

carter's®

2024 raise the future impact report





contents

3 [Letter from Leadership](#)

about carter's

- 5 [Our Brands](#)
- 6 [Carter's at a Glance](#)
- 7 [Our Global Value Chain](#)
- 8 [Our Values](#)
- 9 [Memberships & Trade Associations](#)
- 10 [ESG Governance](#)
- 11 [Raise the Future: Our ESG Strategy](#)
- 12 [Progress Highlights](#)

product

- 14 [Our Product Strategy](#)
- 15 [Our Sustainable Materials Journey](#)
- 17 [Better Cotton](#)
- 18 [Sustainable Apparel & Goods](#)
- 21 [Responsible Sourcing](#)
- 23 [Social Compliance](#)
- 25 [Partnering for Worker Well-being](#)
- 26 [Chemicals Management](#)

planet

- 29 [Energy & Emissions](#)
- 30 [Scope 1 & 2 Emissions](#)
- 31 [Scope 3 Emissions](#)
- 32 [Our Suppliers](#)
- 33 [Life Cycle Assessment \(LCA\)](#)
- 34 [Climate Risks & Opportunities](#)
- 35 [Biodiversity](#)
- 36 [Waste](#)
- 37 [Product Circularity](#)
- 38 [Packaging](#)
- 39 [Managing Our Water Impact](#)

people

- 41 [Our Culture](#)
- 42 [Recruitment](#)
- 43 [Career Development](#)
- 45 [Benefits & Well-being](#)
- 46 [Employee Safety](#)
- 47 [Diversity & Inclusion](#)
- 50 [Uplifting Our Communities](#)

disclosure indices

- 54 [About this Report](#)
- 55 [Forward Looking Statements & Other Notices](#)
- 56 [UN SDG Connection](#)
- 57 [GRI Index](#)
- 61 [SASB Index](#)
- 65 [TCFD Index](#)
- 66 [Carter's Climate Risks & Opportunities](#)
- 69 [Product Data](#)
- 70 [Planet Data](#)
- 73 [People Data](#)
- 75 [Benefits](#)
- 76 [Assurance Statement](#)

letter from leadership

To our Carter’s Family,

For more than 160 years, families have counted on Carter’s to provide high quality apparel and related products, for babies and children. We’re honored to play a part in the everyday moments and big milestones that shape childhood. We take pride in continuing to lead the market in young children’s apparel in North America. What sets us apart is the consumer equity we’ve created with generations of parents and care givers through our strong brand portfolio, unique multi-channel business model, and core product pillars of safety, durability, and sustainability.

We recognize how much is being asked of young families right now with rising costs, endless to-do lists, and an uncertain economic outlook. Despite these challenges, we know that consumer sentiment continues to trend towards companies leading with purpose—companies like Carter’s. Our continued focus on our Little Planet brand, which we believe has quickly become the market leader in organic fabrics and sustainable materials, is an example of our purpose-driven commitment to corporate responsibility.

Experienced parents with older children know they can trust our products to pass the test of time through multiple washings and durability amidst playground wounds and mealtime spills. Additionally, our childhood essentials brand, SkipHop, offers innovative “grow-with-me” products, such as exercise tables and highchairs, that grow with children from baby to toddler, reducing the need for parents to buy multiple versions of the same item. These products support a longer product lifecycle and a reduced environmental impact.

Several years ago, we built our corporate responsibility strategy: *Raise the Future*. This strategy, rooted in three pillars—Product, Planet, and People—reflects our commitments to provide more sustainable product offerings, reduce our carbon footprint, and uplift our workers and communities. For Carter’s, *Raise the Future* isn’t just a strategy—it’s a commitment to creating a better world for future generations. We have developed apparel made from more sustainable materials, set company-wide climate targets verified by the Science Based Targets initiative (SBTi), and enhanced our traceability and social compliance programs.

We recognize that our corporate responsibility efforts are a work in progress, as is raising future generations. Some of the progress we made in 2024 includes:

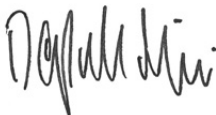
- **Product:** 99% of our apparel products, excluding those made by outside vendors or that are GOTS-certified, meet the OEKO-TEX 100 Standard certification, ensuring they’ve been tested to be free from thousands of harmful chemicals
- **Planet:** More than 60 percent of our product packaging is made of recycled content, reducing our consumption of virgin plastic packaging
- **People:** We have invested almost \$35M in communities through our corporate philanthropy programs

Recognizing this progress also requires us to recognize the challenges we face in growing our business and deepening our relationship with consumers amid the current economic backdrop. In uncertain times, it’s trusted brands such as Carter’s and OshKosh B’gosh that families turn to. We are focused on showing up for today’s parents by listening closely, innovating responsibly, and continuing to meet the real-life product needs of families.

Our responsibility and our growth efforts continue to be led by our mission—to serve the needs of families with young children, with a vision to be the world’s favorite brands in young children’s apparel and related products. All that we do at Carter’s starts with our product, but none of our success over the years would be possible without our people, and the people in our broader networks and communities. I’d like to thank our more than 15,000 global employees around the world for their dedication and passion for our brands, our mission, and all they do for families every day.

We have our work set out for us to become an even stronger, more sustainable, more responsible brand, and we will continue to deliver high quality products that our shareholders have long known us for. I can’t wait to share with you all our future progress in reports to come.

Sincerely,



Doug Palladini

Chief Executive Officer & President, Director



about carter's

raise the future:
we promise to better our world™

Our **purpose** is to inspire the generations raising the future. Our **mission** is to serve the needs of all families with young children. Our **vision** is to be the world's favorite brands in young children's apparel and related products.



our brands

Our iconic brands¹ have been trusted for generations. We are dedicated to serving the needs of all families with young children.



carter's

Parents have trusted Carter's to create innovative, feature-focused clothing and accessories for almost 160 years, and we're committed to inspiring the next generation of caregivers as a new chapter begins.



OSHKOSH
B'gosh

An American icon with nostalgic appeal, OshKosh B'gosh is rooted in denim with an enduring cool. Our designers match timeless looks with modern vibes for styles that are always on trend.



little planet.
by carter's

Little Planet by Carter's is a return to simplicity, offering responsibly made, sustainably sourced, heirloom-worthy essentials designed to be passed down through generations. Find thoughtful, versatile styles made with the purest, GOTS-certified organic cotton.



