

carter's®

2024 raise the future impact report

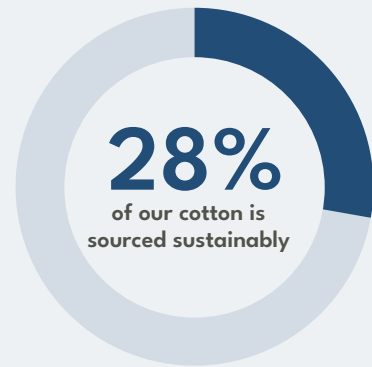
HIGHLIGHTS



progress highlights¹

product

GOAL: Use 100% sustainable cotton by 2030



GOAL: Continue growth of Little Planet brand



>2,100

Expanded Little Planet distribution from less than 800 to over 2,100 retail and wholesale stores from 2022 to 2024

GOAL: Improve the well-being of at least 1 million workers within our global value chain by 2030



>529,000

workers positively impacted since 2021

GOAL: Become the U.S. market leader of sustainable children's apparel

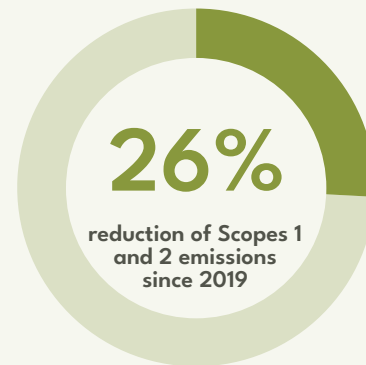


4%

Grew sustainable product sales to 4% of our overall sales

planet

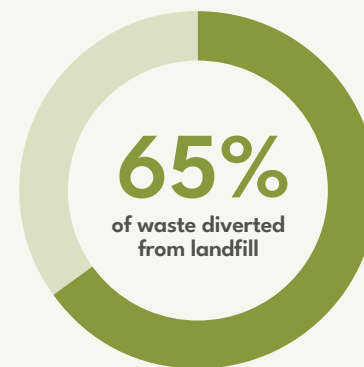
GOAL: Reduce absolute Scope 1 and 2 greenhouse gas emissions 50% from 2019 baseline by 2030 and achieve net zero in our direct operations by 2040



GOAL: Achieve 50% reduction in virgin plastic packaging from a 2022 baseline by 2030



GOAL: Divert 80% of waste from landfill

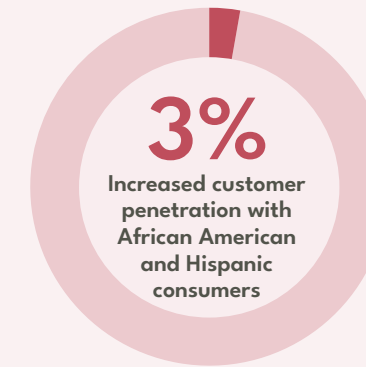


GOAL: Require 77% of our purchased goods and services suppliers by spend to have science-based targets by 2027



people

GOAL: Increase our African American and Hispanic consumers by 10%



GOAL: Invest more than \$50 million toward improving the lives of children by 2030



>\$34.5M

in monetary and in-kind donations since 2021

GOAL: Improve the well-being of at least 10 million lives by 2030



~7.5M

lives improved since 2021

GOAL: Volunteer over 200,000 hours in our communities by 2030



>92,500

volunteer hours contributed since 2021

¹ This page includes progress as of December 31, 2024 for a selection of our goals. Additional goals can be found in their respective sections of this report.

product

Our products provide value to families raising future generations through three core pillars of safety, durability, and sustainability.



Safe for Kids: From fabrics to snaps, safe from harmful chemicals

Delivering the quality that parents trust, our apparel and accessories are certified clean and safe from over 1,000+ harmful chemicals with OEKO-TEX® Standard 100. Tested under strict requirements, we aim to ensure every little detail is safe and gentle on their delicate skin.



Tough for Play: Made with durable fabrics to last wash after wash

Our iconic denim and play all day styles are crafted to withstand more – more fun, more wear. When you shop our family of brands, you can trust that these styles are made to last so kids can wear longer and play harder.

