composition:**  
Continuing Board refreshment, prioritizing diversity and relevant experience.



**Board Oversight and Risk Management:**  
Expanding Committee responsibilities to enhance oversight of ESG.



**Ethics & Integrity:**  
Operating in an ethical and responsible manner in all aspects of our business.



**Cybersecurity & Privacy:**  
Protecting the information we receive about our customers, associates and other third-party partners.

# ENVIRONMENTAL GOALS

✓ Goal achieved
● On track
● New
● Needs attention

FOCUS AREA	TARGET	INITIATED	STATUS	2021 PROGRESS	PG. #
<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	✓	41% GHG reduction against FY18 baseline	23
	Reduce absolute scope 1 and scope 2 market-based GHG emissions across our global operations by 50% by end of 2030	2022	●	New goal	24
	Reduce absolute scope 3 GHG emissions from purchased goods and product transport by 30% by end of 2030	2020	●	18% GHG reduction against FY18 baseline	25
<b>RAW MATERIALS</b>	Source 100% responsibly sourced cotton for the cotton fibers used in our apparel by end of 2025	2019	●	67% of the cotton in our apparel was responsibly sourced through Better Cotton	27
	Source 25% recycled material for the polyester fibers used in our apparel by end of 2030	2021	●	2% of the polyester fibers in our apparel was recycled	27
	Source 100% recycled material for the polyester fibers in pocket bags used in our denim and woven bottoms by end of 2025	2021	●	In progress	27
	Source 100% recycled material for the polyester fibers used in our woven labels and zipper tape by end of 2025	2021	●	35% of our woven labels and 21% of our zipper tape converted to recycled polyester	27
	Source 100% price tickets, hangtags, wrap bands and accessories carding with more sustainable paper sources by end of 2025	2021	●	66% converted to more sustainable paper sources	29
	Convert 100% zippers and other hardware to finishes that use fewer chemicals and less water and energy by end of 2025	2021	●	95% of our metal zippers and 44% of our metal hardware converted to more sustainable finishes	30

# ENVIRONMENTAL GOALS

✓ Goal achieved
● On track
● New
● Needs attention

FOCUS AREA	TARGET	INITIATED	STATUS	2021 PROGRESS	PG. #
<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	✓	28% reduction against FY18 baseline	31
	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	●	Tier 1 supplier factories representing approximately 89% of our FY21 FOB cost and nominated mills representing approximately 81% of our FY21 cotton lint consumption completed a Higg FEM self-assessment	31
<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	●	80% of the facilities meet Level 1 or higher	32
	Join the ZDHC initiative and set timing for zero discharge of hazardous chemicals in our global supply chain by end of 2023	2021	●	Joined ZDHC at the contributor level	33
<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% of our operational waste was diverted from landfill	35
	Use a minimum of 50% recycled content in customer-facing packaging by end of 2025	2021	●	In progress	36
	100% of customer-facing packaging labeled with the How2Recycle label by end of 2025	2021	●	In progress	36
	Complete a product end-of-life pilot program and set our circularity goals by end of 2023	2021	●	In progress	37

# SOCIAL GOALS

✓ Goal achieved ● On track ● New ● Needs attention

FOCUS AREA	TARGET	INITIATED	STATUS	2021 PROGRESS	PG. #
<b>DIVERSITY, EQUITY &amp; INCLUSION</b>	Double representation of Black associates at our U.S. Corporate Headquarters by end of FY25 (from a base year of FY20)	2021	●	Black associate representation remained flat in 2021, however, macroeconomic trends resulting in higher worker mobility have presented greater opportunity to make meaningful advancement with increased hiring in 2022 and beyond	47
	Maintain at least 80% representation of women in our overall workforce	2022	●	<b>87%</b> of our workforce are women	42
	Maintain at least 50% representation of women in our corporate leadership positions	2022	●	<b>57%</b> of our corporate leadership positions are held by women	42
<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	●	New goal	60
<b>SUPPLY CHAIN COMPLIANCE</b>	Implement systems to assess and improve compliance and traceability in our global supply chain by end of FY23	2021	●	Completed pilot program with a product traceability software provider	64
	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	●	Tier 1 suppliers representing approximately <b>7%</b> of our FY21 FOB cost completed a Higg FSLM self assessment	62
<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 <b>~75,000</b> workers globally	66
	100% of workers in third-party manufacturing factories transitioned from cash-based systems to digital wage payments by end of FY23	2021	●	<b>84%</b> of our third-party manufacturers pay workers via digital methods	67
	In partnership with Plan International, fund and launch an early childhood development center near the Hawassa, Ethiopia Industrial Park by end of FY22	2021	●	Infrastructure built and staff trained for launch of ECD Center	68

# PARTNERING WITH OUR VENDOR COMMUNITY

Our Global Sourcing team manages our product sourcing activities across three continents, 21 countries, over 100 vendors and over 300 manufacturing and processing facilities. The Children’s Place contracts with global third-party vendors to manufacture products and does not own, operate or control any manufacturing facilities. We are dedicated to sustaining existing and building new vendor partnerships to achieve our goals and further expand our positive impact.

As we move beyond the height of the global pandemic, we are actively expanding our global supply chain to meet our future business needs around cost, quality and delivery. We are particularly focused on growth in Africa – increasing our presence in existing sourcing countries (Kenya, Tanzania, and Egypt), opening up new countries such as Madagascar and moving into West Africa, a cotton-growing region that will support future textile manufacturing and reduce transit times with its proximity to the U.S. East Coast. Given that much of the apparel and footwear industry in Africa is in earlier stages of development than our other sourcing regions, this supply chain expansion provides more opportunity to influence vendors through ESG-focused discussion as they grow their businesses in partnership with our company.

While we expect all third-party vendor factories to meet our environmental and social standards, we strive to partner with progressive vendors who are passionate about being a force for good and deploying new technologies to reduce impacts on the environment. Projects including solar power, water recycling, using fewer and safer chemicals and converting to laser, ozone and low liquid machinery all contribute to securing a better world for present and future generations. Our vendors also strive to improve and enrich the lives of the people who make our product. Our joint focus on expanding worker well-being programs helps provide opportunities to our vendors’ workforces, composed primarily of women, through personal growth projects, economic empowerment training and community investment.

As we continue building our ESG program and work toward achieving our goals, we will continue to seek out vendors who support the communities in which they operate and are helping to drive positive change in our industry.



Our Sourcing team and vendors attending a summit in Nairobi, Kenya to support the United States International Trade Commission’s investigation on the Africa Growth & Opportunity Act.



3

CONTINENTS



113

VENDORS



21

COUNTRIES







312







FACTORIES









# OUR INITIATIVE PARTNERS

The challenges faced by our industry are numerous and complex. Collaborating with external stakeholders and value chain partners who share our goals helps us more effectively contribute to sustainable solutions. We will continue to deepen existing relationships and engage new partners as we build a long-term, sustainable ESG approach.

ORGANIZATION	DESCRIPTION	COLLABORATION
   <p>SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>	<p>WSP USA is the U.S. operating company of WSP, one of the world’s leading engineering and professional services firms. WSP USA designs lasting solutions in the building, transportation, energy, water and environment markets.</p> <p>The Science Based Targets initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi promotes best practice by assessing corporate GHG reduction goals against the latest climate science.</p>	<p>We work with WSP USA to identify areas where we have the opportunity to reduce our climate and energy impacts. WSP USA’s Sustainability, Energy and Climate Change team calculates our annual reporting data concerning energy and water usage and GHG emissions.</p> <p><b>Focus Area:</b> Climate &amp; Energy</p> <p>The SBTi approved our 30% GHG emissions reduction targets in December 2020 and we are implementing the related GHG emissions reduction initiatives.</p> <p><b>Focus Area:</b> Climate &amp; Energy</p>
	<p>Working with organizations from farming, retail fashion and textile brands, Better Cotton is an agricultural standard system helping farmers use less water and fewer chemical pesticides and fertilizers, all while improving yields, profitability and workers’ lives.</p>	<p>Our investments in the Better Cotton program contribute to our goal of using more sustainable materials throughout our business.</p> <p><b>Focus Area:</b> Raw Materials</p>
	<p>Textile Exchange is a global nonprofit that helps brands expand their usage of sustainable fibers and materials.</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>Focus Area:</b> Raw Materials</p>

ORGANIZATION	DESCRIPTION	COLLABORATION
	<p>Forest Stewardship Council® (FSC®) is a global, not-for-profit organization dedicated to the promotion of responsible forest management worldwide.</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>Focus Area:</b> Raw Materials</p>
	<p>The Sustainable Apparel Coalition (SAC) is an industry-wide group of more than 250 member organizations working to create meaningful, sustainable change within the apparel, footwear, and textile industry.</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>Focus Areas:</b> Water Stewardship, Chemical Management, Climate &amp; Energy, Supply Chain Compliance</p>
	<p>The AFIRM Group works to build safer and more sustainable chemistry within the apparel and footwear supply chains.</p>	<p>As a member of the AFIRM Group, we utilize its resources to work toward continuous advancement of chemical management best practices.</p> <p><b>Focus Area:</b> Chemical Management</p>
	<p>ZDHC enables brands and retailers in the textile, apparel, and footwear industries to implement sustainable chemical management best practices across the global value chain.</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><b>Focus Area:</b> Chemical Management</p>
	<p>Cascadia Consulting Group helps its clients advance sustainability through recycling, waste reduction, and sustainable materials management.</p>	<p>We work with Cascadia to collect and analyze our waste data and analyze opportunities for waste reduction.</p> <p><b>Focus Area:</b> Waste</p>
	<p>The Sustainable Packaging Coalition (SPC) brings together businesses, educational institutions, and government agencies to collectively strengthen and advance the business case for more sustainable packaging.</p>	<p>We utilize SPC member resources to work toward making our packaging more sustainable and reducing our waste footprint.</p> <p><b>Focus Area:</b> Waste, Circularity</p>

ORGANIZATION	DESCRIPTION	COLLABORATION
	<p>How2Recycle works to improve recycling by creating a clear, well-understood, and nationally harmonized recycling label and influencing package design.</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>Focus Area:</b> Waste, Circularity</p>
	<p>Better Work is a global initiative mobilizing brands, governments, factory owners and workers to improve working conditions in the garment industry. The program manages factory assessments and trainings to empower factories to improve the lives of their workers.</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>Focus Area:</b> Supply Chain Compliance</p>
	<p>Building on the work of the Alliance for Bangladesh Worker Safety, Nirapon is an organization tasked with overseeing the ongoing safety, training and helpline efforts of the Bangladeshi factories from which Nirapon members source.</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>Focus Area:</b> Supply Chain Compliance</p>
	<p>The Social &amp; Labor Convergence Project (SLCP) is a multi-stakeholder initiative among manufacturers, retailers, industry groups, and civil society organizations to develop a simple, unified and effective assessment framework to factory monitoring.</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>Focus Area:</b> Supply Chain Compliance</p>
	<p>BSR’s HERproject aims to unlock the full potential of garment workers through workplace programs promoting health, financial inclusion and gender equality.</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>Focus Area:</b> Worker Well-Being</p>
	<p>Powered by supporters, Plan International USA partners with adolescent girls, young women and children around the world to overcome oppression and gender inequality, providing the support and resources that are unique to their needs and the needs of their communities, ensuring they achieve their full potential with dignity, opportunity and safety.</p>	<p>We have partnered with Plan International to establish an early childhood development center in Ethiopia in February 2022.</p> <p><b>Focus Area:</b> Worker Well-Being</p>

## OUR PLACE IS...

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# OUR PLACE IS COMMITTED TO ENVIRONMENTAL SUSTAINABILITY

OUR PLACE is a GREAT PLACE that is committed to environmental performance across our operations and global supply chain, from raw material to final product. We are mindful that sustainability is crucial to our long term business success and that we must play an instrumental role in helping create a positive and healthy environment for our children.

In 2021, we further integrated our environmental goals across our business units. Our Distribution Center and Real Estate teams took ownership of energy efficiency projects across our operations. Our Global Sourcing and IT, Logistics and Stores teams engaged our suppliers and partners on initiatives to advance our environment goals in the areas of materials, waste and circularity. We continue to be focused on demonstrating progress through clear, measurable goals and on understanding new opportunities such as renewable resource consumption and carbon reduction approaches to build resiliency into our business operations.

We are proud that in 2021, we achieved both our scope 1 and scope 2 GHG emissions reduction goal and our denim and woven bottoms water reduction goal ahead of schedule. We made meaningful progress in many of our sustainable raw material goals, increased our operational waste diversion rate, launched an expanded chemical management program within the supply chain and selected a partner for our first product take-back program. But we need to do more, by continuing to integrate environmental priorities into the way we set our priorities, select our partners and assess our impacts.

We realize that with the vast scale of the world’s environmental challenges, industry collaboration is required to make progress. We’ve joined industry initiatives to utilize best practice guidance and implementation tools, and are also learning from our vendors, many of whom have spurred innovation and had impact through their own environmental journeys. Only by working together can we make progress in creating systemic change for a more sustainable future.



## WE ARE COMMITTED TO:



**Climate & Energy:**  
Reducing GHG emissions in our operations and across our global value chain.



**Chemical Management:**  
Supporting the implementation of responsible chemical management and wastewater systems.



**Raw Materials:**  
Using more sustainable raw materials throughout our business.



**Waste:**  
Diverting the amount of our waste sent to landfill.



**Water Stewardship:**  
Working with vendors to reduce water consumption in manufacturing and processing.



**Circularity:**  
Helping to avert product and material disposal through reuse and recycling.

# OUR CARBON FOOTPRINT

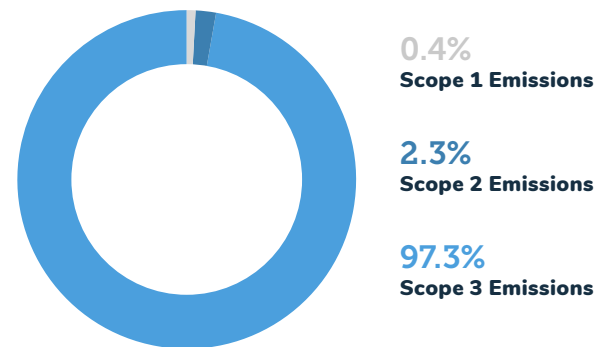
The actions we take today will shape the climate inherited by the next generation. With scientists issuing more urgent warnings about increasing levels of GHG emissions, we are motivated by the pressing need to decrease our industry’s carbon footprint. This need is not only driven by natural disasters that cause damage to economies and lead to humanitarian concerns such as food scarcity, but also by the recognition that climate change has the potential to impact our business operations and profitability. Heat waves and drought can destroy the raw materials that go into our product and extreme weather can delay the transportation of our product to our customers. Governments are looking to enact more stringent corporate climate regulations and younger generations are using their purchasing power to drive support to companies taking action.

By working to reduce GHG emissions across our global value chain, we can help mitigate climate-related business risks and meet the expectations of our customers, investors and associates. We have joined the international business community as a member of the Science-Based Targets Initiative (SBTi) to align our actions with best practices and the latest climate science. The SBTi approved our GHG emission reduction targets in 2020 and we annually report our progress on reducing our carbon footprint using standards and tools such as the GHG Protocol.

In FY21, we continued to see the majority of our GHG emissions come from the supply chain, which is common in the apparel and footwear industry given the carbon intensities associated with raw material cultivation, processing and fabric production. Only a small portion of our GHG emissions come from owned or leased sources (scope 1) and from the generation of purchased energy, such as electricity (scope 2). The rest of our emissions are categorized as scope 3 – indirect sources in the supply chain and from consumer use, which covers the washing and drying of product at home.



## FY21 GHG EMISSIONS BY SCOPE (mtCO2e)



# SCOPE 1+2 GHG EMISSIONS

In FY21, we surpassed our goal to reduce absolute scope 1 and scope 2 market-based GHG emissions across our global operations by 30% (from a FY18 base year). Over the past two years, as a result of the heightened demand for online purchasing, including due to the COVID-19 pandemic, we accelerated our fleet optimization strategy and closed over 250 stores. These closures were a primary driver in the reduction of our scope 2 GHG emissions and contributed to our goal achievement.

## GOAL PROGRESS

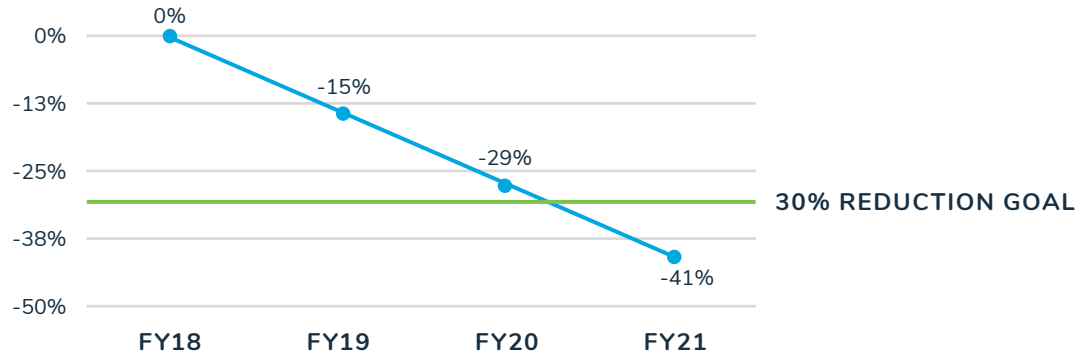


**REDUCE ABSOLUTE SCOPE 1 AND SCOPE 2 MARKET-BASED GHG EMISSIONS ACROSS OUR GLOBAL OPERATIONS BY 30% BY END OF 2030**



**GOAL ACHIEVED!**

## FY18-FY21 SCOPE 1+2 GHG EMISSIONS REDUCTION (mtCO2e)



## SCOPE 1+2 GHG EMISSIONS SUMMARY DATA (mtCO2e)

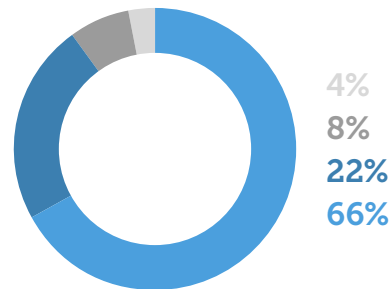
	FY18	FY19	FY20	FY21	FY21% CHANGE (from FY18)
<b>SCOPE 1</b>	<b>4,713</b>	<b>5,132</b>	<b>4,933</b>	<b>4,610</b>	<b>-2.19%</b>
Stationary Combustion	3,921	4,245	4,133	3,816	-2.67%
Refrigerants	771	865	778	773	0.30%
Mobile Combustion	22	22	22	21	-3.74%
<b>SCOPE 2 (market-based)</b>					
Electricity	48,959	40,427	32,716	27,015	-44.82%
<b>Total</b>	<b>53,672</b>	<b>45,559</b>	<b>37,649</b>	<b>31,625</b>	<b>-41.08%</b>

Our resolve to help mitigate climate change impacts continues to strengthen. Achieving our scope 1 and 2 GHG emissions reduction goal ahead of schedule is an opportunity to reset our long-term road map, and we are currently in the process of performing a full review of our climate strategy.