SKIP*HOP

A go-to for baby's first year (and beyond!), Skip Hop prides itself on developing award-winning, grow-with-baby essentials. From play time to snack time to bath time, our must-haves are designed to make parenting easier.

¹Carter's has three exclusive brands: Carter's Just One You at Target, Carter's Child of Mine at Walmart, and Simple Joys by Carter's at Amazon.

carter's at a glance

As the largest branded marketer in North America of apparel exclusively for babies and young children, Carter's reaches a broad range of consumers around the world through our multi-channel global business model that includes retail stores, eCommerce, and wholesale channels, as well as omnichannel capabilities in the United States and Canada. We are a publicly-traded company on the New York Stock Exchange listed under ticker symbol "CRI." For more information on our financial results, please see our [2024 Annual Report](#).

a culture of integrity

At Carter's, integrity isn't just a value we promote; it's the foundation of our operations and a standard by which we measure our success.

Our commitment to conducting business with high ethical standards is strengthened through comprehensive policies, rigorous training, and robust governance frameworks that support accountability at all levels. For more information on these topics, please see our related materials shown below:

- [Code of Ethics](#)
- [California Transparency in Supply Chains Act and UK Modern Slavery Act Policy](#)
- [Canadian Due Diligence Report](#)
- [Conflict Minerals Policy](#)
- [Corporate Social Responsibility Policy](#)
- [Environmental Policy](#)
- [Privacy Policy](#)
- [Restricted Substances List](#)
- [Tier 1 Suppliers](#)
- [Vendor Code of Ethics](#)
- [ZDHC Manufacturing Restricted Substances List](#)



Carter's² is the #1 baby apparel brand³



²Carter's = Carter's, Little Planet, Carter's Just One You, Carter's Child of Mine, Simple Joys by Carter's.
³Carter's is the #1 baby apparel brand (ages 0-12 months) at 28% of the market. Source: Circana, Consumer Tracking Service, U.S. apparel dollar sales, 12 months ending December 2024.
⁴Corresponds to fiscal year 2024.
⁵Includes ~\$1.1M donated from the Carter's Charitable Foundation, Inc.
⁶Year over year decrease reflects lower in-kind donations due to reduced excess inventory.

our global value chain

Our value chain starts with the people and businesses involved in the production and distribution of our products and ends with our customers and the communities where we operate. Without owning raw materials or manufacturing facilities, we rely on a global network of third-party suppliers, primarily in Asia, to source our garments and other products. Our remaining suppliers are in North America, Central America, and Africa.

To optimize efficiency and manage manufacturing volume in Asia, our sourcing operations are based in Hong Kong, with additional support in Vietnam, Cambodia, India, and Bangladesh. A full list of our Tier 1 suppliers can be found in the footer on our [website](#).

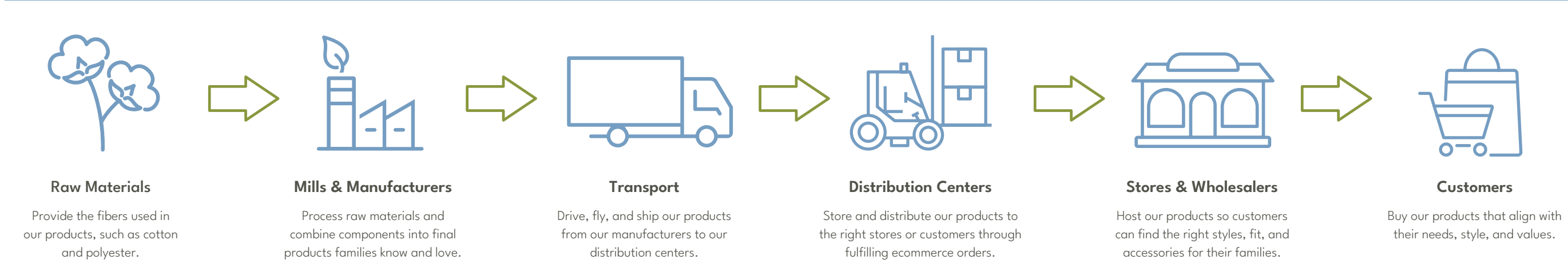
During fiscal year 2024, approximately **75%** of our product was sourced from Vietnam, Cambodia, Bangladesh, and India. Approximately **81%** of the cotton fiber that was used in the manufacturing of our products during fiscal year 2024 was sourced from the United States, Brazil, India, and Australia.



Major Sourcing Locations

- Cambodia
- Vietnam
- Bangladesh
- India
- United States
- Brazil
- Australia

carter's value chain





our values

At Carter’s, our shared values serve as the foundation for our success.



esg rankings & ratings

CDP Score

B↑

ISS ESG Corporate Rating

C↑

MSCI

AA↑

S&P Global

41/100↑

Sustainalytics ESG Risk Rating

13.4 Low

awards & recognition





memberships & trade associations

Carter's believes that collaborative effort is essential for creating lasting positive change. Our strategic partnerships and industry associations enable us to drive innovation, influence policy, and collaborate on solutions to complex industry challenges, particularly in sustainability and responsible business practices.

[American Apparel & Footwear Association \(AAFA\)](#)

Member since 1970

Our membership provides Carter's a seat at the table in navigating the industry's complex regulatory landscape. Carter's EVP Supply Chain, Karen Smith, is an AAFA Board Member.

[Cascale \(formerly Sustainable Apparel Coalition\)](#)

Member since 2021

Through our membership, we gain insights on how to best manage environmental resources in the manufacturing of our products and continue to challenge ourselves to create a more sustainable future.

[National Retail Federation \(NRF\)](#)

Member since 2023

Carter's membership allows us to benefit from NRF's intelligence-sharing community and platform. Carter's EVP, Chief Information & Technology Officer, Raghu Sagi, is a member of the NRF's CIO Council, and our Chief Information Security Officer, Kemper Seay, is a member of the CISO Council.

[Nirapon](#)

Member since 2021

Carter's membership helps our suppliers' factories create a sustainable culture of safety by providing guided and supported maintenance, monitoring, and reporting processes.

[Retail Industry Leaders Association \(RILA\)](#)

Member since 2017

Through collaboration and thought leadership, the group advances ideas that foster free markets, competition, economic growth, and sustainability. Carter's SVP, General Counsel, Secretary, Corporate Social Responsibility (CSR), and Chief Compliance Officer, Antonio Robinson, is a member of RILA's ESG Executive Committee. Additionally, our Chief Retail and Digital Officer, Allison Peterson, is a member of RILA's Chief Store Officer Council.