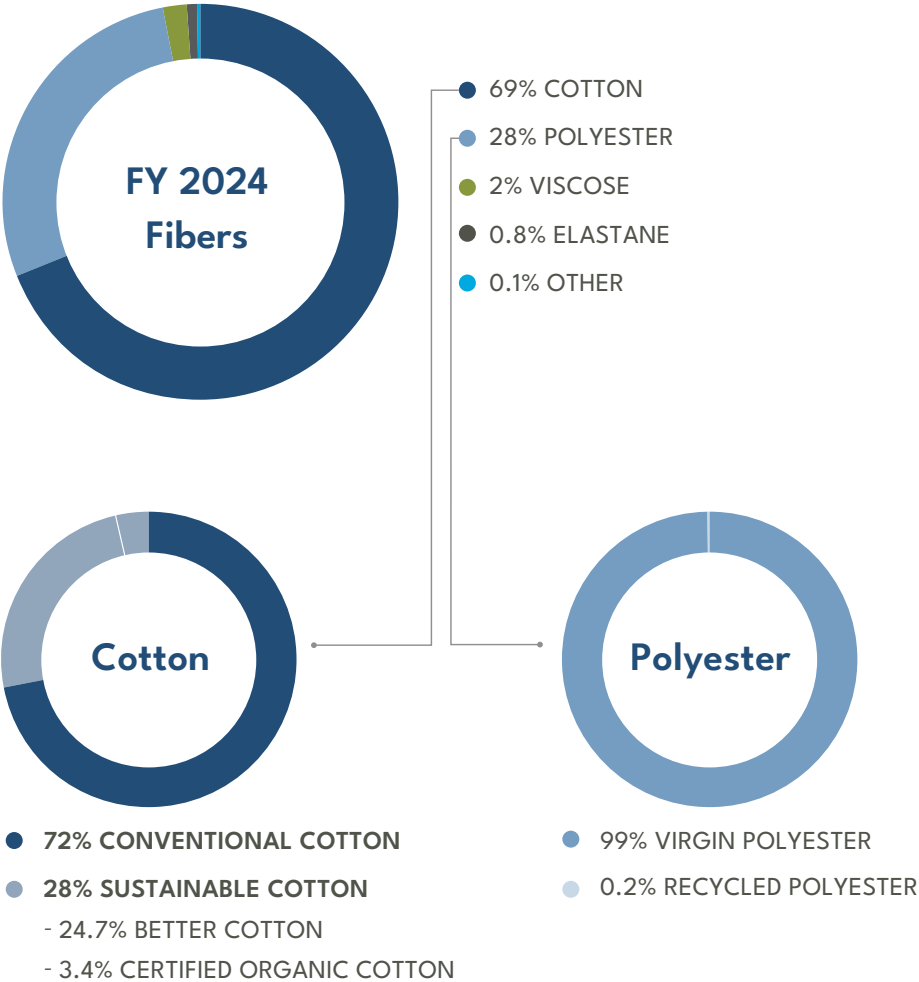


Sustainably Made: Mindfully sourced for a more sustainable future

Our products are mindfully created, from apparel to toys and baby gear. Sustainably Made products include at least one of the following materials: GOTS Certified Organic Cotton, Lenzing Ecovero™ Sustainable Viscose, Recycled Materials, or FSC Certified Wood.

We are aiming to increase the sustainability of our core fabric portfolio, while maintaining the exceptional quality and safety standards that families expect from Carter’s.

2024 Fiber Usage



We define sustainable fibers as those that have a lower negative environmental impact over their life cycles than conventional counterparts.

Tier 1 and 2 Supplier Compliance Auditing

	2024
Number of Active Suppliers	278
Number of Active Factories	393
Number of Factories with a Passing Score	391
Number of Factories with a Below Passing Score	2
Number of Unannounced Audits Conducted	59

As part of our monitoring and oversight, we hold suppliers accountable for maintaining compliance with our programs and policies. In 2024, we terminated relationships with four Tier 1 suppliers and with one Tier 2 supplier, due to their inability to demonstrate improvement.



99% of our product within scope² is OEKO-TEX® Certified and at the end of 2024, 100% of the manufacturing facilities are OEKO-TEX® STANDARD 100 Certified.