In the short-term, we intend to maintain our momentum by setting a new scope 1 and 2 GHG emissions reduction goal to stay aligned with industry trends. Though we anticipate additional store closures as part of on-going fleet optimization management, achievement of this new 50% reduction goal will require an expansion of our energy efficiency activities. In FY21, we completed a light-emitting diode (LED) lighting retrofit of the more than 2,700 bulbs at our main distribution center in Alabama, which will save energy and improve lighting durability. In our store fleet, we continue to transition to LED bulbs and are planning for other energy efficiency activities, such as a smart thermostat pilot. Smart thermostats can automatically determine and implement temperature settings to improve energy efficiency.

### FY21 ENERGY USE BY FACILITY

ENERGY USE (MWh)	FY21
● Stores	54,020
● Distribution Centers	18,369
● Warehouses / Storage	6,412
● Offices	3,570
<b>Total Scope 1 &amp; 2 Energy Use</b>	<b>82,371</b>



### NEW GOAL



**REDUCE ABSOLUTE SCOPE 1 AND SCOPE 2 MARKET-BASED GHG EMISSIONS ACROSS OUR GLOBAL OPERATIONS BY 50% BY END OF 2030**



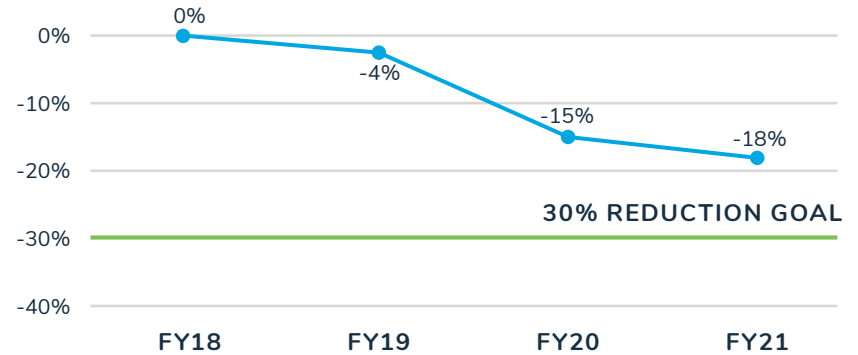
# SCOPE 3 GHG EMISSIONS

Our scope 3 GHG emissions decreased in FY21 due to fewer units shipped and lingering COVID-19 impacts. Though we are more than halfway to our 2030 goal, scope 3 GHG emission reductions are a challenge given the lower levels of control we have over third-party vendors and customers. The on-going review of our climate strategy will help us better identify opportunities for reductions throughout the global value chain as well as ways we might participate in more ambitious industry initiatives.

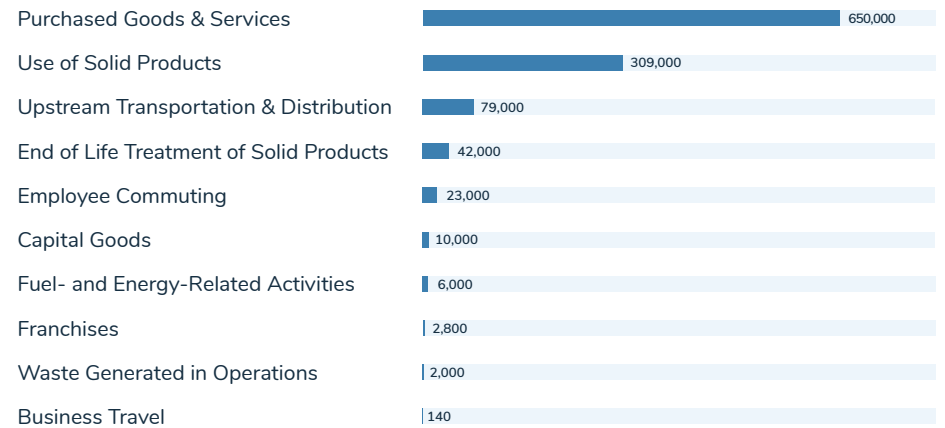
The work being done in each of our environmental focus areas contributes to the overall efforts to reduce our emissions and do our part to flight climate change. We have made the most progress in our responsibly sourced raw materials strategy, which supports GHG emissions reduction in fiber and trim production. We anticipate future reductions from our increased focus on our waste and circularity initiatives. We are also developing a plan to engage our vendors and transportation carriers, as many have established their own GHG emissions reduction targets and programs.

Accountability and transparency depend on our ability to measure progress, so we continue to focus on improving the thoroughness of our data. We have increased the amount of verified energy data collected from suppliers, surveyed corporate office employees to better estimate GHG emissions associated with their commute practices and incorporated more operational waste data through our annual waste accounting. These and other data enhancements help ensure we are accurately communicating our impact to stakeholders.

## FY18-FY21 SCOPE 3 GHG EMISSIONS REDUCTION\* (mtCO2e)



## FY21 SCOPE 3 GHG EMISSIONS BY CATEGORY (mtCO2e)



\*Scope 3 categories under our corporate goal: Category 1 (Purchased Goods and Services), Category 2 (Capital Goods) and Category 4 (Upstream Transportation and Distribution)

# PRODUCT FIBERS

Delivering more sustainable product starts with material fibers. We want to build a better future for our children by reducing the environmental and social impacts of our fiber sourcing.

We are primarily focused on the fiber that makes up the vast majority of our apparel: cotton. Responsibly sourced cotton is better for the environment and for farmers – less environmental impacts coupled with higher yields and profits.

Our membership in Better Cotton strengthens our efforts to improve cotton farming practices globally. This organization helps cotton communities survive and thrive, while protecting and restoring the environment. Sourcing more sustainable cotton such as Better Cotton generates change on the ground by helping to improve soil health, tackle climate change and alleviate poverty. In FY21, 67% of the cotton fiber in our apparel was responsibly sourced through Better Cotton and we continue to seek out mills and vendors who are equally committed to this initiative.

Our second largest raw material input is polyester, a fiber derived from petroleum. Manufacturing product with this non-renewable resource has negative environmental impacts due to its energy and carbon footprint. By moving from virgin to recycled polyester, we can help conserve energy and reduce GHG emissions.



## BASED ON OUR USE OF RESPONSIBLY SOURCED COTTON, BETTER COTTON ESTIMATES THAT IN FY21:



OVER  
**2 BILLION**  
GALLONS OF WATER WERE SAVED



FARMERS BENEFITED FROM  
**\$4.2 MILLION**  
IN ADDITIONAL PROFIT, MOST COMMONLY DUE TO INCREASED YIELDS AND/OR OPTIMIZED USE OF INPUTS SUCH AS IRRIGATION WATER, PESTICIDES AND SYNTHETIC FERTILIZER

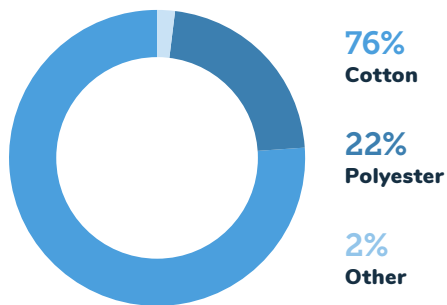


MORE THAN  
**12,000 LBS**  
OF PESTICIDES WERE AVOIDED

Utilizing recycled polyester also provides the benefit of diverting plastic that would normally be sent to landfill. Consumers are rightly concerned about the overwhelming challenge our society faces with discarded plastic, and its impact on the environment and human health. Having our business contribute to a healthy planet for the benefit of future generations means we need to consider ways we can help mitigate the global plastic crisis.

In FY21, only a small percentage of our polyester was recycled – but we’re just getting started. In addition to our initial recycled swimwear offering, in FY22, we will be including recycled polyester in select denim styles, backpacks and even the fill in some outerwear that helps keep our customers warm. We are looking at ways we can increase the amount of recycled polyester in these categories and expand into other products.

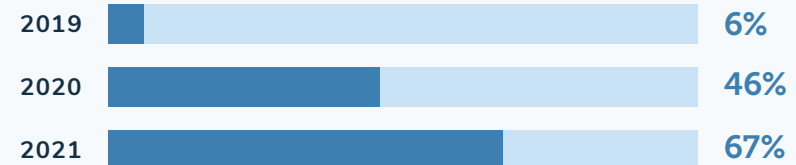
### APPAREL PRODUCT MATERIALS BREAKDOWN



### PROGRESS ON OUR RAW MATERIAL GOALS



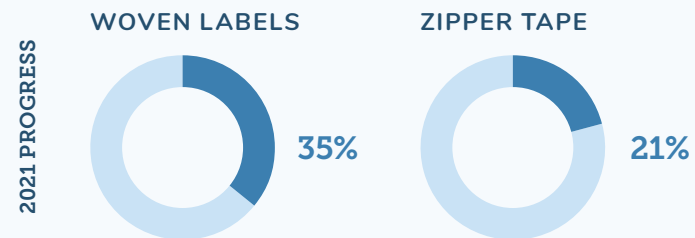
**SOURCE 100% RESPONSIBLY SOURCED COTTON FOR THE COTTON FIBERS USED IN OUR APPAREL BY END OF 2025.**



**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.**



Designing better apparel means that more sustainable options should be considered for every aspect of the garment. For example, as part of our trim conversions, we are transitioning our woven labels to recycled polyester. Our zipper tape is also starting to be manufactured with re-processed material from recovered plastic bottles.

We are currently developing a preferred materials strategy, which is allowing us to define the long-term road map needed to increase sustainability for our products. This strategy will help us increase our ambitions around cotton sourcing to incorporate other cotton sustainability programs such as recycled and organic cotton. It will also support the expansion of our recycled polyester program and help identify alternatives to materials like man-made cellulosics such as viscose.

As we develop our preferred materials strategy, we are researching the environmental impacts of footwear. Improving sustainability in this category is a challenge given the complexity of construction and materials. We are exploring opportunities and engaging vendors to help foster industry innovation in areas where sustainable footwear material options are currently limited.

### OUR USE OF RECYCLED ZIPPER TAPE IN FY21



EQUIVALENT TO APPROXIMATELY  
**116,000**  
PLASTIC BOTTLES



# TICKETS & LABELS

Building a better future means protecting forests for all, forever. Forests are renewable resources when managed properly but unfortunately, many are being overharvested. When a forest is mismanaged, there can be negative impacts on the wildlife and plants that call the forest home, as well as the surrounding communities that often rely on the forest for their livelihoods. Mismanagement also limits the forest’s natural ability to help reduce the impacts of climate change.

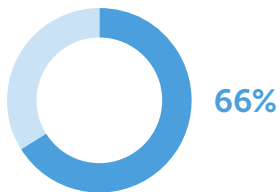
We continue to increase our use of paper material that comes from forests monitored by the Forest Stewardship Council® (FSC®), a global organization that promotes more sustainable management of the world’s forests. The FSC® Mix logo printed on our price tickets and hangtags signifies that the paper comes from sustainably managed or controlled forests. In FY21, we made strong progress on this initiative and have a clear path to achieving our 2025 goal. By moving to more sustainable material for our product ticketing, labeling and carding, we can help protect the forests for our children and future generations.



**SOURCE 100% OF PRICE TICKETS, HANGTAGS, WRAP BANDS AND ACCESSORIES CARDING WITH MORE SUSTAINABLE PAPER SOURCES BY END OF 2025.**



2021 PROGRESS





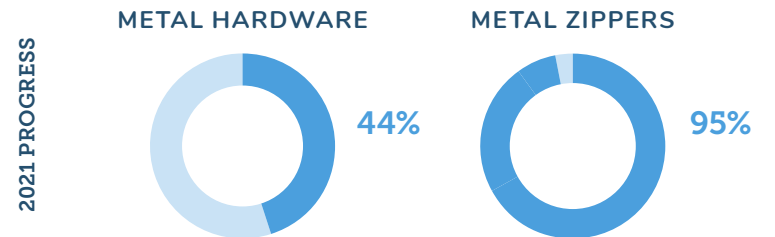
## METAL COMPONENTS

Conventional finishing for trim components like zippers and hardware uses electroplating, which coats the item with a thin layer of metal. Electroplating is resource intensive and can be harmful to the health of the workers making the product. To avoid these impacts, we are transitioning to finishes that utilize the base color of materials and do not involve the electroplating process. We have converted 95% of our metal zippers and nearly half of our metal hardware, which includes items such as snaps, buttons and denim rivets.

Over the past two years, just changing the finish on our most used zipper reduced energy consumption in manufacturing by 82% and related GHG emissions by 81%. This move from antique to golden brass also reduced water consumption by 88%, with savings equivalent to almost two Olympic swimming pools worth of water. Our team continues working with our vendors to identify additional sustainable options that eliminate the electroplating process without changing the product performance or aesthetic our customers love.



**CONVERT 100% ZIPPERS AND OTHER HARDWARE TO FINISHES THAT USE FEWER CHEMICALS AND LESS WATER AND ENERGY BY END OF 2025.**



# INTRODUCING: PJ PLACE

PJ Place, the ultimate sleepwear destination, is here. Launched in October 2022, the new sleepwear lifestyle brand capitalizes on The Children’s Places’ leadership position in kids sleepwear and expands into adults, targeting Millennial and Gen Z audiences. PJ Place will allow a new generation of young Millennials and Gen Z customers to engage with the Brand and build relationships long before they become parents, allowing us to maintain and retain these relationships to our stable of Children’s brands.

The brand launched a star-studded brand campaign showcasing an inspirational and diverse group of entrepreneurs, celebrities and influencers, including Khloé Kardashian, Kris Jenner, CEO of Être Girls Illana Raia, TV personality Tyler Cameron, The Toast podcast hosts Claudia and Jackie Oshry, TikTok stars, Rod Thill and Erika Priscilla.

We want our PJ customers to rest assured they are lounging in product sourced with the environment in mind. We are focused on integrating more sustainable and responsibly sourced materials into PJ Place’s core product assortment.

We are proud that starting in 2023, the majority of our children’s cotton pajamas will carry the STANDARD 100 by OEKO-TEX® certification label. The certification verifies that every component of the product has been independently tested and certified against a list of over 400 harmful chemicals according to STANDARD 100 by OEKO-TEX®, and helps our customers feel confident in the quality and safety of the product they are buying for their families.

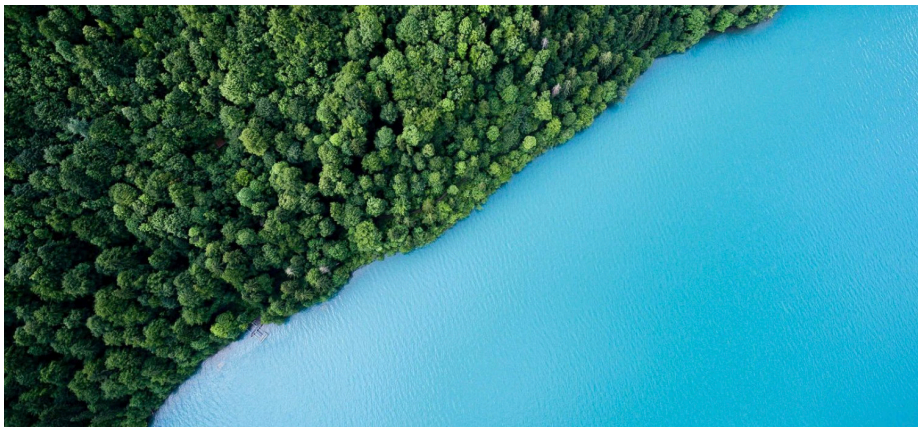


# WATER STEWARDSHIP

The apparel and footwear industry relies on water throughout the supply chain – in the irrigation of cotton, dyeing and washing product, and supporting daily business operations. Our third party vendors’ dependence on water needs to be balanced with the needs of the communities where we source, with freshwater resources being an integral part of ecosystems and human health.

Building water resiliency into our supply chain is a cross-cutting issue with our other environmental focus areas:

- **Climate & Energy:** Reduce GHG emissions to help prevent the worsening of intense weather events such as flash flooding and drought
- **Raw Materials:** Prioritize the sourcing of fibers and materials that use less water
- **Chemical Management:** Protect water quality by further monitoring wastewater and sludge discharge
- **Waste & Circularity:** Increase reuse and recycling to keep waste out of water sources

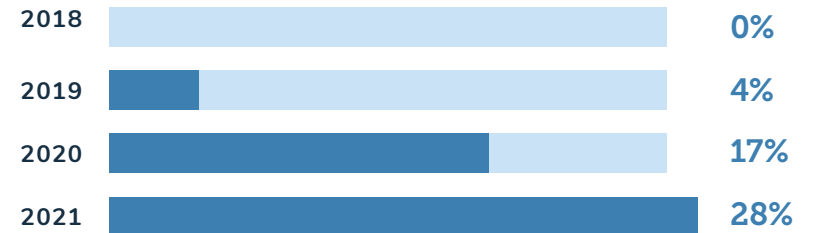


Protecting water resources includes managing water in manufacturing processes, particularly in product categories with high water use. We set a water stewardship goal in 2019 for our top denim and woven bottom vendors to reduce water usage by 25% in their manufacturing and washing operations. We have measured their water intensity (liters of water per production unit) annually through the Sustainable Apparel Coalition’s Higg Facility Environmental Module (FEM). Due to efforts such as machinery upgrades, increased efficiencies and water recycling, these vendors have achieved our goal two years ahead of schedule, with a 28% reduction in water use between FY18-FY21.