[Textile Exchange](#)

Member since 2025

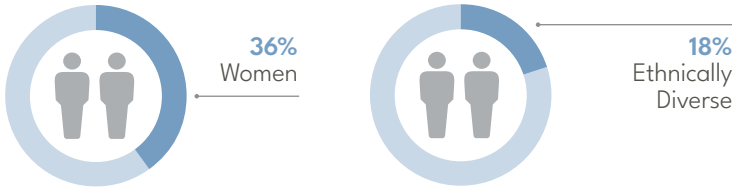
The goal of the Textile Exchange is to support the fashion and apparel industry in reducing its greenhouse gas footprint from fiber and raw material production. We aim to leverage our membership to support ongoing efforts to grow our sustainable product offerings.

esg governance

Board Oversight

Our Board of Directors provides oversight of the management team and our business. Ten out of the eleven members of our Board are independent. The Nominating and Corporate Governance Committee provides oversight of the Company’s environmental, social, and governance (ESG) initiatives through quarterly or more frequent progress reviews. These reviews include assessments of ongoing efforts related to topics such as climate change management, regulatory compliance, global supply chain compliance, diversity and inclusion (D&I), and product sustainability.

Board of Directors



Management Oversight

Our SVP, General Counsel, Secretary, CSR, and Chief Compliance Officer, who reports directly to our CEO, has responsibility for the Company’s ESG, D&I, and Compliance programs.

Artificial Intelligence

Our Board of Directors, together with our Audit Committee, provides oversight of risks related to artificial intelligence (AI) and periodically reviews those risks. We commit to employing AI in a manner that respects human dignity, rights, and freedoms. Our use of AI fully complies with applicable legal authorities and with policies and procedures that protect privacy, civil rights, and civil liberties. We employ mechanisms to define responsibilities and provide accountability for the use of AI and its outcomes and take affirmative steps to identify and mitigate bias.



2024 ESG-related Annual Management Cash Incentive:
Expanding multicultural customer acquisition for fiscal year 2024

ESG Roles and Responsibilities



raise the future: our esg strategy



We promise to better our world



Product

Grow Our Sustainable Offerings



Planet

Reduce Our Carbon Footprint



People

Uplift Our Workers and Communities

The following topics surfaced from our latest materiality assessment. We plan to conduct similar assessments every two years.

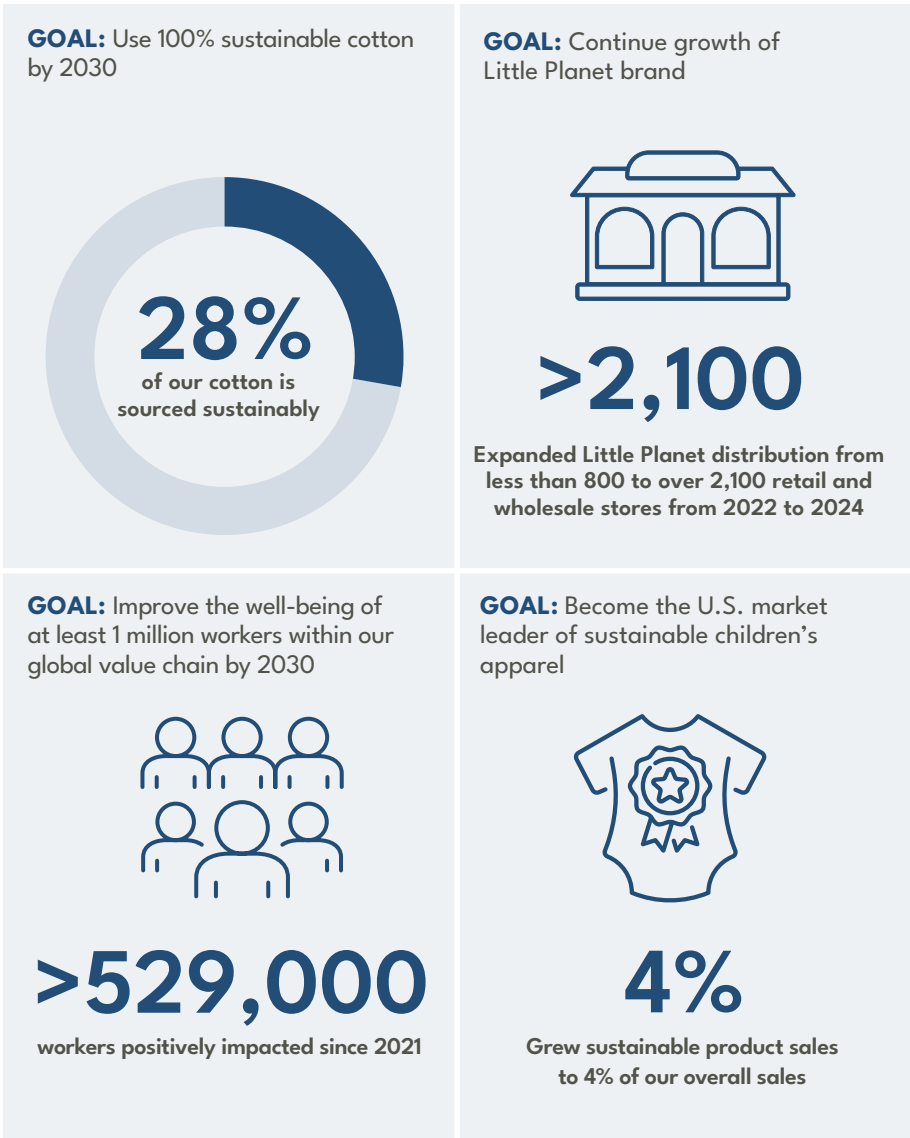
- Consumer Behavior
 - Ethical Conduct
 - Human Rights and Responsible Sourcing
- Product Quality and Safety
 - Raw Materials Sourcing
 - Supply Chain Resilience

Over the past several months, we engaged with outside industry experts to conduct a comprehensive assessment of our business. This review has highlighted many strengths, including our brand assets, significant equity with consumers, and the unique reach of our multi-channel business model. The work identified several opportunities to improve the focus and appeal of our product offerings and further integrate our ESG strategy within the overall company strategy in ways designed to capture new customer segments and market share while advancing our sustainability goals.