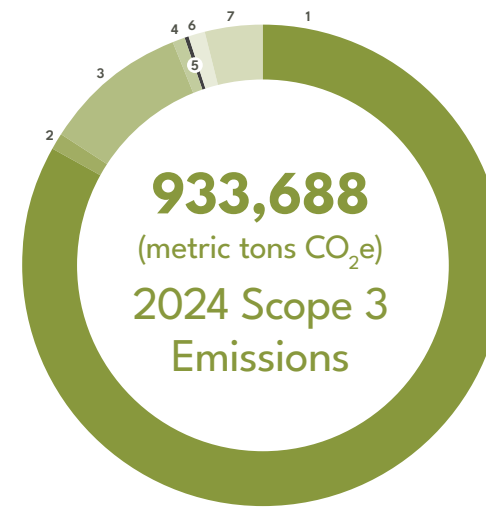
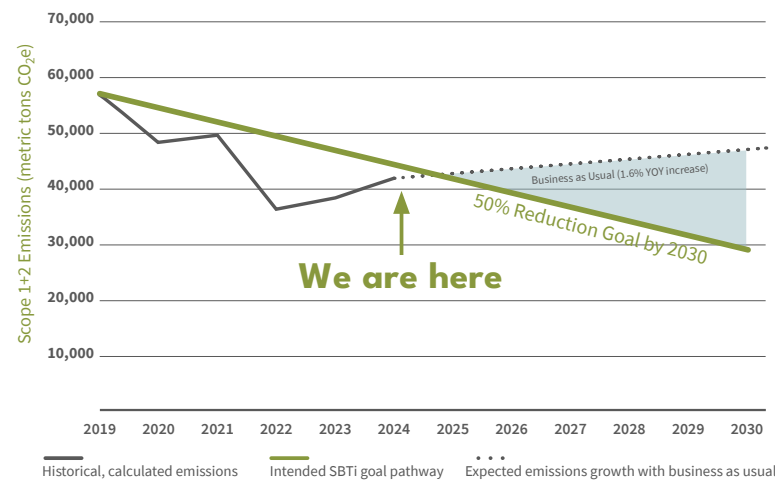
²Carter’s defines in scope items as those that include apparel and exclude outside vendors and GOTS-certified products.

planet

976,276
metrics tons CO₂e of
total emissions in 2024

We expect our Scope 1 and 2 emissions to remain stable compared to 2023 once our retroactive REC purchases have been applied to our 2024 emissions inventory.

HISTORICAL AND EXPECTED SCOPE 1 AND 2 GHG EMISSIONS THROUGH 2030



1 Purchased goods and services
Category 1
776,110 metric tons CO₂e

2 Fuel and energy-related activities
Category 3
10,413 metric tons CO₂e

3 Upstream transportation and distribution
Category 4
92,473 metric tons CO₂e

4 Waste generated in operations
Category 5
6,832 metric tons CO₂e

5 Business travel
Category 6
1,417 metric tons CO₂e

6 Employee commuting
Category 7
10,309 metric tons CO₂e

7 End-of-life treatment of sold products
Category 12
36,134 metric tons CO₂e

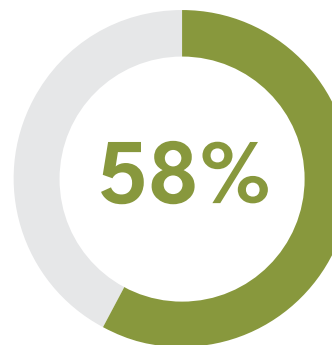
As Scope 3 emissions make up the bulk of our GHG emissions, we are actively exploring emissions reductions in opportunity areas including materials purchasing and logistics.

GOAL

Require **77%** of our purchased goods and services suppliers by spend to have science-based targets by 2027

2024 PROGRESS

58% of these suppliers by spend and **52%** by number have set science-based targets



WASTE

In 2024, we achieved an overall diversion rate of 65%, led by our distribution centers which diverted more than 80% of their waste from landfill.