While we are proud of achieving this goal, our work has just begun. Our goal to be a good steward of water resources only continues to increase with the water stress we are seeing as a result of climate change. Therefore, we are now initiating a deeper dive into our supply chain to better understand water risk in our sourcing regions, water usage of upstream suppliers such as fabric mills, and how water impacts can become more integrated into our preferred materials road map. We look forward to expanding our strategy and identifying new opportunities to partner with brand peers, strategic vendors and industry experts to protect this essential resource.



**VENDORS MANAGING TOP 20 DENIM AND WOVEN BOTTOM FACTORIES TO REDUCE WATER USAGE BY 25% IN THEIR MANUFACTURING AND WASHING OPERATIONS BY END OF 2023.**





# CHEMICAL MANAGEMENT

Sustainable chemical management requires our third party vendors to employ safer chemical procurement and smarter operational controls so that chemicals are used and disposed of properly. Our sustainable chemical management strategy guides our efforts to work with our vendors to reduce environmental impacts, promote manufacturing best practices and provide safe products to customers.

## FINISHED PRODUCT

We have developed chemical testing protocols as part of the quality and safety standards set for all of our products. During the development and production process, our products undergo testing to support compliance with regulatory requirements. This testing helps consumers have confidence that the products they purchase are safe.

Beyond regulatory requirements, our Restricted Substances Policy outlines additional testing and compliance requirements under the Restricted Substances List (RSL) defined by AFIRM Group. 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 are able to restrict use of harmful chemicals in our products and streamline chemical requirements for vendors in line with industry standards.

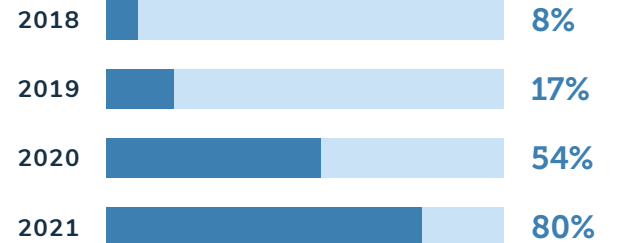
## MANUFACTURING

Our industry is criticized for its water use, in part due to production processes such as dyeing and washing. Utilization of our RSL and regulatory compliance testing help us avoid unwanted substances in finished product, and ensures the proper treatment of water used in these processes to avoid being discharged as contaminated wastewater or sludge. We work to avoid the discharge of harmful substances in our global supply chain by working with our third-party vendors to improve their chemical management systems.

As with our water stewardship goal, our chemical management goal, announced in 2019, focused on denim and woven bottom vendors based on the risk associated with their production processes. We have been assessing their chemical management systems using data collected annually through the Higg FEM and in FY21 80% of these factories met the goal of achieving the FEM Level 1 sustainability rating for chemicals. Achieving this level means those factories have built the foundation for a responsible chemical management system.



**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.**



As we learn more about chemical management, we recognize that denim and woven bottom factories are not the only operations using large volumes of water and chemicals. We have therefore launched an expanded chemical management strategy, with a focus on our vendors' top washing facilities, textile mills providing 80% of our fabric volume and our top sweater vendors. These facilities represent a higher risk for polluting the environment with hazardous substances. Over the next two years, our expanded strategy will focus on helping these vendors build more sustainable chemical management systems.

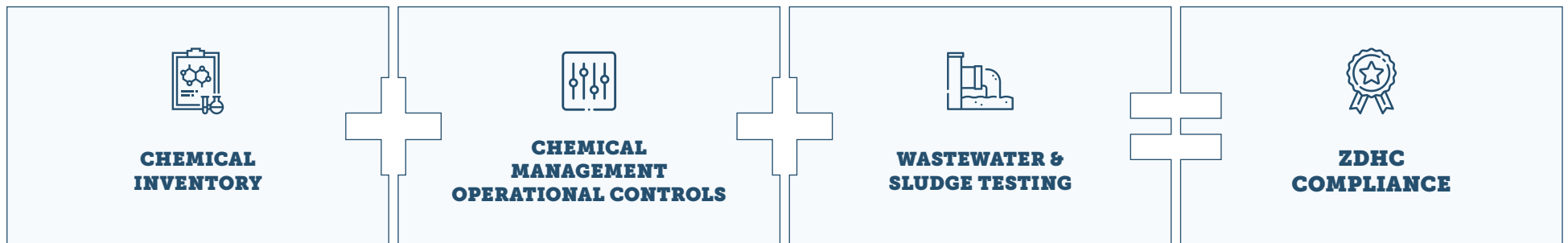
We recently became a Contributor Signatory Brand of ZDHC to support implementation of this expanded strategy. ZDHC is an organization that helps the fashion industry eliminate harmful chemicals in the supply chain. We have adopted the ZDHC Manufacturing Restricted Substance List (MRSL), which helps facilities avoid the use of banned substances during production. ZDHC has tools, resources and wastewater guidelines to help us implement our strategy, and we will use ZDHC compliance as our benchmark for success.

There are three main components in our expanded chemical management strategy:

- **Chemical Inventory:** Track chemical procurement and usage through factory chemical inventory lists
- **Chemical Management Operational Controls:** Measure operational capacity through the Higg FEM, which will help 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

The results of each component combine to determine ZDHC compliance for our supply chain. Our efforts over the next two years will help us understand the obstacles and opportunities in achieving ZDHC compliance so we can finalize a long-term supply chain road-map for eliminating unwanted chemicals and substances.

## SUSTAINABLE CHEMICAL MANAGEMENT COMPONENTS



# WASTE FOOTPRINT

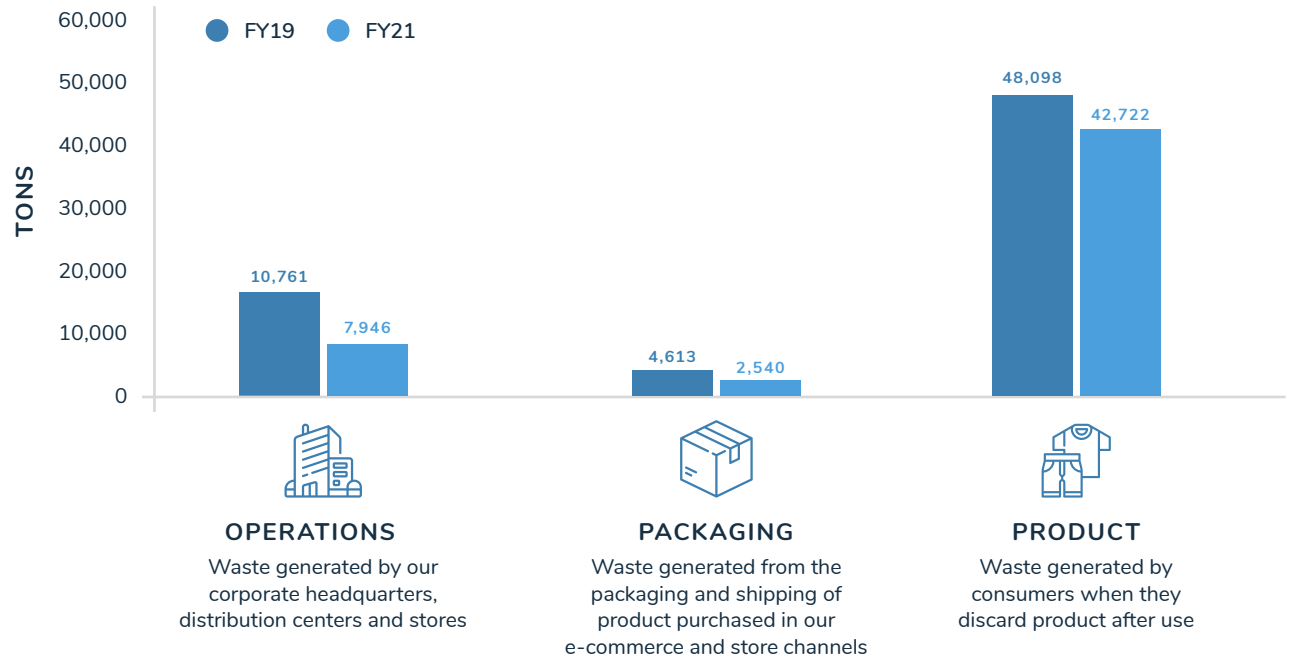
Many of the items we throw away today will impact the environment for generations to come. Building a sustainable future requires reducing the amount of waste going to landfill by using fewer materials and expanding opportunities to reuse and recycle.

We continue to measure our annual waste material footprint so we can identify areas where we have the ability to reduce waste and move to a more circular system. Our FY21 waste stream assessment showed a decrease in our waste materials when compared to FY19, with our FY21 total footprint estimated at 53,208 tons of material. This decrease can be mainly attributed to COVID-19 related temporary store closures and a temporary decrease in consumer demand and product procurement.

Waste totals between our corporate operations, packaging and product categories continue to be heavily weighted in product, with end-of-life product waste estimated to be almost four times higher than the combined waste generated through our operations and packaging. This comparison shows that engagement with consumers through product reuse, repurpose or recycling programs offers a big opportunity for impact.

## FY19-FY21 WASTE MATERIALS FOOTPRINT\*

Total=53,208 tons



\*FY20 waste footprint not calculated as the year would not be an accurate representation of our typical waste generators due to the effects of the COVID-19 pandemic.

# OPERATIONAL WASTE

During our inaugural waste accounting last year, we began surveying our stores to better understand both their recycling practices and barriers to recycling. The majority of our stores rely on mall recycling services, so we started by taking action where stores reported no access to recycling. Our Real Estate team reached out to mall landlords about recycling availability and our Store Operations team began an education campaign to make sure all associates know how to take advantage of recycling services offered by the malls. As a result, our retail diversion rate increased from 50% in FY19 to 57% in FY21.

One challenge we face is that we have limited control over the consistency of our distribution center and corporate headquarters diversion rates. At our distribution centers, when less product is being shipped, the related corrugated cardboard weight declines without a similar decrease in the waste generated during daily operations. This change in overall waste composition results in a lower diversion rate despite recycling practices remaining the same. At corporate headquarters, our waste is sorted offsite by a third party instead of being separated into bins in the office, so our diversion rate is mostly dependent on the sorting practices of the offsite facility.

Despite these challenges, and the related decreases in diversion rates at both our distribution centers and corporate headquarters, the increase in retail recycling helped us achieve an overall 77% diversion rate for our operational waste in FY21. Going forward, we need to continue focusing on improving retail recycling practices and opportunities so we can achieve our 80% waste diversion goal. At our corporate headquarters, we are also encouraging the use of durables and assessing waste diversion opportunities such as composting and poly bag recycling.

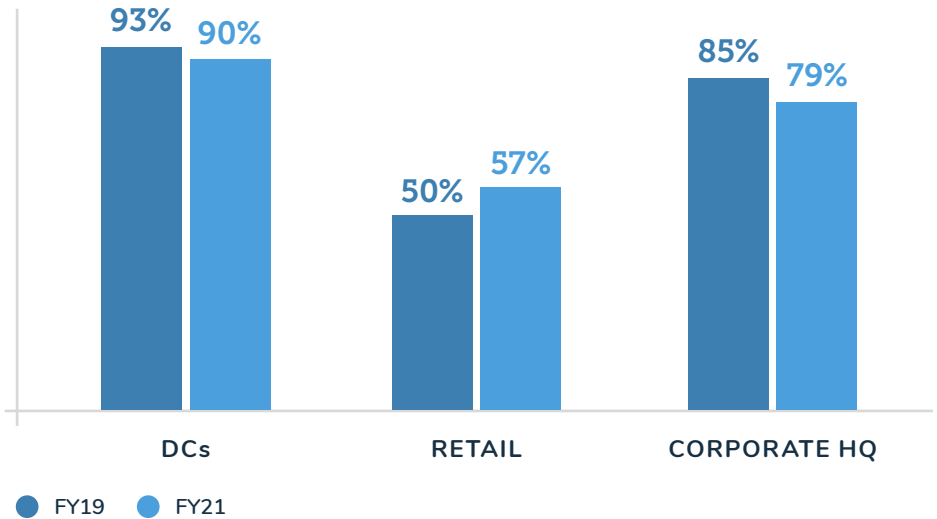
## WASTE DIVERSION GOAL PROGRESS



**DIVERT 80% OF WASTE GENERATED BY OUR CORPORATE HEADQUARTERS, DISTRIBUTION CENTERS, AND RETAIL STORES FROM LANDFILL BY 2025.**



## FY19-21 OPERATIONAL WASTE DIVERSION RATES

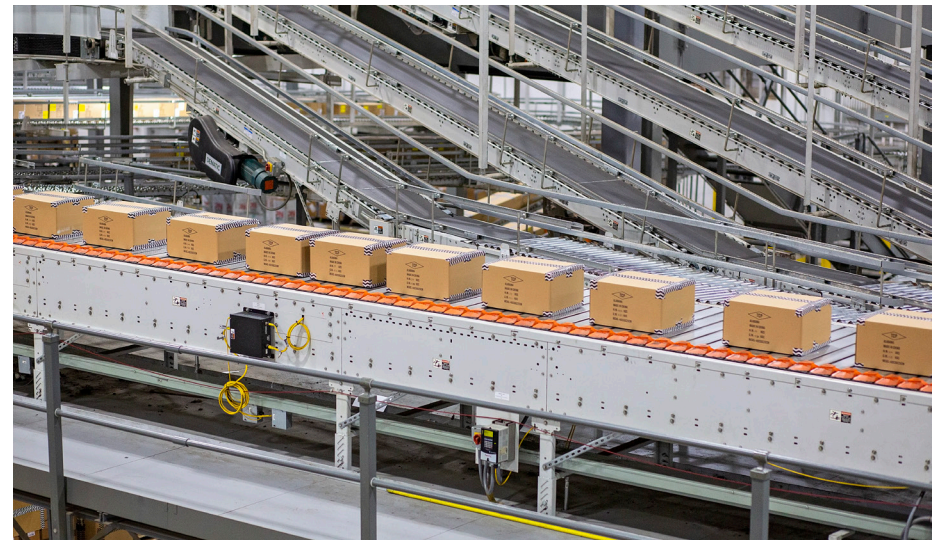


\*Reported as 74% in 2020 ESG Report before being recalculated in FY21 based on improved data sources which more accurately accounted for the number and specification of materials sent to each store.

# PACKAGING WASTE

Between FY19 and FY21, we had a 45% decrease in the weight of our packaging waste. This decrease was driven by fewer units shipped to customers as well as a shift to poly mailers for our e-commerce business, which weigh much less than corrugated cartons. Though our packaging waste has decreased and continues to comprise the lowest percentage of our overall waste by weight, we still have a big opportunity for impact given the concerns around plastic polluting our environment and the difficulties in recycling plastic film. Our Procurement team has started engaging vendors on How2Recycle guidelines and the recyclability of our packaging so that in FY22, we can help consumers understand where and how to recycle packaging materials that are not easily recycled in their communities. Improving recyclability requires assessment of components such as the type of plastic film, the adhesive that seals the package and the sustainability of the ink used for branding.

Using fewer virgin materials in packaging also helps lessen our environmental impact. Our hangtags and some packaging such as header cards are being converted to FSC Mix material (see pg. 29). We have also increased the amount of recycled content in our poly mailers, corrugated cartons and paper shopping bags but need to make more progress around the internal poly bags that help protect our product during shipping. All of our footwear is sent to customers in 100% recycled poly bags but the amount of recycled content for other product poly bags varies. As we work to improve poly bag recycled content across our brands, we will continue to research industry innovations around reducing or eliminating single-use plastics as part of our long-term waste reduction road map.




# PRODUCT WASTE

Product waste continues to be the largest share of our total waste footprint, which reinforces our need to develop circularity goals and help customers extend the life of our product.

In FY21, we studied the work underway in our industry concerning circular business models. We focused on the need to consider circularity from product inception: by designing product that utilizes renewable material inputs, is more durable and can be easily recycled at end-of-life. These learnings are critical to the next step in our journey as we explore ways to adopt circular design approaches through product development.

We also focused on assessing several product take-back programs in the marketplace, including circularity programs covering resale, recycling and donation. Engaging with a variety of service providers allowed us to gain a better understanding of the emerging market on product re-use, including opportunities and associated economic models. As a result of this work, we selected GiveBackBox as the partner for our first circularity initiative, a product take-back program that will launch in FY22. This initiative aligns with our philanthropic mission as well as our goal to minimize our waste footprint.

The GiveBackBox model allows customers to reuse e-commerce cartons or poly bags to donate gently used apparel and footwear to families in need. Our customer will have the ability to print out a pre-paid shipping label through our website, then pack and ship the product donations in any available packaging. The shipped package will be received at the GiveBackBox warehouse, where it will be processed and sorted for routing to charities, such as our preferred partner Delivering Good. This program will launch for our Back To School 2022 season and serve as our product end-of-life pilot so we can prepare for setting new circularity goals by the end of 2023.

## OUR PLACE IS...

40 A Socially Committed Place

### PEOPLE

42 A Diverse & Inclusive Place

49 A Learning & Growing Place

52 A Rewarding Place

54 A Dedicated Place

56 A Safe Place

57 A Giving Place

### SUPPLY CHAIN

62 Monitoring Factory Compliance

66 Promoting Worker Well-Being



# OUR PLACE IS A SOCIALLY COMMITTED PLACE

OUR PLACE is a GREAT PLACE that is committed to our associates, our philanthropic partners and the people who make our product. Our team works hard to deliver on the trust that families have in us with regards to social responsibility.

Since children and families are at the heart of everything we do, we are dedicated to creating a better today and tomorrow for our kids working to foster an equitable and inclusive society and providing support to those in need through monetary and product donations. We also understand it is important for our associate population to reflect the diversity of our customers in an effort to bring varied perspectives to our products and the way we communicate to our stakeholders.

In 2021, we launched our first Diversity, Equity and Inclusion goal to double the representation of Black/African American associates at our U.S. headquarters by 2025. We are proud to have broad representation across our organization and in an effort to further help ensure our corporate office is reflective of the customers we serve, we are focusing on increasing the representation of Black/African American associates at our headquarters. Importantly, to reinforce our strong support of women leaders, we are announcing our commitments to maintain at least 80% representation of women in our overall workforce and at least 50% representation of women in our corporate leadership positions.