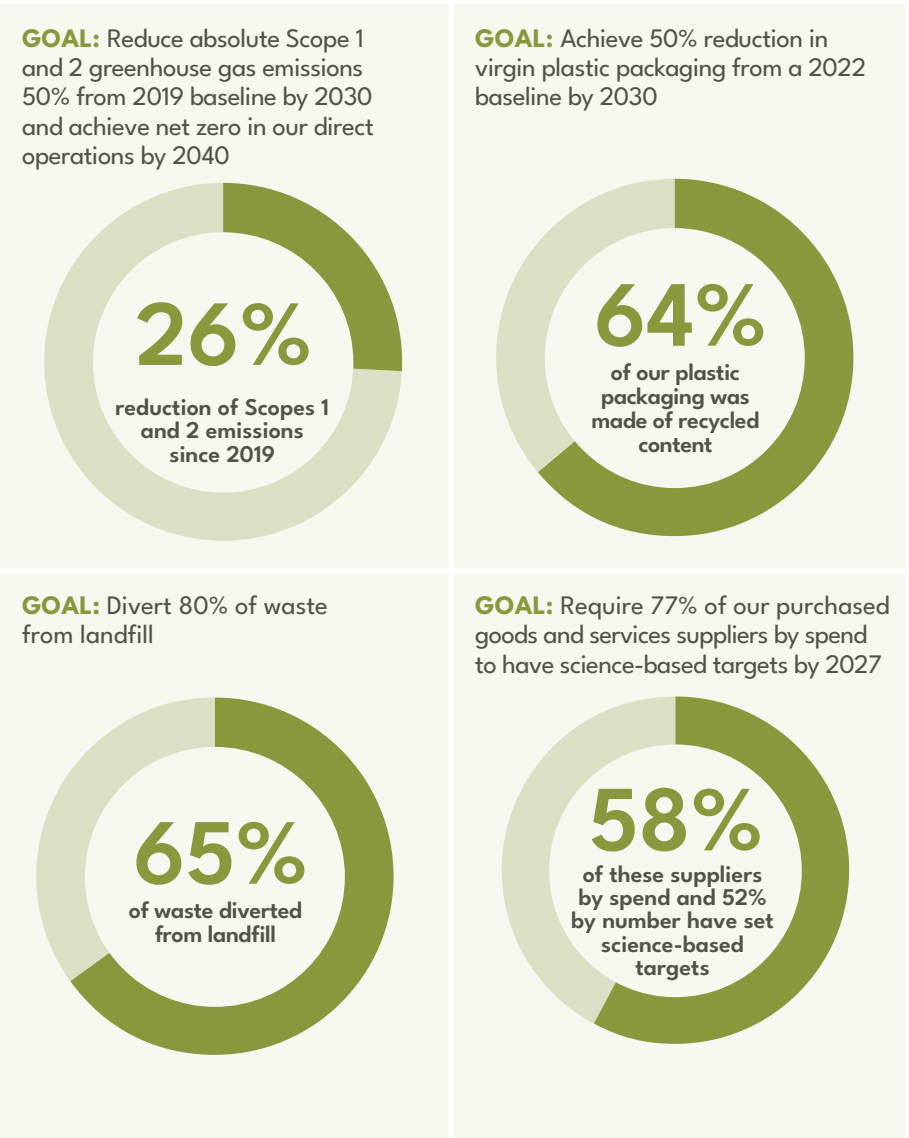


progress highlights⁷

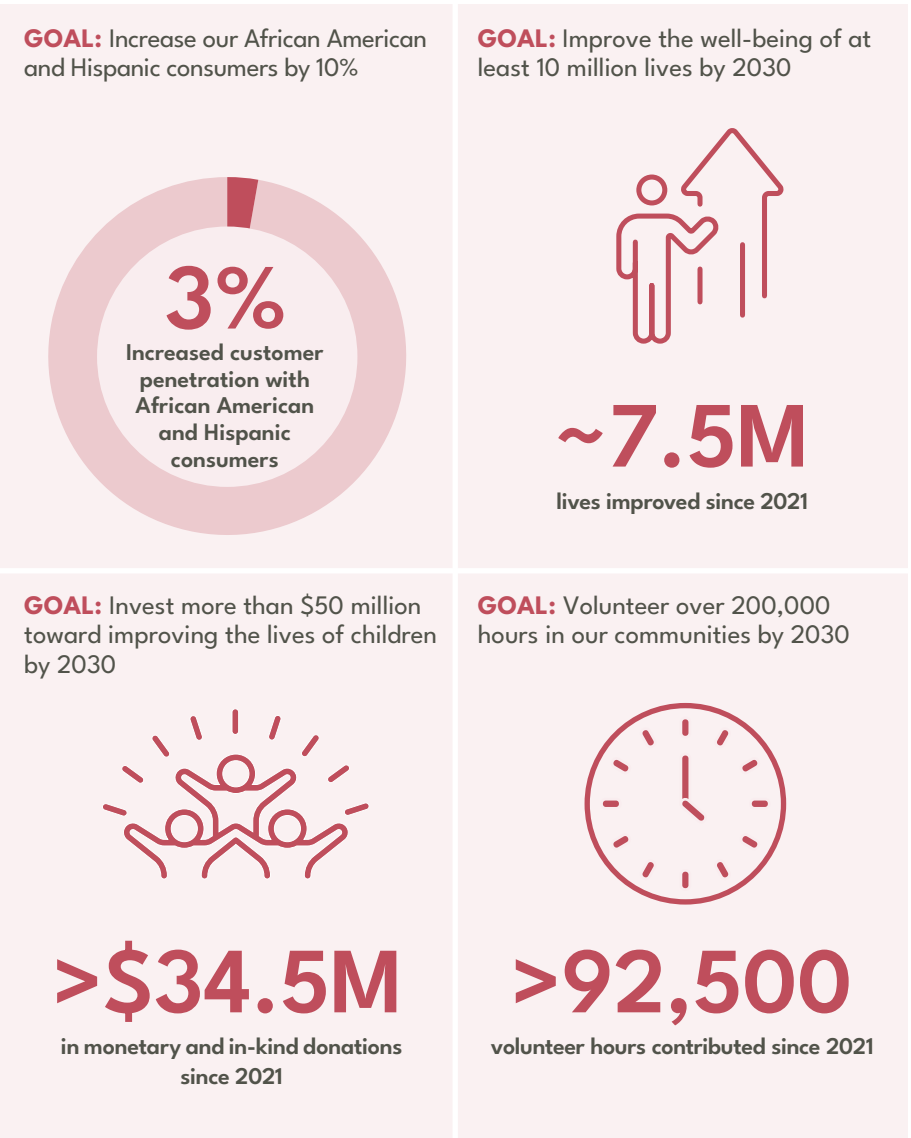
product



planet



people



⁷This page includes progress as of December 31, 2024 for a selection of our goals. All goals can be found in their respective sections of this report.