8,005
metric tons of waste from direct operations to
LANDFILL

15,036
metric tons of waste from direct operations to
RECYCLING

WATER³

To enhance accountability and to track our progress, we have implemented the Environmental Impact Measuring (EIM) software of Jeanologia.

59
million gallons water use from
DIRECT OPERATIONS

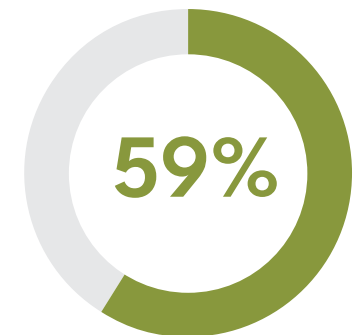
454
million gallons water use from
INDIRECT OPERATIONS

GOAL

Reduce water usage in the manufacturing and washing of our products

2024 PROGRESS

59% reduction since 2019 in number of styles requiring additional wash during manufacturing



In 2024, Carter's supported the planting of > **15,000 trees**, improving soil fertility, water runoff, and food security for the lives of **84 million people**, including more than 17,000 factory workers in the region.

³ In 2024, due to an increase in styles produced compared to 2023, the number of our styles that require an additional wash increased slightly.

people

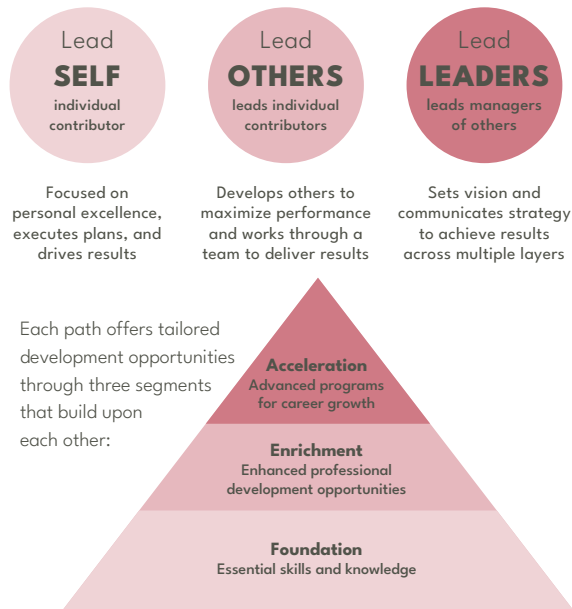
Our investments in recruitment marketing and technology yielded strong results in 2024.

- **Over 37M impressions via digital recruitment marketing**
- **357,000 applications completed**
- **Over 14,000 positions filled**

In 2024, we strengthened our focus on employee development by introducing comprehensive professional development frameworks and providing clear pathways for advancement.

Development Pathways and Frameworks

Our professional development pathways align leadership behavior with career levels.



Training and development metrics

171,500

Total Training Hours

11.2

Training Hours per Employee

Our Diversity and Inclusion Strategic Framework



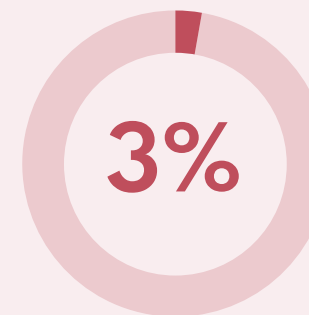
At Carter's, we are committed to attracting and retaining multicultural consumers and building a workforce that supports these efforts. We seek to attract and retain the best people of diverse backgrounds, experiences, ideas, and approaches to support these efforts and promote this view with our employees, consumers, and companies with whom we do business.

GOAL

Increase our African American and Hispanic consumers by **10%**

2024 PROGRESS

Increased customer penetration with African American and Hispanic consumers by **3%**



GOAL

Continue to grow our Supplier Diversity program

2024 PROGRESS

Maintained our total in-scope spend compared to 2022



We support access to early childhood education through donations of books, and other resources. Through our charitable giving, product donations, and volunteering efforts, we aim to support diverse groups of children and families in raising future generations.



- **Company Giving: \$2.9M**
- **Customer Giving: \$1.7M**
- **Employee Giving: \$200,000**

⁴ Includes ~\$1.1M donated from the Carter's Charitable Foundation, Inc.

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esg.carters.com