Our commitment to social responsibility extends to our global supply chain, which is built on a foundation of respect for all human rights. The workers who make our product are critical to the success of our business, and we work hard to see that our third-party vendors are providing them with fair and safe working conditions. We also have a great opportunity to positively impact families in our sourcing countries by investing in programs that empower women workers and support their well-being and the well being of their families.



## PEOPLE



### Workplace Health & Safety:

Safeguarding our associates and customers.



### Talent:

Investing in the associates that make our business possible.



### Diversity, Equity & Inclusion:

Building an inclusive environment where all people feel welcomed and valued.



### Community:

Supporting children and families in need.

## SUPPLY CHAIN



### Supply Chain Compliance:

Helping to protect factory workers and their rights in the workplace.



### Worker Well-being:

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



PEOPLE



# A DIVERSE & INCLUSIVE PLACE

Over 85% of our customers are women and we are incredibly proud of our industry-leading gender diversity statistics across every level of our organization. 87% of our workforce are women, from our store associates to our Board of Directors.

Our women-led workforce, many of whom are mothers, deeply understand the wants and needs of our customer base, allowing the voice of the customer to be at the forefront of every decision we make. This is a key differentiator in the marketplace and helps us ensure that we deliver on our brand promise.

Over 60% of the third party workers who produce our products in our global supply chain are women. Worker well-being is an important focus as we continue to implement programs that positively impact those workers' mental and physical well-being. We have joined with internationally recognized third-party organizations to address women's well-being globally. Driving towards an increasingly gender-diverse future begins with fostering the growth of women.

To underscore our efforts, our goals are to maintain our industry leading position of at least 80% representation of women and maintain at least 50% representation of women in our corporate leadership positions.



**87%** OF OUR ASSOCIATES ARE WOMEN

- Our CEO is a woman
- 60% of our Board of Directors are women\*
- 50% of our Senior Leaders are women
- 57% of our corporate leadership team are women
- 91% of our store management are women
- Over 60% of workers in our supply chain are women
- 93% of all promotions in FY21 were women
- 89% of new hires in FY21 were women

## NEW GOALS



MAINTAIN  
**AT LEAST 80%**  
REPRESENTATION OF WOMEN  
IN OUR OVERALL WORKFORCE



MAINTAIN  
**AT LEAST 50%**  
REPRESENTATION OF WOMEN IN OUR  
CORPORATE LEADERSHIP POSITIONS

\*Reflective of our current Board as of the date of publication (Oct '22).



We celebrate and are very proud of our racially and ethnically diverse team at The Children’s Place. 67% of our associates identify as racially/ethnically diverse.

We are committed to providing an environment where our teams feel they are represented, know that we are continuing to educate ourselves, see that their voices are heard and trust that we are committed to continuing to grow our racial and diverse representation.

Our goal is to double our representation of Black associates at our US Corporate Headquarters by end of FY25.



**67%** OF OUR ASSOCIATES IDENTIFY AS RACIALLY/ETHNICALLY DIVERSE

- 39% of our corporate leadership team identifies as racially/ethnically diverse
- 48% of our store management team identifies as racially/ethnically diverse
- 67% of all promotions in FY21 were racially/ethnically diverse
- 72% of new hires in FY21 identify as racially/ethnically diverse

**CURRENT GOAL**



**DOUBLE**

**THE REPRESENTATION OF BLACK ASSOCIATES AT OUR US CORPORATE HEADQUARTERS BY THE END OF FY25**  
(FROM A BASE YEAR OF FY20)

We recognize the power and importance of building an inclusive culture through awareness and education. Our vision is to foster a culture in which diversity, equity and inclusion are part of our identity. A culture in which employees KNOW they are represented, FEEL their voices will be heard and TRUST we will all work together to make Our PLACE a Great Place.

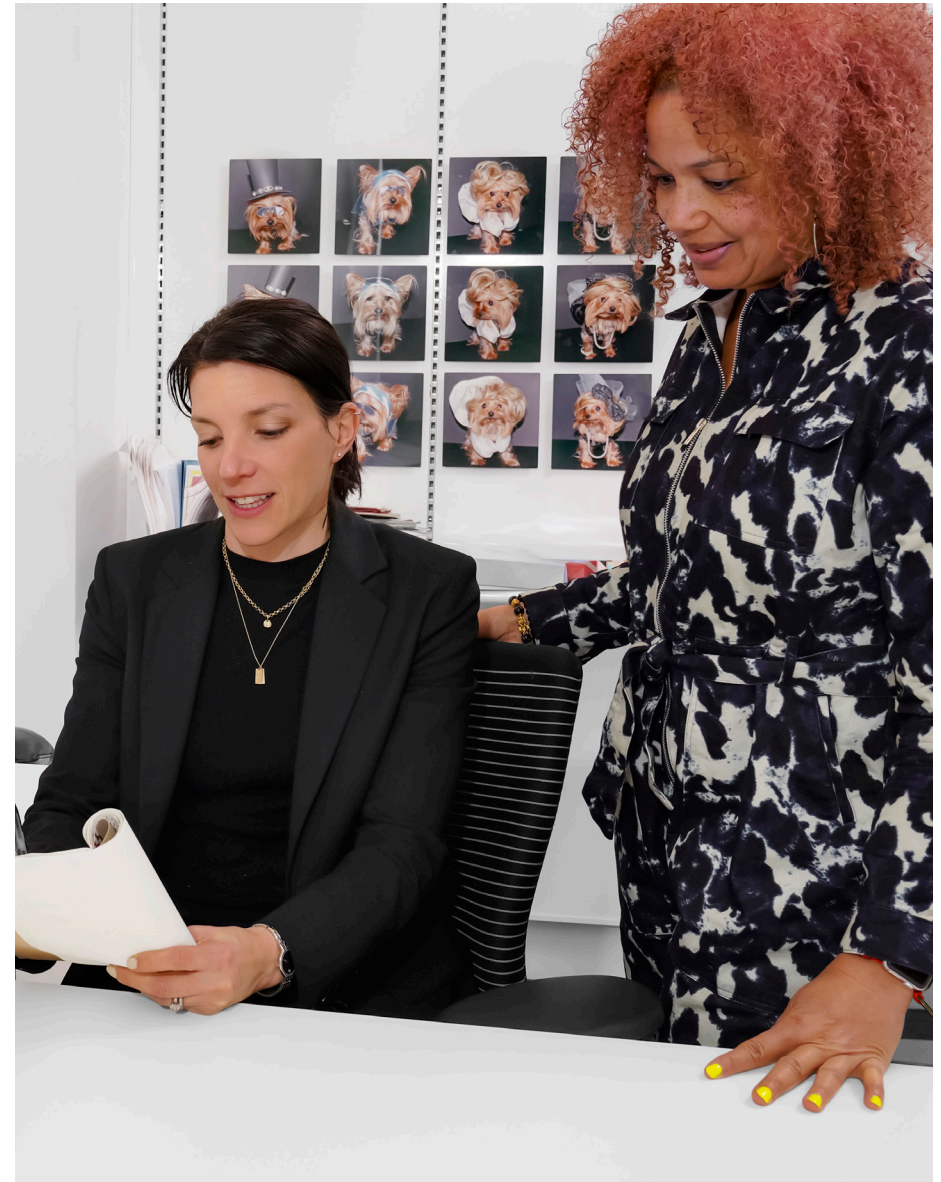
In FY21, we continued to invest in and strengthen structured training and education programs for all associates. We conducted comprehensive facilitator-led education and workshops, developed a DE&I Toolkit and launched three new e-learning modules.

### FACILITATOR-LED DISCUSSIONS

We conducted multiple hours of comprehensive facilitator-led education with all Vice Presidents and above with an Inclusion Strategist, unpacking key topics such as systemic racism, unconscious bias, microaggressions and the critical role of allyship. Foundational DE&I training sessions for all Directors and Managers in Corporate, International, DC, and Field were also facilitated throughout May and June of 2021 to spread awareness of our DE&I mission and values to 400+ Associates.

### DE&I TOOLKIT

We created a portfolio of resources intended for People Managers accessible via our intranet, OurPLACE. Contents include: information on building a culture of allyship through learning to identify and respond to allyship barriers, sample scenarios and appropriate responses, along with activities to perform with their teams.





## E-LEARNING COURSES

In FY21, we launched three new e-learning modules for all associates to increase knowledge and awareness on DE&I topics including managing unconscious bias and preventing microaggressions. We received excellent participant feedback on our learning and development offerings on diversity, equity and inclusion for 2021 and look forward to continuing to develop ongoing awareness and education in 2022.

**Workplace Diversity, Inclusion & Sensitivity** A course that explores the concepts of racial identity, racism, diversity, inclusion, sensitivity and unconscious bias in today's modern workplace. Topics are presented in interactive episodes, with realistic video scenarios, knowledge checks and other assessments that prompt learners to think about their own assumptions, behaviors and experiences. Associates gain a deeper understanding of the many benefits of an inclusive culture and how to treat everyone with civility and respect.

**Unconscious Bias** A course that helps individuals recognize and manage their own biases, avoid discriminatory practices and make better decisions that benefit the entire organization. Topics include: defining unconscious bias; the influence biases can have on workplace decisions and interactions; recognizing different types of workplace biases to make more informed decisions; and the relationship between unconscious bias, diversity and inclusion and preventing discrimination.

**Microaggressions in the Workplace** A course designed for all TCP associates. The training features a video segment, examples of microaggressive behavior and interactive assessments that promote a more inclusive workplace. A certificate of completion is included. TCP associates learn:

- What microaggressions are and the negative effects they can have on others,
- Why certain remarks are considered microaggressions and,
- How to respond to microaggressions in a positive and effective manner.

# OUR TALENT

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



**JENNIFER ESSED**

**Years at TCP:** 1 year

**Role:** Associate Manager, Design & Creative Operations

"I am surrounded by co-workers who are supportive and always willing to guide and provide help for a successful outcome.

As a working mom I must say that the juggle is real! Fortunately, The Children's Place is a place where at the end of the day I am able to leave on time and can attend to my kids and myself."



**LOUISE PIERRO**

**Years at TCP:** 6 Years

**Role:** Design Director, Gymboree

"I love working at TCP because of the people! We have the most incredibly talented and dedicated team! I am a mother to two amazing kids, ages 7 & 10. Being a working parent is all about balance! TCP has given me the tools, flexibility and understanding I need in order to be successful at work and at home. TCP is all about family, from their employees to their customers, and the product we deliver!"



**SUJIT BHOOLA**

**Years at TCP:** <1 year

**Role:** Director, External Reporting

"My peers have been fantastic at onboarding me into my new role. They have made me feel welcome from the onset and a part of the team. My leaders have also shown a strong interest in my development and career and it's been a great learning experience thus far. I've really enjoyed the sense of teamwork and everyone's desire to succeed, which creates a good working environment."



**TRICIA BARNES**

**Years at TCP:** 6 years

**Role:** Regional Human Resources Manager

"I am so proud and greatly honored to say that I work for The Children's Place as the Regional Human Resources Manager for Canada. I wake up every morning eager to begin my day at The Children's Place. A company that provides the opportunity to grow and develop. A company that you cannot help but to feel a sense of belonging, feel appreciated and a part of a successful team made up of diverse and intelligent members."

# U.S. WORKFORCE DEMOGRAPHICS

RACIAL/ETHNIC DIVERSITY		2021	2020
<b>WHITE</b>	All Employees	33%	36%
	Corporate Leadership	62%	66%
	Store Management	52%	52%
	New Hires	28%	30%
	Promotions	36%	38%
<b>ASIAN</b>	All Employees	3%	3%
	Corporate Leadership	23%	20%
	Store Management	2%	1%
	New Hires	2%	2%
	Promotions	3%	3%
<b>BLACK</b>	All Employees	24%	23%
	Corporate Leadership	3%	3%
	Store Management	15%	17%
	New Hires	34%	30%
	Promotions	18%	22%
<b>HISPANIC</b>	All Employees	36%	34%
	Corporate Leadership	10%	6%
	Store Management	28%	26%
	New Hires	31%	33%
	Promotions	39%	31%
<b>OTHER MINORITIES</b>	All Employees	4%	4%
	Corporate Leadership	3%	5%
	Store Management	3%	4%
	New Hires	5%	5%
	Promotions	4%	6%
<b>ALL MINORITIES</b>	All Employees	67%	64%
	Corporate Leadership	39%	34%
	Store Management	48%	48%
	New Hires	72%	70%
	Promotions	64%	62%

GENDER REPRESENTATION		2021	2020
<b>OVERALL</b>	Women	87%	87%
	Men	13%	13%
<b>SENIOR LEADERSHIP</b>	Women	50%	50%
	Men	50%	50%
<b>CORPORATE LEADERSHIP</b>	Women	57%	51%
	Men	43%	49%
<b>STORE MANAGEMENT</b>	Women	91%	90%
	Men	9%	10%
<b>PROMOTIONS OVERALL</b>	Women	93%	90%
	Men	7%	10%
<b>PROMOTIONS CORP. LEADERSHIP</b>	Women	61%	54%
	Men	38%	46%
<b>PROMOTIONS STORE MANAGEMENT</b>	Women	96%	90%
	Men	4%	10%
<b>NEW HIRES OVERALL</b>	Women	89%	87%
	Men	11%	13%
<b>NEW HIRES CORP. LEADERSHIP</b>	Women	45%	31%
	Men	55%	69%
<b>NEW HIRES STORE MANAGEMENT</b>	Women	86%	90%
	Men	14%	10%

The above data reflects all of our EEO-1 data as well as additional information. Corporate Leadership is defined as Director & Above. Store Management is defined as Store Manager. Promotions are defined as movement to a higher level. Other Minorities include: Native America, Pacific Islander and two or more Races.

# U.S. WORKFORCE DEMOGRAPHICS

AGE REPRESENTATION		2021	2020
<b>ALL EMPLOYEES</b>	Under 30 years old	59%	64%
	30 - 50 years old	32%	28%
	Over 50 years old	9%	8%
<b>CORPORATE LEADERSHIP</b>	Under 30 years old	1%	0%
	30 - 50 years old	75%	81%
	Over 50 years old	24%	19%
<b>STORE MANAGEMENT</b>	Under 30 years old	12%	14%
	30 - 50 years old	72%	71%
	Over 50 years old	16%	15%



The above data reflects all of our EEO-1 data as well as additional information.  
 Corporate Leadership is defined as Director & Above.  
 Store Management is defined as Store Manager.  
 Promotions are defined as movement to a higher level.  
 Other Minorities include: Native America, Pacific Islander and two or more Races.



# A LEARNING & GROWING PLACE

The majority of 2020 was focused on finding our way through the COVID-19 pandemic, while keeping our business strong and our associates healthy and safe. In 2021, we began to lead our way out of the pandemic, with an understanding that a reset back to basics was needed. Associates returned to the office and began engaging in person (with masks and following social distance protocols). Lessons learned about efficiencies gained through remote work and the shift in business priorities were realized.

In 2021, Learning & Development (L&D) was leveraged to reinforce critical skills and behaviors specifically targeting compliance standards, performance management, the delivery of performance reviews and technical skill development for all associates.

We are well positioned to refresh and relaunch Learning & Development across The Children’s Place in FY22. Our leaders and associates are ready and eager to learn and grow. L&D is committed to cultivating a supportive environment where we offer relevant and robust growth opportunities to all associates, across all departments, at all levels, to attract, retain, and reward the best talent.



**100% OF ASSOCIATES COMPLETED TCP ANNUAL COMPLIANCE TRAINING (INCLUDING 3 DE&I E-LEARNINGS LAUNCHED IN JUNE 2021)**



**MICROSOFT OFFICE TRAINING:**  
 - **15 COURSES OFFERED TO CORP/DC/INTERNS**  
 - **473 ASSOCIATES COMPLETED TRAINING**

## FOR 2022, THE L&D STRATEGY WILL CONSIST OF 5 KEY PILLARS:



1

### BRING OUR STORY TO LIFE

Inspire an emotional connection to our brand, from Day 1 and beyond: who we are, what we do and how we impact one another, our customers and the community.



2

### LEVERAGE OUR LEADERS

Build skills of existing leaders to better manage performance, lead through change and inspire and motivate teams.



3

### BUILD OUR BENCH

Provide associates with high potential with the roadmap needed for promotion.



4

### RETAIN OUR TOP TALENT AND ATTRACT FUTURE TOP TALENT

Educate associates on company benefits and perks.



5

### DEVELOP AND REPORT ON OUR KEY METRICS

Quantify training delivery and qualify training results.

# GOING PLACES INTERNSHIP PROGRAM

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 talent in our organization is through our Going PLACES Internship Program, creating a diverse pipeline of talent into our organization and providing 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 the inner workings of our company and to help prepare the next generation of retail leaders. Our comprehensive 10-week program from June to mid-August includes a series of training and development sessions, hands-on experience with key tasks and responsibilities in each intern’s desired discipline, cross-functional department exposure and interaction with senior leadership, including our CEO.

Over the past years, we have expanded our internship recruiting efforts to include more than 15 universities in the U.S. and two universities in Hong Kong, with over 185 interns participating in our Going PLACES Internship Program – and more than 50 students hired after graduation in full-time positions across a collection of departments, including Design, Global Merchandising, Digital Marketing, Planning & Allocation, Sourcing, Strategic Partnerships, Creative Services, IT, Finance and Human Resources. Despite the continuing challenges with COVID-19, we offered a hybrid – virtual and in-person – internship program in 2021.

For our 2022 program, we have expanded our reach to more diverse educational institutions, such as Howard University, 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.



# WAY TO GROW

We are proud of the many associates across all levels and locations of our organization who have grown their careers and contributed to growing other associates throughout their tenure.



**AMRITA GUPTA**

**Years at TCP:** 16 years

**Role:** Vice President, Global Sourcing

**Previous Role(s):** Global Sourcing Director, Sourcing Manager, Senior Technical Designer, and Technical Designer

"I enjoy the fast-paced environment and complexities with the various work streams that continue to keep me challenged. The talent in this organization amazes me and pushes me to strive for better! It is absolutely gratifying to see the tangible results - the impact I make on the lives of the people who make our products & the kids who wear our products. My role puts me in the unique position of being able to use my own experiences and insight as a mom to deliver a better product for our customer. My experience at The Children's Place is proof that being a working parent is an asset, rather than an obstacle to a successful career."