Carter's, Inc. • 2024 Impact Report | 12

product

grow our sustainable offerings

We are on a journey to create products that are responsibly made and sustainably sourced so that all families with young children can grow and thrive for generations to come.





our product strategy

At Carter’s, our highest priority continues to be the safety and quality of our products. Our approach combines rigorous testing protocols, industry-leading certifications, and strategic supplier partnerships to deliver products that meet high standards of safety and sustainability. 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.

Our goal is to ensure that consumers understand the value our products provide to them and their families. To enhance consumer engagement and transparency, our approach will focus on making sustainability more visible and accessible across all consumer touchpoints. This includes enhanced product labeling that clearly communicates sustainability attributes and expanded education programs that help consumers understand the impact of their choices.

High-Quality, Safe Product Commitment

We review every product we develop for potential health and safety risks and implement appropriate mitigation measures. Our process includes rigorous testing aimed at ensuring that our products are safe and made well. Our testing complies with all relevant international, federal, and state regulations, including those of the Consumer Product Safety Commission, as well as our own proprietary testing protocols. If a product does not meet quality standards, we take prompt action to correct the issue.

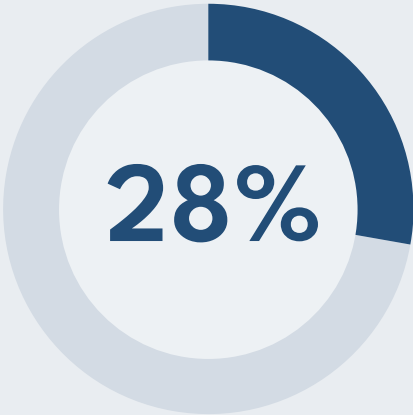
our sustainable materials journey

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. Cotton remains our primary fabric, accounting for almost 70% of our fiber usage, and our goal is to use 100% sustainable cotton fibers by 2030.

The apparel industry continues to face significant challenges in scalability of recycled polyester, including intensifying competition for post-consumer plastic bottles and escalating costs for certified recycled materials. Given these market constraints, we made a strategic decision to remove polyester from our sustainable fiber goal. This adjustment refines the focus of our sustainable materials efforts to where we believe we can make a meaningful impact.



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



GOAL
Achieve **100%** sustainable cotton fibers by 2030

2024 PROGRESS
28% of our cotton was sustainably sourced in 2024⁸

our sustainable materials journey

Materials Certifications

We demonstrate our ongoing commitment to sourcing sustainable materials through a comprehensive fiber portfolio strategy. We actively prioritize, and continue to increase our use of, independently verified sustainable fibers, including:

Certified Organic Materials

We prioritize GOTS-certified (Global Organic Textile Standard) materials for brands like Little Planet, validating:

- Organic farming practices
- Ethical labor conditions
- Environmentally responsible processing

Verified Recycled Content

Some of our products incorporate GRS-certified (Global Recycled Standard) and RCS-certified (Recycled Content Standard) materials, validating:

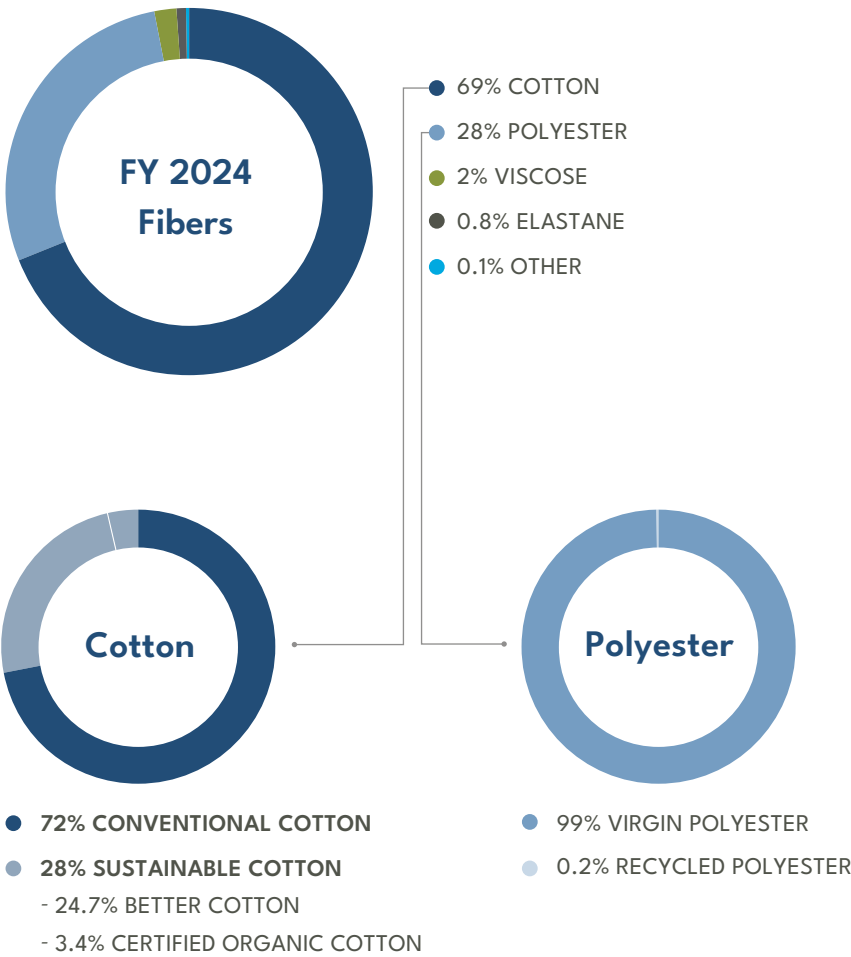
- Recycled content claims
- Responsible social practices (GRS only)
- Environmental standards (GRS only)
- Chemical safety protocols (GRS only)