**ELSIE MIRANDA**

**Years at TCP:** 12 years

**Role:** Customer Service Director

**Previous Role(s):** Customer Service Representative, Customer Service Coordinator, Customer Service Supervisor, Customer Service Manager

"I enjoy collaborating cross-functionally with so many talented and knowledgeable individuals to improve the overall customer experience. The Children's Place has allowed me to grow professionally and learn so much! I feel TCP gives me the opportunity each day to show my 4-year-old daughter that it is totally possible to have a full time awesome career while being an active mom."



**RIRE NAKPODIA**

**Years at TCP:** 4 years

**Role:** VP Web and Interactive Design

**Previous Role(s):** Director Web Creative

"Since joining the TCP family four years ago, it's been an exciting and rewarding journey to be part of a company that places digital innovations at the forefront of its goals, while investing in the best talent to help achieve these goals. As a father of three, I also feel proud to work at a company that values family as much as I do."



**NICOLE KANELLAKIS**

**Years at TCP:** 1 year

**Role:** Director, Digital Marketing and Amazon

**Previous Role(s):** Account Manager, Amazon

"My role focuses solely on Amazon, which is an account I am passionate about. Amazon's business is ever-changing, making my job always feel new. My team at TCP is as passionate about Amazon as I am and it is exciting to see our ideas come to life and produce results. As a working mom to twin boys it is important for me to be a role model to my family. TCP allows me to balance work and home life, allowing me to feel confident that I am being a great employee and mother."



**MAGDALENA GOOD**

**Years at TCP:** 10 years

**Role:** District Manager - Ohio

**Previous Role(s):** Store Manager

"I am passionate about the work environment we provide for our teams. A passionate work environment is engaging, inspiring and contagious. I love motivating teams to do the very best in their roles at TCP and ensuring they are satisfied with their own success and the company's. I have had the opportunity to be Training Store Manager and Loss Prevention Ambassador, which has allowed me to impact my peers. In my new role as DM, I look forward to learning from my new team and making a positive impact on growth."

# A REWARDING PLACE

We strive to attract, motivate, retain and reward superior talent in our highly competitive environment through comprehensive compensation and benefits programs.

Our compensation strategy incorporates base and variable incentive opportunities to reward performance against clear goals. Compensation for our senior executives is tied closely to the company's performance and is disclosed in our annual proxy statement. In 2021, we took the following steps to reward associates at all levels of the organization to ensure we are sharing in the company's successes as well as paying fairly and equitably:

- **Awarded discretionary bonuses** to non-bonus-eligible corporate associates globally
- **Raised the minimum hourly pay rate for our U.S. store associates** to \$11, resulting in an average hourly rate more than \$2 above the aggregate local minimum wage
- **Raised the minimum hourly pay rate for our U.S. distribution center associates** to \$15, resulting in an average hourly rate more than \$8 above the local minimum wage
- Eliminated the waiting period for the **401(k) Company match**—associates are now eligible for and fully vested in the company match upon hire
- Continued to evaluate **pay equity across our U.S. associate** populations to ensure there are no systemic disparities based on gender or race/ethnicity

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 health and welfare benefits that meet their unique needs and the needs of their spouses or partners and their families. While we have always offered very generous paid time off, a high employee

discount on product purchases and a complement of other programs like back-up child/elder care and an employee assistance program, our associates told us we could do more... and we listened! In 2021, we began our partnership with a new benefits consultant and broker to evaluate all our U.S. plan offerings and to redesign our plans with our diverse population in mind. We focused on flexibility to use any doctor of the associate's choice; affordability in both associate contributions and plan designs; ensuring our disability plans covered all of our full-time associates within a month of their start dates; and greater accessibility to learn about the offerings and programs available to our associates through a user-friendly online platform for our 2022 – 2023 benefits plan year, beginning in July 2022.



# BEING BETTER TOGETHER

We constantly work to maintain a supportive team environment where our associates can grow in self-expression and confidence.



**JENNY TSANG**

**Years at TCP:** 7 years  
**Role:** Director Design Non-Apparel

"It is incredibly rewarding to work with a team of talented and driven creative designers. As a mom of three children, I always focus on mentoring and nurturing my team and inspiring them to think out of the box for their growth and development. Also, as a mom, I am able to understand and relate to how our customers always want the best for their children. I'm proud of my team's work in always anticipating the trend and developing a fashionable product with great value that doesn't sacrifice the family's budget!"



**FRANCESCA KUCZINSKI**

**Years at TCP:** 9 years  
**Role:** Director, Price Execution, Merchandise Operations and Master Data

"For the 9+ years that I have been at TCP, I can truly say no day is the same! There are always new challenges, projects and innovation that help drive my engagement and commitment. Being a working parent and working for TCP definitely has its perks, cute and affordable outfits at all times! What is really great at TCP is that so many of my peers are also working parents so there are many aspects within our lives that we can relate to, in the office and outside of the office. As parents, we understand the challenges and rewards that come with running a household, similar to running a business."



**CINDY MAGEE**

**Years at TCP:** 8 years  
**Role:** Director of Human Resources – West Zone

"The leaders and teams I work with inspire me and have further enriched my career! The Children's Place has allowed me the flexibility and support in my personal life as well. When I started with The Children's Place, my only daughter was 12 years old and now she will be graduating from college. I have been able to see her compete in high school and college athletics and support and guide her in her journey to complete her college degree in four years. I am very thankful to The Children's Place and the many leaders I have worked with over the last eight years, and look forward to all the possibilities in the future at The Children's Place."



**MONIKA PURANIK**

**Years at TCP:** 5 years  
**Role:** Divisional Merchandise Manager

"I love studying the customers' ever-changing needs, then ideating and developing beautiful product that exceeds her expectations. I am fortunate to work for strong, brilliant, female leaders who encourage and challenge me daily."



**ANGELICA RAMIREZ**

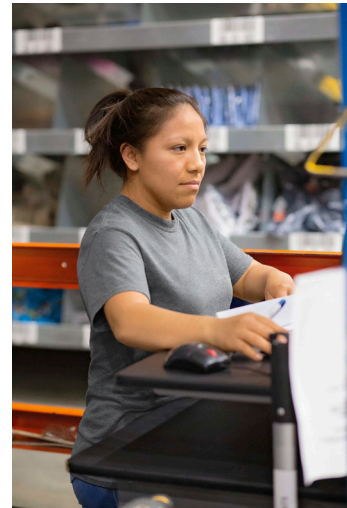
**Years at TCP:** 17 years  
**Role:** District Manager

"One of the main reasons I love working for TCP is every day I get to lead, develop and inspire people to perform better and to achieve excellence in everything that they do. Year after year I can see myself growing as an individual and professionally, our company allows this to happen, especially when you are working alongside great and passionate leadership that shares the same values and mission. At the end of my career, I want to be able to have supported and developed others the same way TCP has done for me."

# OUR DISTRIBUTION CENTERS

We are extremely proud of the commitment and hard work of our associates at our Distribution Centers. Throughout 2021 when supply chain disruptions and challenges were at record levels, our Distribution Center associates worked tirelessly to make sure our products got into the hands of our customers – both in store and at home.

We take care of our Distribution Center associates with great benefits including on-site medical clinic services. Our Distribution Center Leadership and Human Resources teams also organize regular events and workshops to promote the health and well-being of our associates, such as our annual health fairs, monthly wellness communications, Wear Pink Day for Breast Cancer Awareness, Wear Red Day for Heart Awareness and other fun contests, volunteer service opportunities and engagement activities throughout the year.



# CAREER DEVELOPMENT

We strive to offer growth opportunities for associates across all levels and locations of our organization.



**BRANDY BOWEN**

**Years at TCP:** 13 years

**Role:** Ecom Operations Manager

"I enjoy working at The Children's Place because of the opportunities for personal development and advancement within the company. I love being able to mentor people and see them develop and grow, to become better at what they do. The only way to do great work is to love what you do."



**JASMINE WILLIAMS**

**Years at TCP:** 4 years

**Role:** Retail Lead

"I enjoy working at The Children's Place because of the amazing opportunities this company offers. Over the past four years, I have developed many new skills. Being a part of this growing company motivated me daily to achieve my goals. I really enjoy working with like-minded people with a strong work ethic."



**AMY BURT**

**Years at TCP:** 14 years

**Role:** Amazon Operations Supervisor

"Working at The Children's Place has offered me fantastic opportunities! I began as an hourly associate and was promoted to the DC Lead role. As a Lead I worked in various different departments within the DC before becoming an Operations Supervisor. This role has challenged me in many ways. It is a new process, and I am excited to be a part of the growth at the DC. Being a member of this growing company makes me proud!"

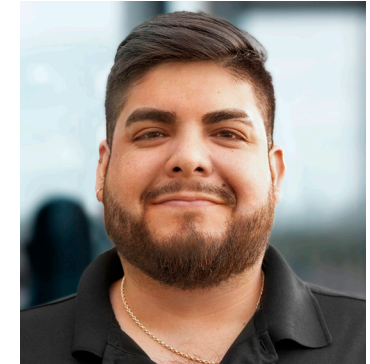


**MARIA ASTRAIN**

**Years at TCP:** 9 years

**Role:** Receiving Lead

"Working at The Children's Place has enabled me to learn many different jobs throughout the building. I enjoy learning and improving myself for the company."



**MIGUEL GARCIA**

**Years at TCP:** 6 years

**Role:** Ecom Operations Supervisor

"Working at The Children's Place has allowed me to grow as a person and a professional. I love being able to work with such a diverse group of people!"

## A SAFE PLACE

In 2021, we were pleased to see a decrease in overall COVID-19 cases. We continue to uphold the highest level of safety and sanitation standards at all of our offices, distribution centers, and stores to protect the health and well-being of our associates and customers. In July 2021, we welcomed our corporate associates back to the office under a new, hybrid work schedule and continue to offer the flexibility to work remotely from home two days per week.

## SUPPORTING THE GLOBAL COMMUNITY

We recognize that COVID-19 has created challenges globally and impacted our overseas associates. In early 2021, India experienced an overwhelming increase in reported COVID-19 cases and deaths, and we took immediate response measures to send care packages to all of our associates in India, which included pulse oximeters, thermometers, steam vaporizers, hand sanitizer, and vitamins, as well as PPE equipment to keep them safe. In addition, we made a donation to support Project HOPE's life-saving work in providing medical supplies, equipment and training to local organizations in India. Through a simplified matching gift process, The Children's Place and our associates donated \$10,780 to Project HOPE. In early 2022, Hong Kong also experienced a drastic outbreak of COVID-19. Once again we took immediate action to arrange care packages to all of our associates in Hong Kong, showing them support in addition to providing them with useful health protection items.





# THE CHILDREN'S PLACE

♥ A PLACE FOR GIVING ♥

A better community starts by doing good and giving back. With families at the heart of our brand, we are especially dedicated to giving back to those in need. We proudly partner with charities in our local communities, across the country and globally by donating to families in need and supporting important causes. We are honored to be able to help create a positive impact and strive to make the world a Better PLACE. We are committed to supporting the well-being, growth and development of today's and tomorrow's children.

We also recognize the need and power of contributing to both our local communities and those who need to be supported globally. We are proud to be long term supporters of a number of charitable organizations and are honored to be able to help create a positive impact to those in need.



“ I love working for a company where charitable giving and philanthropic efforts are a part of their core values, and where you can see their mission and purpose come to life through action. Seeing our ESG efforts, and partnerships like with Better Cotton, where we are actively working toward a more sustainable future, is so important to me as an employee and as a parent. Also seeing charitable giving, speaking to one of our amazing partnerships with Delivering Good, makes me feel great that giving back to the communities we serve is such a significant part of our values. Now more than ever it's important that my personal efforts are mirrored through my employer, and The Children's Place really shows this every day!”

-SYLVIA BOSOLASCO (BRAND MARKETING, THE CHILDREN'S PLACE)



Delivering Good unites retailers, manufacturers, foundations and individuals to provide people impacted by poverty and tragedy with new merchandise, effectively distributed through a network of agency partners to offer hope, dignity and self-esteem to at-risk children, families and individuals. Founded in 1985, Delivering Good has become the charity of choice for new product donations made by hundreds of companies in the fashion, home and children's industries. Over the past decades, Delivering Good has distributed over \$2.5 billion of donated products through their network of community partners, serving individuals and families affected by poverty and disaster worldwide.

The Children's Place has had a long-standing partnership with Delivering Good. They have helped us streamline our product donation contributions to those in need in a simple and effective manner by liaising with over 800 local 501(c)(3) nonprofits and government partners across the U.S. and beyond. 99% of Delivering Good's revenue is dedicated to its charitable program ensuring our company's contributions are used efficiently. In 2021, we made a donation to Delivering Good of approximately 1.4 million units of new clothing with a retail value of over \$14 million.

"We are so grateful for our partnership with The Children's Place," said Merrie Keller, Director of Product Procurement for Delivering Good. "Their generous donations of critically needed new children's clothing have provided dignity and peace of mind for thousands of struggling families and children across the U.S."





We look forward to continuing and growing our partnership with Delivering Good and will remain committed to supporting the organization with continued product donations.



**It's been a huge blessing, I'm unemployed but now the kids have clothes that fit them properly, they received jackets so they can stay warm this winter. I'm very blessed."**

**- LUCINDA G. (RECIPIENT OF OUR PRODUCT DONATIONS)**

# PHILANTHROPIC PARTNERS

ORGANIZATION	DESCRIPTION	IMPACT
	<p>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 of which have children at YCS' group homes and are separated from their loved ones and have been affected by trauma; others are affected by intellectual and developmental disabilities that adversely affect their behavior.</p>	<p>In 2021, we provided a \$10,000 corporate sponsorship in addition to matching gift donations from our associates. During the summer, our interns supported the YCS' Field Day to host games and activities as part of the organization's fun-filled event. During the holidays, we also ran our annual Winter Wishes gift drive, which granted the wishes of 75 children living in group homes in the New Jersey area, and created special moments for children in need.</p>
<p>Good+Foundation</p>	<p>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.</p>	<p>In 2021, we donated over 60,000 units of product donations amounting to approximately \$320,000 in retail value, which were distributed to families and children in need throughout the course of the year. We also provided a \$10,000 gift card sponsorship to the Shop with Pops Program. This program is specifically designed to support underprivileged fathers so they can bring their child on shopping trips that they otherwise couldn't afford.</p>
	<p>Children's Aid and Family Services has a mission to strengthen families and individuals to reach their fullest potential. The organization offers high-quality, innovative services to children, adults and their families that advance their social, educational and emotional development and well-being.</p>	<p>In 2021, we donated \$15,000 to the Baby Basics program, which provides diapers, formula, and other necessities to children up to the age of 2. In addition, we contributed \$18,000 in product donations.</p>
	<p>The Matthew Larson Foundation for Pediatric Brain Tumors has a mission to raise the awareness and funds necessary to overcome pediatric brain tumors and to help the children and families affected by them. The Foundation provides a range of family assistance and support programs to over 1,400 families across 45 states.</p>	<p>In 2021, we supported the Iron Matt Foundation with a \$10,000 Corporate Sponsorship. In addition to this donation, we supported 102 families with over \$22,000 worth of TCP gift cards to help offset the financial burden of obtaining quality merchandise and clothing for their children.</p>
	<p>The National Association for the Advancement of Colored People is a civil rights organization in the United States, formed in 1909. With more than 2 million members and 112 years of experience, NAACP works to make sure Black voices are heard, demands are met, and Black excellence is amplified.</p>	<p>In 2021, we donated \$26,585 to support the organization's programs and activities in realizing its mandate. Our contribution to NAACP further supports our commitment to our Diversity, Equity &amp; Inclusion mission.</p>
	<p>Table to Table is a community-based food rescue program that collects prepared and perishable food that would otherwise be wasted from over 200 donors; and delivers the items to those in need, free of charge, to over 100 community organizations in Bergen, Essex, Hudson, and Passaic counties. Every \$1 donated provides 10 meals to those in need in our communities.</p>	<p>In 2021, through our dedicated fundraising page for Table to Table's Bag a Lunch, Help a Bunch campaign, we generated a total of \$20,892, including all associate donations and our company matching and corporate giving efforts.</p>



## EMPLOYEE GIVING AND VOLUNTEER SERVICE

Younger generations of associates are increasingly attracted to companies that offer opportunities to give back in meaningful ways. To help attract and retain talented associates, we need to continue building a culture of employee engagement and facilitate programs that have a positive impact on the community.

All of our full-time associates with six months of service and all part-time associates with 12 months of service are eligible to participate in our Gift Matching program for qualifying donations. Gifts are matched up to \$500 annually for part-time associates with increasing associate limits through to the executive and Board level of the company at \$10,000 annually.

In addition to our traditional corporate donation and matching gift programs, it is important that we support our communities in specific times of need. For example, in response to the tragic event at Robb Elementary School in Ulvade, Texas, we made a significant donation to VictimsFirst to support the affected families. Internationally, in response to the tragic events in Ukraine, we mobilized a sizeable donation of clothing to support Ukrainian refugees. FY21 also marked the second year that, in the wake of 2020's racial unrest, we honored our commitment to change by making a company donation to the NAACP and matching additional employee donations. Going forward, we will continue to identify ways to join with our employees to create impact.

Associates are encouraged to volunteer and donate their time and skills to organizations with which we partner. In FY22, we aim to further support and promote volunteer service among our associate population through new programs and offerings, such as implementing a day of volunteering at our corporate office.