Materials with Verified Environmental Benefits

We partner with recognized sustainability leaders, including:

- Better Cotton: Supporting more sustainable cotton farming practices and improved farmer livelihoods
- LENZING™ ECOVERO™ Viscose: Using fibers produced with significantly lower environmental impact through responsible wood sourcing and closed-loop processing

2024 Fiber Usage



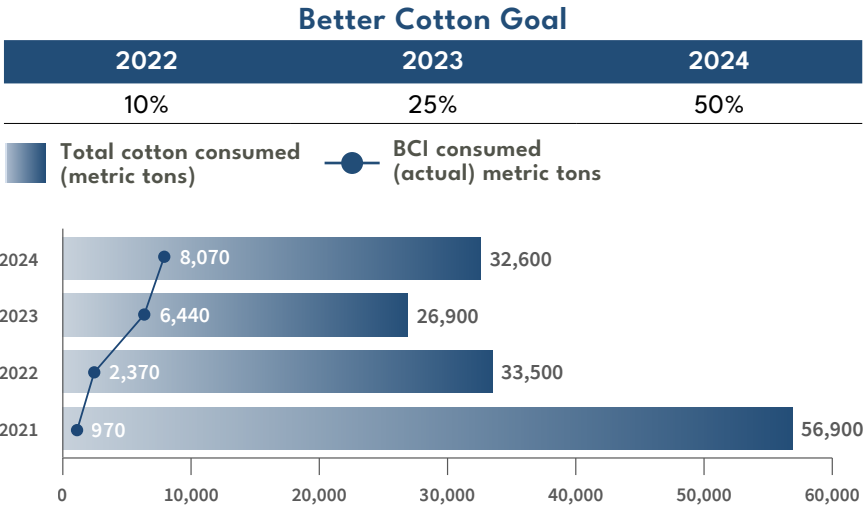
Our sustainable materials strategy directly supports our goal to become the U.S. market leader in sustainable children’s apparel, addresses consumer preferences for safe and sustainable products, and aims to manage supply chain resilience and raw material sourcing risks.

better cotton

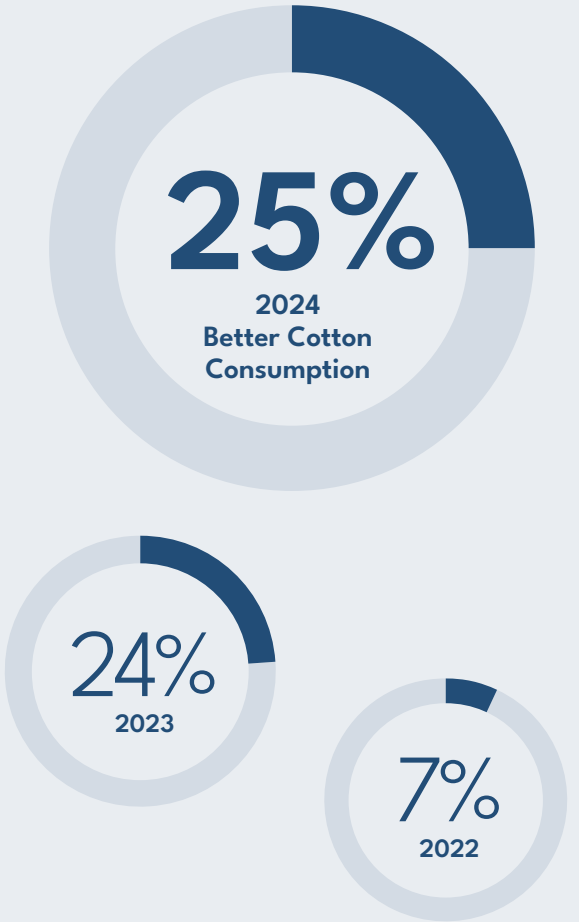
[Better Cotton](#) represents the foundation of Carter's sustainable materials strategy, delivering both environmental benefits and business value through improved supply chain transparency and resilience. Through its implementing partners, Better Cotton trains farmers to use water efficiently, care for soil health and natural habitats, reduce use of the most harmful chemicals, and respect workers' rights and well-being.



We believe Better Cotton remains our primary pathway to achieving 100% sustainable cotton by 2030. In 2024, we sourced approximately 25% of our cotton through Better Cotton, falling short of our interim sustainable cotton target of 50%. This is largely due to the lag time in the transfer of Better Cotton credits from our suppliers and an updated accounting methodology which we believe should improve consistency and accuracy going forward. Due to these issues, we are also restating our progress from 2023. We are actively working to improve our data validation procedures and expect to be on track to achieve our interim goal in 2025.



We fell short of our interim sustainable cotton target with approximately 25% of our cotton sourced through Better Cotton in 2024.



BETTER COTTON HIGHLIGHT:

U.S. Better Cotton Farmers Promote Regenerative Practices*

Quarterway Cotton Growers—a Better Cotton Licensing Management Partner in the U.S.—are experimenting with practices and systems to improve soil health, water use, and overall efficiency. They are reducing fuel consumption with more efficient equipment. Many are cover cropping with wheat, rye, or triticale, and then planting into crop residue to minimize wind erosion and increase soil cover. Others are modifying row spacing to increase yield per plant, reduce seed costs, and improve water use efficiency, or installing drip irrigation for even more targeted water use. To learn more about Quarterway Cotton Growers, visit this [link](#).

*The stories and outcomes featured here reflect the experiences of individual Better Cotton licensed farmers in specific regions. Results may vary by country due to differences in local conditions and other contextual factors. These stories do not represent the outcomes of all Better Cotton licensed farms.

sustainable apparel & goods

Carter’s commitment to sustainable apparel and goods continues to be led by our Little Planet and Skip Hop brands, along with targeted collections like PurelySoft. Our approach combines innovative design, sustainable materials, and strategic distribution expansion to create lasting value for both our customers and our business.

Our sustainable product offerings continue to evolve. Rising demand for sustainable products connects us with new audiences as we expand our retail footprint with innovative store formats. This consumer-driven focus on sustainability also supports our global expansion, as markets worldwide embrace responsible fashion choices. Throughout this evolution, we maintain our commitment to product innovation, quality, and safety—principles that have defined Carter’s for nearly 160 years while adapting to meet the changing needs of families today.