## NEW GOAL



**IMPLEMENT A DAY OF VOLUNTEERING AT OUR CORPORATE OFFICE IN 2022 AND PROGRESSIVELY EXPAND OUR EFFORTS THROUGHOUT THE ORGANIZATION BY 2024**

# SUPPLY CHAIN



# OUR APPROACH TO FACTORY COMPLIANCE

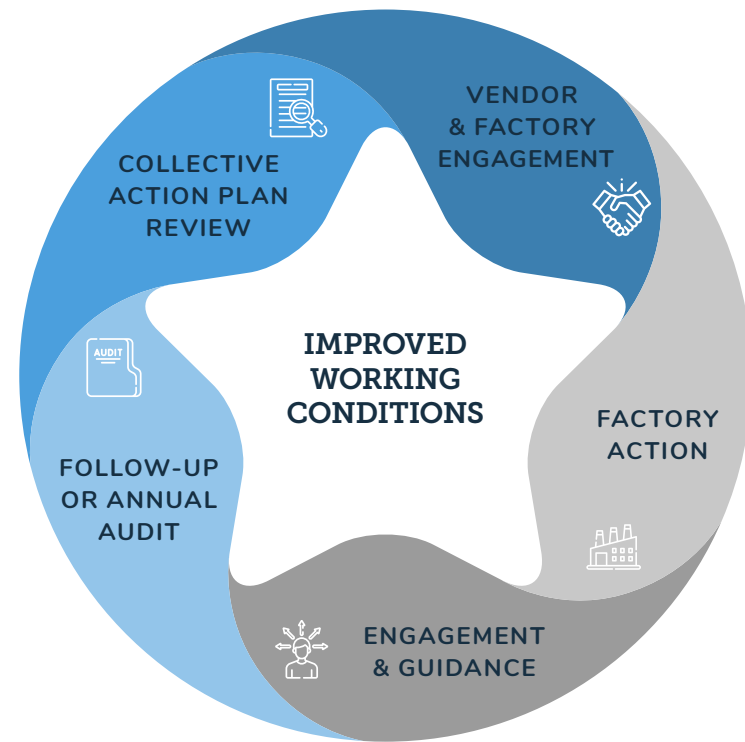
The Children’s Place is committed to working with vendors and manufacturers that provide safe, fair and healthy working conditions for their factory workers. Our **Vendor Code of Conduct** provides the standards by which we hold our third party vendors and factories accountable. Our Code of Conduct is aligned with the principles set forth by the ILO<sup>1</sup> core conventions, the UN Guiding Principle on Business and Human Rights and the OECD<sup>2</sup> Guidelines for Multinational Enterprises.

The disruption from the COVID-19 pandemic was substantial in 2020. In 2021, we were able to resume in-person audits across all of our regions once business began to normalize and COVID-19 restrictions were lifted. Our Responsible Sourcing team and trusted audit partners spent the year focused on site-assessment activities at the facilities we could not previously visit in person. In line with our continuous improvement model, this process entailed offering guidance and training for our vendors and factories, and performing ongoing monitoring to verify compliance to our standards.

Due to these activities, we experienced a reduction in priority compliance findings and improvement of global factory compliance scores. Approximately 83% of our factories were assessed in FY21 according to our Vendor Code of Conduct through onsite audits. In FY21, the percentage of manufacturers in our “High Performance” and “Above Average” performance tiers had improved from 49% to 69%.

Another audit platform that The Children’s Place is focused on for compliance is the adoption of the Higg Facility Social & Labor Module (FSLM). The Children’s Place supports an approach of sharing audits to reduce factory audit fatigue so factory compliance teams may increasingly focus on corrections and management systems. For 2021, our first year of FSLM adoption, we transitioned factories producing 7% of our finished goods annual volume to FSLM assessments. This was slightly behind our target of 10%, but we remain on track to complete our goal of moving factories producing 80% of our annual finished goods volume to FSLM by 2023.

## FOCUS ON A CONTINUOUS IMPROVEMENT MODEL THROUGH AUDITING, ENGAGEMENT AND TRAINING



\*1 International Labor Organization

\*2 Organization for Economic Cooperation and Development

# WORKPLACE DIALOGUE

In addition to our regular audit activities, our approach to compliance includes supporting regional programs to improve worker-management dialogue at our third party factories.

In Bangladesh, we continued to implement the ILO's BetterWork program at our existing factories. BetterWork is an industry program that works with global brands, factory owners, governments, unions and workers to improve factory working conditions. The Children's Place values BetterWork's programming for its focus on workplace cooperation, capacity building and gender equity. We participate in the program in 7 countries where BetterWork has a presence. In 2021, we continued our rollout of the program in Bangladesh. This was the second year of the rollout and we have now enrolled 63% of our manufacturers in the BetterWork program in the region.

In India, we employed expanded worker interviews as a part of our ongoing facility audits. Expanded interviews entail a more in-depth conversation, in local languages, with workers 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. In China, we also launched a series of factory trainings focused on developing more effective grievance mechanisms to support improved communication within the factory.

These types of initiatives allow us to learn and test new approaches to strengthening workplace dialogue and factory grievance systems. They reinforce with our vendors the importance we place on social dialogue and workplace cooperation. We will continue to scale these types of programs in the regions where we see the most need.



# TRACEABILITY

A topic of growing priority for The Children's Place and the apparel & footwear industry is supply chain traceability. Traceability involves tracking each supply-chain entity that supplies or manufactures, in whole or in part, our products. The importance of traceability has grown due to highly concerning reports of forced labor within the global apparel supply chain and the associated government regulations that have been enacted.

Due to the significant number of suppliers involved in modern-day supply chains, product traceability cannot be accomplished without the investment in and use of new technology. These technologies are still emerging and being deployed across supply chains to understand viability. In 2021, we launched our first pilot to trace a select number of products from material origin to finished goods manufacturing. We utilized a leading technology platform focused on the verifiability of cotton sources within our supply chain. In 2022, we will expand this pilot, and potentially look at other providers to better understand the opportunities of deploying these systems.





# FORCED LABOR PREVENTION

Forced labor is a human rights issue that has received heightened attention in the past several years, in part due to highly concerning allegations of forced labor in the supply chain for various sectors, such as apparel, solar and food industries. 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. In line with the 2012 California Transparency in Supply Chain Act and our Vendor Code of Conduct, we act decisively on any allegation of forced labor within our global supply chain.

Last year, in conjunction with our public commitment to the elimination of forced labor based on reports of widespread human rights abuses in the Xinjiang region in China, we launched an internal forced-labor assessment working group that includes senior executives from the Legal, Sourcing and Responsible Sourcing teams. This group typically convenes twice a month to discuss new reports of forced labor in the industry, related legislation and trade regulations, and ways to enhance our due diligence process.

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. Along with our traceability technology pilot, we completed supply-chain mapping exercises with vendors deemed higher risk to increase visibility into their supply chains. We are also collaborating with industry associations and peer brands to understand both best practices and lessons learned as our industry explores more traceability solutions.

## WE MONITOR COMPLIANCE WITH OUR FORCED LABOR POLICY THROUGH:



### REGULAR AUDITING

We audit all vendors against our Vendor Code of Conduct, with the Responsible Sourcing team conducting further investigation if any allegations arise



### CERTIFICATIONS

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



### SUPPLIER SCREENINGS

We conduct regular internal and third-party screening of all suppliers against companies named in the OFAC sanctions list, U.S. Commerce List and media articles.



### VENDOR TRAINING

We have developed a training program to provide vendors with information on forced-labor indicators and prevention of forced labor in the supply chain.

# SUPPORTING WORKER WELL-BEING

The Children’s Place has significant opportunity to impact the workers who make our products through programs focused on worker well-being. Over the past five years, we have supported worker well-being programs in the supply chain to move beyond traditional compliance to sponsoring programs focused on women’s health, nutrition, financial literacy, and other life topics. Our experience has shown that providing workers access to well-being resources brings value to their daily lives. We have also seen how worker well-being programs can improve business metrics by contributing to reduced absenteeism and increased productivity.

In 2019, we announced our goal to impact 140,000 workers by requiring our top 25 vendors (representing roughly 85% of our purchasing spend) to implement worker well-being programs in their operations. Owing in large part to the disruption caused by the COVID-19 pandemic, we only reached an additional 5,000 workers by the end of FY21. However, we were able to build a foundation that will allow us to better partner with our key vendors around topics beyond factory labor compliance. To provide guidance to vendors on how to make their programs sustaining, measurable and impactful, in FY21 we developed our first comprehensive Worker Well-Being Guide. The guide details how we will recognize current well-being programming at vendor factories and provides tools and resources for partners to implement their own programs in their operations.

We want our vendors to take an active approach to investing in their #1 asset: their workforce. Our aim is to build upon the industry’s current worker well-being model and move from a brand-driven, prescriptive approach to one that incentivizes vendors to take ownership, enable their workforce and better sustain benefits for employees. Worker well-being is a continuous journey and an ongoing investment in factory workers.



## EXISTING GOAL AND PROGRESS

**IMPLEMENT THIRD-PARTY WORKER WELL-BEING PROGRAMS WITH OUR TOP 25 GLOBAL VENDORS IMPACTING 140,000 WORKERS IN THE SUPPLY CHAIN BY 2023.**



# ECONOMIC EMPOWERMENT OF WOMEN

As we evolve our worker well-being approach, we recognize the importance of focusing on women’s empowerment within the supply chain. Women workers play a critical role in the workplace but can be disproportionately disadvantaged when compared to men. Our model centers around three areas that support women: personal development, workplace gender equity and community well-being.

In addition to our vendor worker well-being programs, we are supporting women through our focus on financial literacy and the set-up of direct deposit of wages into digital accounts. Transitioning to digital wages contributes to the economic empowerment of women – whereas cash payments often lead women to have less control of their money, digital wages provide women with bank accounts that allow more opportunity to take part in family financial planning. Research has shown that women with digital payments often feel more confident about their financial futures and ability to provide for their families. Digital wages can also increase operational efficiency by reducing the time factory management spends on payroll and decreasing the amount of time workers spend waiting in line for cash wage payments.

## OUR GOALS



**100% OF WORKERS IN MANUFACTURING FACTORIES TRANSITIONED FROM CASH-BASED SYSTEMS TO DIGITAL WAGE PAYMENTS BY END OF 2023.**



# EARLY CHILDHOOD DEVELOPMENT CENTER

We have partnered with Plan International USA, a children’s rights and girls’ equality organization, to establish an early childhood development (ECD) center at the Hawassa Industrial Park in Ethiopia. With women making up the vast majority of Hawassa’s workforce, there is a pressing need for quality childcare services. Lack of childcare options makes it difficult, sometimes impossible, for women to fully participate in the workforce.

We work with many suppliers and vendors based in Hawassa, and our funding of the ECD center is an investment in helping to promote worker well-being in the region. It is designed to provide a safe space for children, ages 0-6, of employees at the Hawassa Industrial Park to learn and grow in an inclusive and holistic way. In addition to providing this essential service, the ECD center will create job and skill development opportunities. Staff will be recruited from surrounding communities and will participate in an early childhood development training and a certification program led by Plan International Ethiopia. Parent groups are also created and regular workshops are held to talk about important issues such as at-home nutrition, at-home learning and the basics of early childhood development.

In 2022, the main focus for the year will be building infrastructure and training staff. We are excited to see children starting to attend the ECD center as we work to achieve our goal of impacting over 1,000 children and adults when operating at full capacity. The ECD center will not only work to provide a safe space for children to learn and grow, but will also support women at the industrial park balance childcare needs with full time work. The Children’s Place and Plan International USA believe that in order to achieve gender diversity and equity in the workplace, improved access to childcare is essential. We hope the ECD center will help to advance gender equity by providing safe, dependable childcare for factory workers who produce our products.



**“** Building the Early Childhood Development Center near the Hawassa Industrial Park is a significant step forward in providing quality, affordable childcare for factory workers that produce for TCP in Hawassa, Ethiopia. Our partner, Plan International, has done a phenomenal job in the planning, staffing and establishment of the center. The center creates a safe, nurturing and caring environment for the children that would not otherwise be available. I’m incredibly proud of TCP’s commitment to this work and look forward to its growth and success in the coming years.”

- ADRIAN SHERMAN (VICE PRESIDENT, ENVIRONMENT & SOCIAL RESPONSIBILITY)

## OUR PLACE IS...

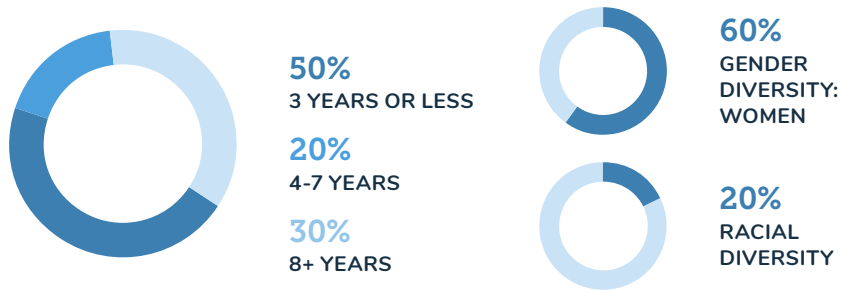
- 70 Leading on Governance
- 73 Managing ESG Risk
- 75 Operating with Integrity
- 76 Safeguarding Private Information



# BOARD OF DIRECTORS

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

## BALANCE OF TENURE & DIVERSITY OF PERSPECTIVES



**NORMAN MATTHEWS**  
**Independent Director Since 2009**  
 Chairman of the Board, Human Capital & Compensation; Corporate Responsibility, Sustainability & Governance Committees



**KATHERINE KOUNTZE**  
**Independent Director Since 2021**  
 Audit Committee



**TRACEY R. GRIFFIN**  
**Independent Director Since 2020**  
 Human Capital & Compensation Committee



**DEBBY REINER**  
**Independent Director Since 2019**  
 Human Capital & Compensation Committee (Chair)



**ELIZABETH J. BOLAND**  
**Independent Director Since 2019**  
 Audit Committee



**MARLA BECK**  
**Independent Director Since 2015**  
 Corporate Responsibility, Sustainability & Governance Committee



**JOHN A. FRASCOTTI**  
**Independent Director Since 2021**  
 Corporate Responsibility, Sustainability & Governance Committee



**JOHN E. BACHMAN**  
**Independent Director Since 2016**  
 Audit (Chair); Corporate Responsibility, Sustainability & Governance Committees

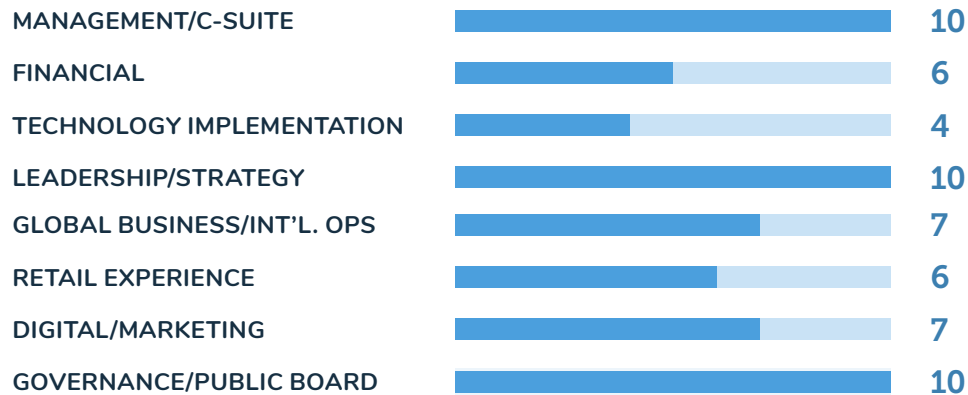


**DR. JOSEPH ALUTTO**  
**Independent Director Since 2008**  
 Corporate Responsibility, Sustainability & Governance Committee (Chair)



**JANE ELFERS**  
**Director Since 2010**  
 CEO and President

**DIRECTORS BRING DEEP, RELEVANT EXPERIENCE**



## BOARD COMPOSITION & EVALUATION

There are several factors that guide our Board's composition and evaluation process:

- **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.
- **Diversity** – Diversity in gender, race, thinking, experience, background and approach enhances Board leadership, deliberations and decision-making.
- **Tenure** – Broad tenure range among the Directors gives the Board a balance of fresh perspectives and the benefit of experience.
- **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.
- **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. 2021 marked the 10th 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 2021, we conducted two outreach activities and spoke with shareholders holding over 77% and 32% of our outstanding shares, respectively. 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.

## BOARD REFRESHMENT

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

- Ms. Griffin is a proven financial and operational leader in the consumer and retail industries and brings a strong skill set and experience to the Board.
- 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.
- 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.



## 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 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 areas 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 fiscal 2021, together with outside advisors, we and our then named Nominating and Corporate Governance Committee assessed our governance structure for managing ESG topics and the Committee made recommendations to the Board. Previously, oversight of environmental and social topics resided exclusively with the Audit Committee. Following the assessment, the Committee recommended that two Committees broaden their current scope to oversee specific components of our ESG strategy. The Committees were also renamed to better reflect their role in overseeing ESG:

- The Nominating and Corporate Governance Committee was renamed the **Corporate Responsibility, Sustainability & Governance Committee** and now oversees all environmental topics, including climate, energy, water and chemicals, raw materials, waste and circularity, and any additional sustainability initiatives, as well as social topics focused on global supply chain compliance and worker well-being, in addition to corporate governance matters.

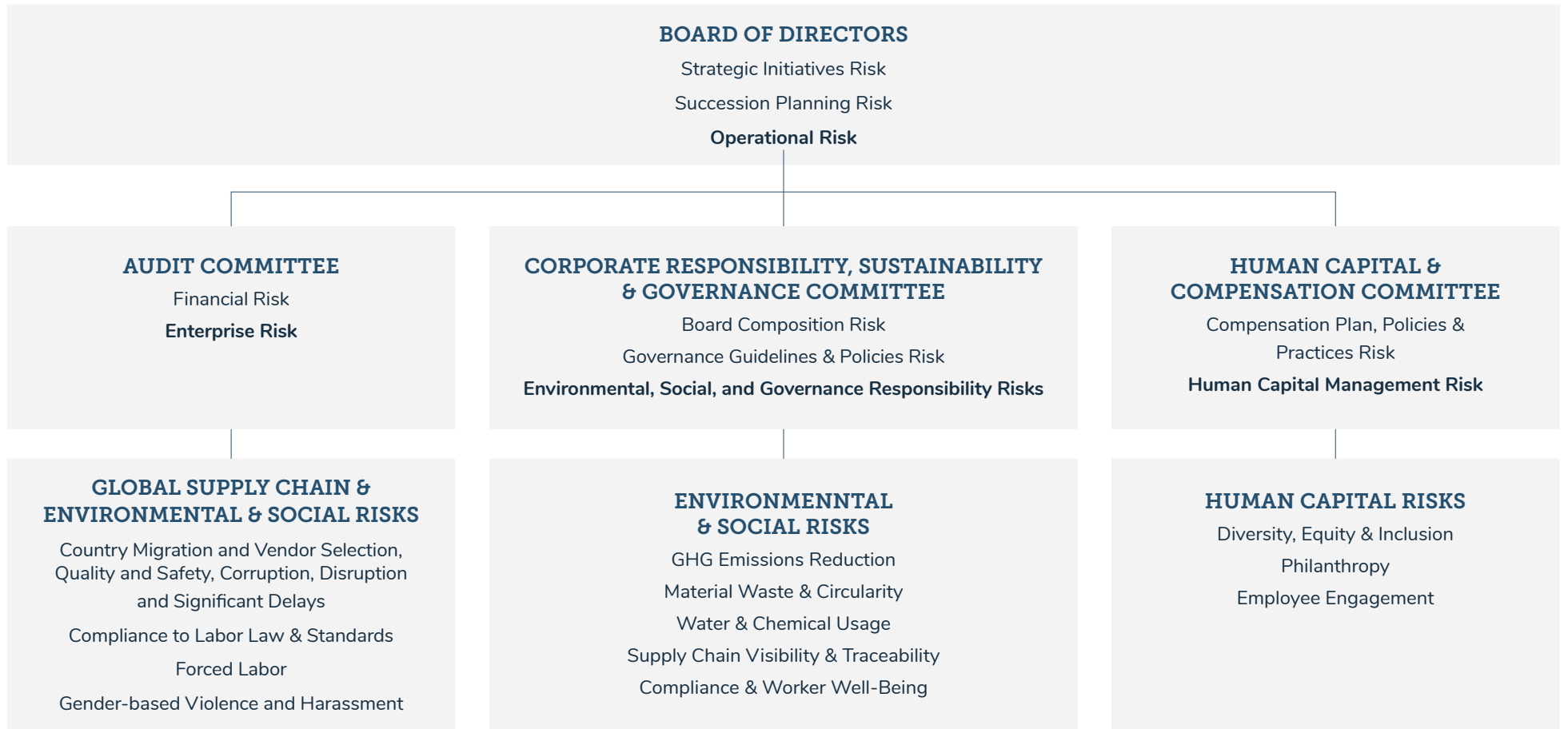
- The Compensation Committee was renamed the **Human Capital & Compensation Committee** and now has oversight of Diversity, Equity & Inclusion initiatives and all other human capital management topics, in addition to oversight of compensation matters.

The Committee charters have been updated to reflect these new oversight responsibilities (these charters can be found on our corporate website). Finally, the composition of the Committees has been updated to better leverage director skill sets.



# BOARD OVERSIGHT AND RISK MANAGEMENT

The Board plays a fundamental role in overseeing our strategy, succession planning and risk-management activities. In addition, 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 and must be practiced consistently in all respects.

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, 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 is essential in earning the trust of our customers. Preserving that 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 global associate training 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.

# 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 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. Five other members of the Board are all experienced in data security matters – Ms. Elfers, our CEO, and Mses. Beck, Boland and Griffin, the latter two who each hold key senior financial and operational executive positions at their respective companies, and Mr. Bachman, who is the Chair of our Audit Committee (and chairs the audit committees of other public boards).

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.

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.



# DISCLOSURES

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# DISCLOSURES

The Children's Place is part of a global business community working to achieve common goals. 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. 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.

We will report progress toward our public goals in each strategic focus area on an annual basis. We will report against material SASB Standards as well as relevant Global Reporting Initiative (GRI) Standard disclosures. We recognize the importance of the United Nations 2030 Agenda for Sustainable Development and while we understand the related 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).

The following disclosures present Fiscal Year data to align with our financial reporting (generally, February 1 to January 31). Any references to specific dates that do not include "FY" will follow the regular calendar year (i.e., January 1 to December 31).

The Children's Place does not own, operate or control any manufacturing facilities, but rather, contracts with third-party vendors to manufacture products in their global network of factories. All references to vendors, factories and manufacturers are to be assumed as third-party and not under the control of The Children's Place.

## SUSTAINABLE DEVELOPMENT GOALS



## APPAREL, ACCESSORIES & FOOTWEAR

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
<b>MANAGEMENT OF CHEMICALS IN PRODUCTS</b>	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>Reference: <i>Managing Chemicals More Responsibly in 2021 ESG Report (pg. 32)</i></p>
	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 recently became a Contributor Signatory Brand of ZDHC to support implementation of our sustainable chemical management strategy.</p> <p><b>Finished Product</b> 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>

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
			<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 Environmental 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>Reference: <i>Managing Chemicals More Responsibly in 2021 ESG Report (pg. 32)</i></p>
<b>ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN</b>	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. 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 FY21, 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>Reference: <i>Managing Chemicals More Responsibly in 2021 ESG Report (pg. 32)</i></p>
	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 89% of our FY21 FOB completed a Higg FEM self-assessment.</p> <p>Beyond Tier 1, nominated mills representing approximately 81% of our FY21 cotton lint consumption completed a Higg FEM self-assessment. Cotton lint volumes were calculated using conversion factors developed by Better Cotton.</p>



SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
<p><b>LABOR CONDITIONS IN THE SUPPLY CHAIN</b></p>	<p>CG-AA430b.1</p>	<p>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>	<ol style="list-style-type: none"> <li>In FY21, approximately 92% of our Tier 1 factories were assessed against our Vendor Code of Conduct through onsite audits.</li> <li>Beyond Tier 1, we generally assess processing and trim factories against our Vendor Code of Conduct on a biennial basis. Approximately 88% of these factories were audited in FY21. Considering the typical audit cadence for these tiers, this percentage was higher than previous years because we completed audits that were scheduled for FY20 but postponed due to the COVID-19 pandemic.</li> <li>In FY21, approximately 62% of our audits were conducted by a third-party assessor: 26% through the ILO Better Work program and 36% through third-party social compliance audit firms.</li> </ol> <p>Reference: <i>Monitoring Factory Compliance</i> page in 2021 ESG Report (pg. 62)</p>
	<p>CG-AA430b.2</p>	<p>Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct assessments</p>	<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 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><b>High-Performance:</b> High performing facilities with few non-compliance issues (none urgent) and effective compliance management systems.</li> <li><b>Above Average:</b> Above average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable compliance management systems.</li> <li><b>Satisfactory:</b> Average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable but inconsistent compliance management systems.</li> <li><b>Needs Attention:</b> Lower performing facilities that need sustained improvement on urgent non-compliance issues and have ineffective compliance management systems.</li> <li><b>Immediate Remediation Required:</b> Facilities with zero tolerance violations or numerous urgent non-compliance issues and no compliance management systems.</li> </ul> <p>The Children's Place ended FY21 with 196 rated Tier 1 factories, segmented into the following categories:</p> <ul style="list-style-type: none"> <li>High Performance: 13%</li> <li>Above Average: 48%</li> <li>Satisfactory: 25%</li> <li>Needs Attention: 9%</li> <li>Immediate Remediation Required: 5%</li> </ul>

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
	CG-AA430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	<p>As a company focused on children's products, we believe it is important that our business contribute to a healthy planet and equitable society for the benefit of future generations. In FY20, we utilized international frameworks, recognized standards and an analysis of the competitive landscape to help develop our ESG strategy. In FY21, we started planning an expansion of our materiality process to formally incorporate the views of internal and external stakeholders through surveys and interviews. This process has helped to validate our focus on the global supply chain issues that are most material to our business and where we can have the most impact, 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>Reference: ESG Strategy in 2021 ESG Report (pg. 10)</p>
<b>RAW MATERIALS SOURCING</b>	CG-AA-440a.1	Description of environmental and social risks associated with sourcing priority raw materials	<p>For FY21, we estimate that approximately 98% of the product fiber used in our apparel is either cotton or polyester. 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 people's livelihoods within the supply chain due to volatile cotton crop yields;</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>• Chemicals used during yarn and fabric processing, which if not managed properly can be discharged into the environment; and</li> <li>• Human rights issues and labor conditions within the supply chain.</li> </ul> <p>Reference: Sourcing More Sustainable Materials in 2021 ESG Report (pg. 27)</p>

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
	CG-AA-440a.2	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	<p>In FY21:</p> <ul style="list-style-type: none"> <li>We sourced approximately 67% of our cotton through Better Cotton.</li> <li>Approximately 2% of our polyester was recycled. The recycled content was certified against the Global Recycled Standard (GRS) or the Recycled Claim Standard (RCS).</li> </ul> <p>Reference: <i>Sourcing More Sustainable Materials in 2021 ESG Report (pg. 27)</i></p>
<b>ACTIVITY METRIC</b>	CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	At the end of FY21, our third-party vendors operated 197 Tier 1 manufacturing facilities, 66 processing facilities and 49 trim facilities.



## MULTILINE AND SPECIALTY RETAILERS & DISTRIBUTORS

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
<b>DATA SECURITY</b>	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	<p>We employ industry standards, guidelines and best practices to manage cybersecurity-related risk. 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. In an effort to keep pace with ever evolving threats and industry best practices, our efforts include:</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 throughout each year 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>In an effort to ensure that our associates are knowledgeable about our data security and protection policies, and to enable them to address 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.</p> <p>Reference: <i>Safeguarding Private Information in 2021 ESG Report (pg. 76) and Privacy Policy</i></p>

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS																											
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 19.62</td> <td>\$16.72</td> </tr> <tr> <td>Store</td> <td>CAD 14.64</td> <td>\$12.78</td> </tr> </tbody> </table>	Average Hourly Wage	Canada	USA	Distribution Group	CAD 19.62	\$16.72	Store	CAD 14.64	\$12.78																		
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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	<p>As submitted with our 2021 EEO-1 Component 1 report:</p> <table border="1"> <thead> <tr> <th></th> <th>Minority</th> <th>Women</th> </tr> </thead> <tbody> <tr> <td>All Employees</td> <td>67%</td> <td>87%</td> </tr> <tr> <td>Corporate Leadership</td> <td>39%</td> <td>57%</td> </tr> <tr> <td>Corporate Leadership</td> <td>48%</td> <td>91%</td> </tr> </tbody> </table> <p>Minority includes Asian, Black, Hispanic, Native America, Pacific Islander and two or more Races. Corporate Leadership is defined as Director &amp; Above. Store Management is defined as Store Manager.</p> <p>Reference: U.S. Workforce Demographics in 2021 ESG Report (pg. 47)</p>		Minority	Women	All Employees	67%	87%	Corporate Leadership	39%	57%	Corporate Leadership	48%	91%															
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SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
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).
	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> Under our raw material sustainability program, our hangtags and some unit packaging such as header cards are being converted from virgin paper material to FSC Mix. We have increased the amount of recycled content in our poly mailers, corrugated cartons and paper shopping bags. We are also using recycled content in some of our internal polybags. 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> We are engaging vendors to assess the recyclability of our packaging, with initial discussion centered on components such as the type of plastic film, the adhesive that seals the package and the sustainability of the ink used for branding. These discussions are intended 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: <i>Diverting Waste From Landfill in 2021 ESG Report</i> (pg. 36)</p>
ACTIVITY METRIC	CG-MR-000.A	Number of: (1) retail locations and (2) distribution centers	<p><b>Retail Stores</b> As of January 29, 2022, we operated 672 stores throughout North America with approximately 3.2 million total square footage.</p>
	CG-MR-000.B	Total area of: (1) retail space and (2) distribution centers	<p><b>Distribution Centers</b> In FY21, 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) – Supports our U.S. stores, wholesale, and e-commerce businesses</li> <li>• Ontario, Canada (95,000 sq ft) – Supports our Canadian stores and e-commerce businesses via a third-party provider</li> <li>• Brownsburg, Indiana (315,000 sq ft) – Supports our U.S. e-commerce businesses via a third-party provider</li> </ul>

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-1	Name of the organization	The reporting organization shall report the following information: a. Name of the organization	The Children's Place, Inc.	N/A
102-2	Activities, brands, products, and services	The reporting organization shall report the following information: a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	2021 Annual Report Item 1 (Business) <a href="#">2021 Annual Report</a>	N/A
102-3	Location of Headquarters	The reporting organization shall report the following information: a. Location of the organization's headquarters	2021 Annual Report Item 2 (Properties) Reference: <a href="#">2021 Annual Report</a>	N/A
102-4	Location of operations	The reporting organization shall report the following information: a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	2021 Annual Report Item 1 (Business) Reference: <a href="#">2021 Annual Report</a>	N/A
102-5	Ownership and legal form	The reporting organization shall report the following information: a. Nature of ownership and legal form.	2021 Annual Report Item 1 (Business) Reference: <a href="#">2021 Annual Report</a>	N/A
102-6	Markets served	The reporting organization shall report the following information: a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	2021 Annual Report Item 1 (Business) Reference: <a href="#">2021 Annual Report</a>	N/A
102-7	Scale of the Organization	The reporting organization shall report the following information: a. Scale of the organization, including: i. total number of employees; ii. total number of operations;	2021 Annual Report Item 1 (Business) Reference: <a href="#">2021 Annual Report</a>	N/A

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
		iii. net sales (for private-sector organizations) or net revenues (for public-sector organizations); iv. total capitalization (for private-sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.		
102-8	Information on employees and other workers	The reporting organization shall report the following information: a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	Reference: U.S. Workforce Demographics in 2021 ESG Report (pg. 47)	 Target 8.5  Target 10.3
102-9	Supply chain	The reporting organization shall report the following information: a. A description of the organization’s supply chain, including its main elements as they relate to the organization’s activities, primary brands, products, and services.	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, Hong Kong and Ethiopia.	N/A

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-10	Significant changes to the organization and its supply chain	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Significant changes to the organization's size, structure, ownership, or supply chain, including: <ul style="list-style-type: none"> <li>i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</li> <li>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</li> <li>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</li> </ul> </li> </ul>	<p>2021 Annual Report Item 1 (Business) Reference: <a href="#">2021 Annual Report</a></p>	N/A
102-12	External initiatives	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. A list of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.</li> </ul>	<p>The Children's Place participates in and supports a variety of external ESG charters, principles and other initiatives, including those listed below.</p> <ul style="list-style-type: none"> <li>*AAFA/FLA Apparel &amp; Footwear Industry Commitment to Responsible Recruitment</li> <li>*AFIRM Group's Restricted Substance List</li> <li>*Baby Basics (Children's Aid and Family Services)</li> <li>*BSR HerProject</li> <li>*CTPAT Trade Compliance</li> <li>*Lesotho Garment Worker Program to Combat Gender-Based Violence</li> <li>*Military Spouse Employment Partnership</li> <li>*Science-Based Targets initiative</li> <li>*Social &amp; Labor Convergence Project</li> <li>*Table to Table</li> </ul> <p>Reference: <i>Our Initiatives Partners in 2021 ESG Report (pgs. 17-19 and 59)</i></p>	N/A



DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-13	Membership of associations	The reporting organization shall report the following information: a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	The Children’s Place has joined a variety of industry and advocacy organizations, including those listed below.  *AFIRM Group *American Apparel & Footwear Association *American Association of Textile Chemists and Colorists *Better Cotton *BetterWork *BSR *How2Recycle *National Retail Federation *Nirapon *Textile Exchange *Supplier Compliance Audit Network *Sustainable Apparel Coalition *Sustainable Packaging Coalition *ZDHC  Reference: <i>Our Initiatives Partners in 2021 ESG Report (pgs. 17-19 and 59)</i>	N/A
102-14	Statement from senior decision-maker	The reporting organization shall report the following information: a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability	2021 ESG Report Reference: <i>A Message from our President &amp; Chief Executive Officer in 2021 ESG Report (pg. 4)</i>	N/A
102-15	Key impacts, risks, and opportunities	The reporting organization shall report the following information: a. A description of key impacts, risks, and opportunities.	Investor Presentation – Q3 2021 Reference: <a href="#">Investor Presentation webpage</a>	N/A
102-16	Values, principles, standards, and norms of behavior	The reporting organization shall report the following information: a. A description of the organization’s values, principles, standards, and norms of behavior.	Reference: <a href="#">Code of Business Conduct</a> <a href="#">Human Rights Policy</a> <a href="#">Corporate Environmental Policy</a>	 Target 16.1

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-18	Governance structure	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Governance structure of the organization, including committees of the highest governance body.</li> <li>b. Committees responsible for decision-making on economic, environmental, and social topics.</li> </ul>	<p>Governance Documents 2022 Proxy Statement Reference: <a href="#">Governance Documents webpage</a>, <a href="#">2022 Proxy Statement</a></p>	N/A
102-40	List of stakeholder groups	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. A list of stakeholder groups engaged by the organization.</li> </ul>	<p>The Children’s Place engages a variety of stakeholders, including those listed below.</p> <ul style="list-style-type: none"> <li>*AFIRM Group</li> <li>*American Apparel &amp; Footwear Association</li> <li>*Better Cotton Initiative</li> <li>*Better Work</li> <li>*Black Retail Action Group</li> <li>*BSR</li> <li>*Children’s Aid and Family Services</li> <li>*Delivering Good</li> <li>*GOOD+ Foundation</li> <li>*How2Recycle</li> <li>*Iron Matt (The Matthew Larson Foundation for Pediatric Brain Tumors)</li> <li>*NAACP</li> <li>*National Retail Federation</li> <li>*Nirapon</li> <li>*Plan International</li> <li>*Science-Based Targets initiative</li> <li>*Social &amp; Labor Convergence Project</li> <li>*Solidarity Center</li> <li>*Sustainable Apparel Coalition</li> <li>*Sustainable Packaging Coalition</li> <li>*Textile Exchange</li> <li>*Transparentem</li> <li>*Worker Rights Consortium</li> <li>*Worker’s Rights Watch</li> <li>*YCS</li> <li>*ZDHC</li> </ul> <p>Reference: <i>Our Initiatives Partners in 2021 ESG Report</i> (pgs. 17-19 and 59)</p>	N/A

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-43	Approach to stakeholder engagement	<p>The reporting organization shall report the following information:</p> <p>a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p>	<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>	N/A
102-44	Key topics and concerns raised	<p>The reporting organization shall report the following information:</p> <p>a. Key topics and concerns that have been raised through stakeholder engagement, including:</p> <p>i. how the organization has responded to those key topics and concerns, including through its reporting;</p> <p>ii. the stakeholder groups that raised each of the key topics and concerns.</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</li> <li>*Community</li> <li>*Supply chain labor compliance</li> <li>*Worker well-being</li> </ul> <p>Reference: ESG Strategy in 2021 ESG Report (pg. 10)</p>	N/A
102-45	Entities included in the consolidated financial statements	<p>The reporting organization shall report the following information:</p> <p>a. A list of all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	<p>2021 Annual Report Exhibit 21.1 Reference: <a href="#">2021 Annual Report</a></p>	N/A