GOAL

Become the U.S. market leader of sustainable children’s apparel



2024 PROGRESS

Grew sustainable product sales to **4%** of our overall sales

GOAL

Continue growth of Little Planet brand



2024 PROGRESS

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





sustainable apparel & goods

Little Planet

[Little Planet](#) serves as our sustainability innovation incubator, pioneering practices that inform our broader organizational approach to providing sustainably-made products that maintain high quality. We launched Little Planet in 2021 as a primarily organic and sustainable apparel brand, designed to meet growing demand for beautiful, heirloom-quality baby and toddler products made with sustainable materials. The assortment of products includes apparel ranging from infant to kid sizes, sleepwear, swimwear, outerwear, bedding, accessories, and toys. The brand’s unique positioning combines GOTS-certified organic materials and recycled fabrics with gender-neutral, timeless designs that resonate across varied consumer segments.



⁹Shop-in-shops are distinct Little Planet areas of our retail stores.

Little Planet achieved significant growth in 2024 through:

Distribution Expansion

- Little Planet displays featured in over 600 U.S. retail stores, and 1,500 wholesale partner locations
- Full presence across our entire Canadian retail portfolio (190 locations)

Shop-in-Shop⁹ Innovation

- Over 10 dedicated retail environments
- Testing more sustainable displays and inventory management systems
- Enhanced customer experiences driving strong performance metrics

Product Evolution

- Size range expansion up to size 8
- Continued success of recycled swim and organic sleepwear and denim programs
- Focus on sustainable, evergreen essentials

New Demographics

- Notably higher male shopper engagement (47% versus 26% for core Carter’s brand)
- Strong multicultural engagement (29% Hispanic customer base)

PurelySoft

Building on the success and learnings from Little Planet, [PurelySoft](#) represents our strategic expansion into sustainable everyday essentials. Launched in 2023, this innovative collection combines comfort with environmental responsibility through its use of wood-based fibers from sustainably managed forests. The brand exemplifies our commitment to making sustainable options accessible while maintaining the quality our customers expect.

The collection has demonstrated exceptional market performance:

- Grew over 260% in U.S. Retail sales since 2023
- Expanded product assortment to new silhouettes, including fold-over mitts and feet, all leveraging the soft and stretchy wood-based fibers

sustainable apparel & goods

Skip Hop

Skip Hop continues to lead innovation in children’s products through its Must-Haves Made Better® brand promise. The brand’s commitment to sustainability is demonstrated, in part, through its designated “grow with me” products which extend a product’s lifecycle and reduce the need for parents to buy multiple items—reducing environmental impact and providing enhanced value to parents through products that grow with their children.

Skip Hop is also committed to transitioning to more sustainable packaging. The brand advanced these efforts in 2024 by completing a conversion to recycled poly bags for its soft goods, with **the total packaging transition resulting in an 18% reduction in virgin plastic usage.**

REDUCING OUR FOOTPRINT

In 2024, Skip Hop began transitioning conventional plastic straw bottles to be made with Tritan™ Renew from Eastman, which uses 50% certified recycled content. This has diverted nearly **7,000** pounds of waste, or the equivalent of over **300,000** single use plastic bottles, from landfills and reduced carbon emissions by over **5,800** pounds of CO₂e.¹⁰

Award Winning “grow with me” Products



Discoverity 3-in-1 Sensory Table

Early sensory exploration begins with floor play then converts to sensory table and play table as toddler grows



Explore & More Baby's View 3-Stage Activity Center

Converts from an interactive bouncer to activity center for early walkers and finally a toddler play table



Wave 4-in-1 Baby Bath Tub

Designed to make bath time easier for parents, it grows with baby in four stages—from infant to toddler



¹⁰Calculation is based on the assumption of a 25% GHG reduction for Tritan Renew materials compared to conventional counterparts.

responsible sourcing

Responsible sourcing is fundamental to our business strategy and integral to delivering value for our stakeholders. In 2024, we strengthened our position as an industry leader in supply chain transparency and traceability while advancing worker well-being across our global operations. Our comprehensive approach combines rigorous supplier monitoring, innovative traceability technologies, and strategic partnerships designed to create lasting positive impact.

We have enhanced our vendor transparency by publishing our full list of Tier 1 suppliers, which can be found on the footer on our [website](#).

Traceability Excellence

Our enhanced traceability capabilities strengthen collaboration with supply chain partners to reduce the risk of forced labor in raw materials sourcing and production. We maintain ongoing monitoring of all applicable value chain regulations.

Our comprehensive traceability program focuses on:

- **Capability Screening:** Assessing the ability of suppliers to provide documentation showing material origin
- **Factory Training:** Providing training and education to suppliers and building competencies as needed
- **Mock Audits:** Verifying and validating material tracing capabilities

In 2024, we significantly expanded our factory training, implementing a comprehensive approach that combines in-person education with digital learning solutions. Our enhanced efforts focus on building supplier understanding and capabilities across our value chain.

A cornerstone of this effort was an extensive supplier engagement tour in Asia, where we conducted focused training sessions with key manufacturing partners. These interactive workshops helped suppliers understand our expectations regarding regulatory requirements, while providing practical guidance on documentation and verification.

Traceability Program Components



¹¹ Identifies country of origin by testing the chemical fingerprint of a material sample against an existing database of country-level markers.

responsible sourcing

In 2024, we complemented our in-person training with a new online traceability course that is mandatory for all Tier 2 suppliers. This digital training helps standardize knowledge across our supply base, while providing consistent access to essential information and best practices. Our training emphasizes:

- Understanding regulatory requirements and compliance expectations
- Documentation protocols and verification procedures
- Organizational structures needed for managing traceability
- Best practices for supply chain mapping and validation

To strengthen our program effectiveness, we assessed suppliers' organizational structures and identified opportunities to better align internal responsibilities with traceability requirements.

Our investment in supplier education and capability building has yielded measurable results, contributing to a 100% success rate in addressing regulatory compliance incidents. We continue to refine our approach based on supplier feedback and emerging needs, equipping our partners with the tools and knowledge necessary to meet evolving supply chain transparency expectations.



In 2024, we expanded our isotopic testing to encompass our top 10 cotton fabrics, providing scientific validation of the materials' country of origin. This testing revealed full compliance across all evaluated materials, reinforcing the integrity of our supply chain controls.