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-46	Defining report content and topic Boundaries	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>An explanation of the process for defining the report content and the topic Boundaries.</li> <li>An explanation of how the organization has implemented the Reporting Principles for defining report content.</li> </ol>	<p>As a company focused on children's product, we believe it is important that our business contribute to a healthy planet and equitable society for the benefit of future generations. 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. 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.</p>	N/A
102-47	List of material topics	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>A list of the material topics identified in the process for defining report content.</li> </ol>	<p>The activities described in GRI disclosure 102-46 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:</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</li> <li>*Community</li> <li>*Supply chain labor compliance</li> <li>*Worker well-being</li> </ul>	N/A



DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-48	Restatements of information	The reporting organization shall report the following information: a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.	There are no restatements from the previous report.	N/A
102-49	Changes in reporting	The reporting organization shall report the following information: a. Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	There have been no changes to our material topics since our previous report.	N/A
102-50	Reporting period	The reporting organization shall report the following information: a. Reporting period for the information provided.	To align with our financial reporting, this report presents data for fiscal year 2021 beginning January 1, 2021 and ending January 29, 2022. Report data covers fiscal 2021 unless otherwise noted. Any references to specific dates that do not include "FY" will follow the regular calendar year (i.e., January 1 to December 31)	N/A
102-51	Date of most recent report	The reporting organization shall report the following information: a. If applicable, the date of the most recent previous report.	Our last ESG report was published in November 2021.  <i>Reference: <a href="#">2020 Annual Report</a></i>	N/A
102-52	Reporting cycle	The reporting organization shall report the following information: a. Reporting cycle	We plan to report our ESG efforts on an annual basis.	N/A
102-53	Contact point for questions regarding the report	The reporting organization shall report the following information: a. The contact point for questions regarding the report or its contents.	<a href="mailto:responsiblesourcing@childrensplace.com">responsiblesourcing@childrensplace.com</a>	N/A

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
102-55	GRI content index	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>a. The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</li> <li>b. For each disclosure, the content index shall include: <ol style="list-style-type: none"> <li>i. the number of the disclosure (for disclosures covered by the GRI Standards);</li> <li>ii. the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</li> <li>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</li> </ol> </li> </ol>	Reference: <a href="#">ESG webpage</a>	N/A







## GRI DISCLOSURE 103-1 AND 103-2: MANAGEMENT APPROACH






Through our risk and materiality assessments, we have identified the 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. 22
Raw Materials	Using more sustainable materials throughout our business	Yes	Product	Pg. 26
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. 32
Waste	Diverting the amount of our waste sent to landfill	Yes	Corporate Operations	Pg. 34
Circularity	Helping to avert product and material disposal through reuse and recycling	Yes	Product	Pg. 37
Workplace Health & Safety	Safeguarding our associates and customers	No	N/A	Pg. 56
Talent	Investing in the people that make our business possible	No	N/A	Pg. 49
Diversity, Equity & Inclusion	Building an inclusive environment where all people feel welcomed and valued	Yes	Corporate Operations	Pg. 42
Community / Philanthropy	Supporting children and families in need	Yes	Corporate Operations	Pg. 57
Supply Chain Compliance	Helping to protect third-party factory workers and their rights in the workplace	Yes	Global Supply Chain	Pg. 62
Worker Well-being	Moving beyond the factory walls to improve the well-being of workers and their families	Yes	Global Supply Chain	Pg. 66








DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
201-1	Direct economic value generated and distributed	<p>The reporting organization shall report the following information:</p> <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.</p>	<p>2021 Annual Report Item 7 (Management’s Discussion and Analysis of Financial Condition and Results of Operations)</p> <p>Reference: <a href="#">2021 Annual Report</a></p>	 Targets 8.1, 8.2  Targets 9.1, 9.4, 9.5









DISCLOSURE #	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> <ul style="list-style-type: none"> <li>i. non-renewable materials used;</li> <li>ii. renewable materials used.</li> </ul>	<p>For our 2021 seasonal calendar, we estimate that approximately 98% of the product fiber used in our apparel is either cotton or polyester:</p> <ul style="list-style-type: none"> <li>*76% cotton</li> <li>*22% polyester</li> <li>*2% Other (includes fibers such as rayon, nylon, acrylic, modacrylic, spandex, metallic / lurex yarn, linen and wool)</li> </ul> <p>In FY21, we sourced 67% of the cotton used in our apparel through the Better Cotton Initiative (approximately 22,820 of 33,880 metric tons of cotton lint).</p> <p>Reference: <i>Sourcing more Sustainable Materials in 2021 ESG Report (pg. 27)</i></p>	 Targets 8.4  Target 12.2
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:</p> <ul style="list-style-type: none"> <li>i. electricity consumption</li> <li>ii. heating consumption</li> <li>iii. cooling consumption</li> <li>iv. steam consumption</li> </ul> <p>d. In joules, watt-hours or multiples, the total:</p> <ul style="list-style-type: none"> <li>i. electricity sold</li> <li>ii. heating sold</li> <li>iii. cooling sold</li> <li>iv. steam sold</li> </ul> <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>FY21 Total Energy Use by Facility Type (in MWh):</p> <ul style="list-style-type: none"> <li>*Stores 54,020</li> <li>*Distribution Centers 18,369</li> <li>*Warehouses / Storage 6,412</li> <li>*Offices 3,570</li> </ul> <p>Reference: <i>Combating Climate Change in 2021 ESG Report (pg. 24)</i></p>	 Targets 7.2, 7.3  Target 8.4  Target 12.2  Target 13.1








DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
302-3	Energy intensity	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>Energy intensity ratio for the organization.</li> <li>Organization-specific metric (the denominator) chosen to calculate the ratio.</li> <li>Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</li> <li>Whether the ratio uses energy consumption within the organization, outside of it, or both.</li> </ol>	<p>FY21 Average Energy Intensity by Facility Type (in kWh/sq ft):</p> <ul style="list-style-type: none"> <li>*Stores 15.2</li> <li>*Distribution Centers 14.3</li> <li>*Warehouses / Storage 5.7</li> <li>*Offices 15.1</li> </ul> <p>AVERAGE TCP ENERGY INTENSITY: 13</p> <p>Reference: <i>Combating Climate Change in 2021 ESG Report</i> (pg. 24)</p>	<ul style="list-style-type: none"> <li> Targets 7.2, 7.3</li> <li> Target 8.4</li> <li> Target 12.2</li> <li> Target 13.1</li> </ul>
303-2	Management of water discharge-related impacts	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:               <ol style="list-style-type: none"> <li>how standards for facilities operating in locations with no local discharge requirements were determined;</li> <li>any internally developed water quality standards or guidelines;</li> <li>any sector-specific standards considered;</li> <li>whether the profile of the receiving waterbody was considered.</li> </ol> </li> </ol>	<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 recently became a Contributor Signatory Brand of ZDHC to support implementation of our sustainable chemical management strategy.</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 Environmental 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>Reference: <i>Managing Chemicals More Responsibly in 2021 ESG Report</i> (pg. 33)</p>	<ul style="list-style-type: none"> <li> Target 6.3</li> </ul>

DISCLOSURE #	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>FY21 Total Water Withdrawal by Facility (in kGal):</p> <ul style="list-style-type: none"> <li>*Stores 24,269</li> <li>*Distribution Centers 9,752</li> <li>*Warehouses / Storage 7,916</li> <li>*Offices 2,716</li> </ul> <p>TOTAL TCP WATER WITHDRAWAL: 44,653</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	<p>The reporting organization shall report the following information:</p> <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 CO2 equivalent.</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 of base year emissions.</li> </ul> </li> </ul>	<p>FY21 Scope 1 GHG Emissions (in metric tons CO2e):</p> <ul style="list-style-type: none"> <li>*Stationary combustion 3,816</li> <li>*Mobile combustion 21</li> <li>*Refrigerants 773</li> </ul> <p>TOTAL SCOPE 1 GHG EMISSIONS 4,610</p> <p>Reference: <i>Combating Climate Change in 2021 ESG Report</i> (pg. 23)</p>	<ul style="list-style-type: none"> <li> Target 3.9</li> <li> Target 12.4</li> <li> Target 13.1</li> <li> Target 14.3</li> <li> Target 15.2</li> </ul>

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
		<p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>		
305-2	Energy indirect (Scope 2) GHG emissions	<p>The reporting organization shall report the following information:</p> <p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <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 of base year emissions.</li> </ul> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>FY21 Scope 2 Market-Based GHG Emissions (in metric tons CO2e):</p> <p>*Electricity 27,015</p> <p>TOTAL SCOPE 2 MARKET-BASED GHG EMISSIONS 27,015</p> <p>Reference: Combating Climate Change in 2021 ESG Report (pg. 23)</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>
305-3	Other indirect (Scope 3) GHG emissions	<p>The reporting organization shall report the following information:</p> <p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all.</p>	<p>FY21 Scope 3 GHG Emissions (in metric tons CO2e):</p> <p>*Category 1 - Purchased Goods and Services 650,000</p> <p>*Category 2 - Capital Goods 10,000</p> <p>*Category 3 - Fuel- and Energy-Related Activities 6,000</p>	<p> Target 3.9</p> <p> Target 12.4</p>



DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
		<p>c. Biogenic CO2 emissions in metric tons of CO2 equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <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 of base year emissions.</li> </ul> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>*Category 4 - Upstream Transportation and Distribution 79,000</p> <p>*Category 5 - Waste Generated in Operations 2,000</p> <p>*Category 6 - Business Travel 140</p> <p>*Category 7 - Employee Commuting 23,000</p> <p>*Category 11 - Use of Sold Products 309,000</p> <p>*Category 12 - End of Life Treatment of Sold Products 42,000</p> <p>*Category 14 - Franchises 2,800</p> <p>TOTAL SCOPE 3 GHG EMISSIONS 1,123,940</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>Reference: <i>Combating Climate Change in 2021 ESG Report</i> (pg. 25)</p>	<p> Target 13.1</p> <p> Target 14.3</p> <p> Target 15.2</p>
305-4	GHG emissions intensity	<p>The reporting organization shall report the following information:</p> <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> </ul>	<p> Target 13.1</p> <p> Target 14.3</p> <p> Target 15.2</p>

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
305-5	Reduction of GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. GHG emissions reduced as a direct result of reduction initiatives, 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. Base year or baseline, including the rationale for choosing it.</li> <li>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</li> <li>e. Standards, methodologies, assumptions, and/or calculation tools used.</li> </ul>	<p>From FY18 vs FY20, The Children’s Place had a 29.1% reduction 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 and impacts related to COVID. Scope 3 GHG emission reductions can be mainly attributed to stores closures, impacts related to COVID and lower numbers of purchased and sold units for all product categories.</p> <p>Scope 1, 2 and 3 Emissions (in metric tons CO2e):</p> <ul style="list-style-type: none"> <li>*FY18 1,630,002</li> <li>*FY19 1,525,539</li> <li>*FY20 1,303,623</li> <li>*FY21 1,155,565</li> </ul> <p>Reference: <i>Combating Climate Change in 2021 ESG Report</i> (pg. 22)</p>	<ul style="list-style-type: none"> <li> Target 13.1</li> <li> Target 14.3</li> <li> Target 15.2</li> </ul>
306-2	Management of significant waste-related impacts	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c. The processes used to collect and monitor waste-related data.</li> </ul>	<p>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.</p> <p>Based on the results of our annual assessment, we are taking actions such as:</p> <ul style="list-style-type: none"> <li>• Surveying our stores to better understand both their recycling practices and barriers to recycling;</li> <li>• Reaching out to landlords and store associates to increase access and use of recycling services in malls;</li> <li>• Encouraging the use of durables at our corporate headquarters;</li> </ul>	<ul style="list-style-type: none"> <li> Target 3.9</li> <li> Target 6.3</li> <li> Target 8.4</li> <li> Target 11.6</li> <li> Targets 12.4, 12.5</li> </ul>

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
			<ul style="list-style-type: none"> <li>Engaging vendors on How2Recycle guidelines and the recyclability of our packaging; and</li> <li>Increasing the amount of recycled content in our poly mailers, corrugated cartons, paper shopping bags and internal polybags.</li> </ul> <p>Reference: <i>Diverting Waste from Landfill in 2021 ESG Report (pg. 36)</i></p>	
306-3	Waste generated	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>Total weight of waste generated in metric tons, and a breakdown of this total by composition of the waste.</li> <li>Contextual information necessary to understand the data and how the data has been compiled.</li> </ol>	<p>Through our waste stream assessment, we calculated our FY21 total footprint at an estimated 53,208 tons of material. 7,946 tons of waste were generated at owned and operated facilities of The Children’s Place, with the balance of the waste from packaging and product. The majority of the operational waste was corrugated cardboard. Using shipping and sales data, we estimate 2,540 tons of waste generated from consumer packaging and 42,722 tons of sold product to consumers in FY21.</p> <p>Reference: <i>Diverting Waste from Landfill in 2021 ESG Report (pg. 34)</i></p>	 Target 3.9  Target 6.3  Target 11.6  Targets 12.4, 12.5
306-4	Waste diverted from disposal	<p>The reporting organization shall report the following information:</p> <ol style="list-style-type: none"> <li>Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste.</li> <li>Total weight of hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:                     <ol style="list-style-type: none"> <li>Preparation for reuse;</li> <li>Recycling;</li> <li>Other recovery operations.</li> </ol> </li> </ol>	<p>In FY21, The Children’s Place achieved a 77% waste diversion rate in operations (corporate office, stores and distribution centers). Through facility recycling programs, 6,118 tons of waste were recycled out of the total 7,946 tons. The majority of the operations waste diversion rate was attributed to the distribution centers, which had a diversion rate of 90%. This waste diversion rate was particularly driven by a high level of cardboard recycling in the U.S. distribution center.</p>	 Target 3.9  Target 11.6  Targets 12.4, 12.5

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
		<p>c. Total weight of non-hazardous waste diverted from disposal in metric tons, and a breakdown of this total by the following recovery operations:</p> <ul style="list-style-type: none"> <li>i. Preparation for reuse;</li> <li>ii. Recycling;</li> <li>iii. Other recovery operations.</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>i. onsite;</li> <li>ii. offsite.</li> </ul> <p>e. Contextual information necessary to understand the data and how the data has been compiled.</p>	<p>Reference: <i>Diverting Waste from Landfill in 2021 ESG Report</i> (pg. 35)</p>	
308-1	New suppliers that were screened using environmental criteria	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> <li>a. Percentage of new suppliers that were screened using environmental criteria.</li> </ul>	<p>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.</p> <p>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 89% of our FY21 FOB completed a Higg FEM self-assessment.</p>	N/A



DISCLOSURE #	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:                             <ul style="list-style-type: none"> <li>i. Gender;</li> <li>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</li> <li>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul> </li> <li>b. Percentage of employees per employee category in each of the following diversity categories:                             <ul style="list-style-type: none"> <li>i. Gender;</li> <li>ii. Age group: under 30 years old, 30-50 years old, over 50 years old;</li> <li>iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).</li> </ul> </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>Reference: <i>US Workforce Demographics in 2021 ESG Report (pg. 47)</i></p>	 Targets 5.1, 5.5  Target 8.5
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:                             <ul style="list-style-type: none"> <li>i. child labor;</li> <li>ii. young workers exposed to hazardous work.</li> </ul> </li> <li>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:                             <ul style="list-style-type: none"> <li>i. type of operation (such as manufacturing plant) and supplier;</li> <li>ii. countries or geographic areas with operations and suppliers considered at risk.</li> </ul> </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>Reference: <i>Monitoring Factory Compliance in 2021 ESG Report (pg. 62)</i></p>	 Target 5.2  Target 8.8  Target 16.1

DISCLOSURE #	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:</p> <ul style="list-style-type: none"> <li>i. type of operation (such as manufacturing plant) and supplier;</li> <li>ii. countries or geographic areas with operations and suppliers considered at risk.</li> </ul> <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.</p> <p>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>• <b>Regular Auditing.</b> We audit all factories against our Vendor Code of Conduct, with the Responsible Sourcing team conducting further investigation if any allegations arise.</li> <li>• <b>Certifications.</b> 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>• <b>Supplier screenings.</b> 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> <li>• <b>Vendor training.</b> We have developed a training to provide vendors with information on forced labor indicators and prevention of forced labor in the supply chain.</li> </ul> <p>Reference: <i>Monitoring Factory Compliance in 2021 ESG Report</i> (pg. 65)</p>	 Target 5.2  Target 8.8

DISCLOSURE #	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 <a href="#">Vendor Code of Conduct</a> . Suppliers are not approved for production until the assessment is satisfactorily completed and there is sign-off from both Responsible Sourcing and Sourcing leadership.	 Target 5.2  Target 8.8  Target 16.1
414-2	Negative social impacts in the supply chain and actions taken	The reporting organization shall report the following information: a. Number of suppliers assessed for social impacts. b. Number of suppliers identified as having significant actual and potential negative social impacts. c. Significant actual and potential negative social impacts identified in the supply chain. 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. 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.	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.  Factory ratings are defined as follows: • <b>High Performance:</b> High performing facilities with few non-compliance issues (none urgent) and effective compliance management systems. • <b>Above Average:</b> Above average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable compliance management systems. • <b>Satisfactory:</b> Average performing facilities with some non-compliance issues (no or few urgent findings) and acceptable but inconsistent compliance management systems.	 Target 5.2  Target 8.8  Target 16.1

DISCLOSURE #	DESCRIPTION	REPORTING REQUIREMENTS	DISCLOSURE LANGUAGE	SUSTAINABLE DEVELOPMENT GOALS
			<ul style="list-style-type: none"> <li>• <b>Needs Attention:</b> Lower performing facilities that need sustained improvement on urgent non-compliance issues and have ineffective compliance management systems.</li> <li>• <b>Immediate Remediation Required:</b> Facilities with zero tolerance violations or numerous urgent non-compliance issues and no compliance management systems.</li> </ul> <p>The Children's Place ended FY21 with 196 rated Tier 1 factories, segmented into the following categories:                      High Performance: 13%                      Above Average: 48%                      Satisfactory: 25%                      Needs Attention: 9%                      Immediate Remediation Required: 5%</p>	