Responsible Sourcing in Action

In 2024, we faced an unforeseen regulatory challenge when several product shipments were detained over potential responsible sourcing concerns. Prior to this incident, we had engaged HAP, a recognized industry leader in supply chain traceability and due diligence, to conduct a thorough evaluation of our global supply chains and assist in implementing enhanced internal controls. In parallel, we established collaborative relationships with key

regulatory stakeholders to create a shared understanding of our sourcing practices and traceability protocols. Because of these efforts, we were able to act swiftly and comprehensively. All shipments were released without penalties, and regulatory authorities confirmed our full compliance. This outcome underscores the effectiveness of our proactive approach to risk management and regulatory readiness.

social compliance

Our social compliance program begins with an extensive supplier onboarding process that evaluates a potential vendor’s policies and practices against our [Vendor Code of Ethics](#) and [Corporate Social Responsibility Policy](#). Once we onboard a supplier, rigorous monitoring is implemented that includes annual compliance assessments and supports the maintenance of our labor standards.

We continue strengthening our commitment to social compliance, enhancing worker protections while supporting business growth. In 2024, we enhanced our supply chain monitoring and grievance mechanisms to amplify worker voices.

Labor Line Initiative

In 2024, we implemented the Labor Line worker helpline program across 35 facilities. This new platform provides:

- Multi-channel access for workers to report concerns anonymously
- Real-time case management and resolution tracking
- Enhanced data analytics for identifying trends and systemic issues
- Support in workers’ local languages



This helpline program positively impacts almost 40,000 workers.

Supplier Onboarding



social compliance

Building on our foundation of Tier 1 supplier monitoring, we made significant strides in 2024 to expand visibility across our broader supply chain. As consumer expectations and regulatory requirements evolve, we recognize that comprehensive supply chain oversight is crucial for mitigating risks and upholding responsible practices. In 2024, we fully

implemented systematic monitoring of Tier 2 suppliers, while initiating preliminary assessments of Tier 3 relationships. This expanded scope reflects our commitment to transparency and understanding that meaningful social compliance requires collaboration across all levels of our supply chain.

Tier 1 and 2 Supplier Compliance Auditing			
	2022	2023	2024
Number of Active Suppliers	88	85	278
Number of Active Factories	137	126 ¹²	393
Number of Factories with a Passing Score	137	125	391
Number of Factories with a Below Passing Score	0	1	2
Number of Unannounced Audits Conducted	36	21	59

¹² Includes 60 wholesale factories with scores converted from external audit reports.



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.



partnering for worker well-being

We believe lasting positive change in our supply chain requires collaboration with organizations that share our commitment to worker well-being. In 2024, we strengthened partnerships and introduced initiatives to empower workers and strengthen the communities where we operate.

RISE

Our partnership with [RISE: Reimagining Industry to Support Equality](#) continues to be a cornerstone of our worker empowerment strategy. Our participation delivers comprehensive training programs to suppliers, with particular emphasis on financial literacy and digital inclusion for women. In 2024, we expanded our reach through:

- **Financial Health Program:** Two factories completed workers’ training in financial literacy and money management skills
- **Digital Advancement Initiative:** Six factories implemented digital tools and training to enhance worker communication and resource access
- **Workforce Development:** Continued efforts to empower women workers, who make-up approximately 70-75% of our manufacturing workforce



“70-75% of the workforce are women, so it’s important for us to continue to focus on that demographic and provide them the right skills to move up in their careers, such as how to better manage their finances.”

David Chan, Senior Manager, Corporate Social Responsibility and Traceability

Planet Water Foundation

Building on our commitment to strengthening communities where we operate, we expanded our support of the [Planet Water Foundation](#) in 2024. Our participation sponsored three new AquaTower water filtration systems, completing two projects in India and one in Vietnam. Each installation was coupled with Planet Water’s Water-Health and Hygiene education programs. These systems will provide clean water access to approximately 5,400 children and community members across all three locations.



GOAL

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



2024 PROGRESS

>529,000

workers positively impacted since 2021



chemicals management

At Carter’s, prioritizing product safety through effective chemicals management is essential for customer trust and protecting the children who wear our clothes. Our comprehensive approach combines rigorous standards, third-party certifications, and proactive testing protocols to uphold our commitment to safe, quality products.

Product Safety

Our commitment to third-party certification through the [OEKO-TEX® STANDARD 100](#) (OEKO-TEX) demonstrates our leadership in product safety. As one of the world’s best-known labels for textiles tested for over 1,000 harmful substances, this certification assures consumers that our products meet strict safety standards. Most apparel products from Carter’s and OshKosh are considered in scope for OEKO-TEX certification.

Looking ahead, we expect to maintain certification for approximately 99% of eligible products and recognize that certain product categories and low-volume specialty items may remain outside certification scope. Starting in Fall 2025, we will expand our certification program to include Little Planet products, building on their existing use of GOTS-certified organic cotton and further strengthening our chemical safety commitment across our brand portfolio.

Restricted Substances List (RSL)

In 2024, we enhanced our RSL testing approach in response to our high OEKO-TEX® certification rates. With over 99% of in-scope vendor styles now certified, we have transitioned away from standalone RSL testing, demonstrating the effectiveness of our chemicals management program.



99% of our product within scope¹³ is OEKO-TEX® Certified and at the end of 2024, 100% of the manufacturing facilities are OEKO-TEX® STANDARD 100 Certified.

¹³ Carter’s defines in scope items as those that include apparel and exclude outside vendors and GOTS-certified products.

chemicals management

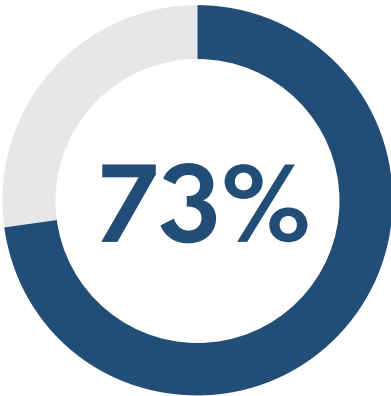
Manufacturing Restricted Substances List (MRSL)

We continue progressing toward our goal of 80% adoption of the ZDHC MRSL ([Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List](#)) by the end of 2025 across our supply chain. While supplier location changes have caused minor fluctuations in adoption rates, our commitment remains firm.



fabric yards

produced came from Tier 2 suppliers engaged with the ZDHC MRSL



wash & laundry

facilities used engaged with the ZDHC MRSL

Per- and Polyfluoroalkyl Substances (PFAS)

We maintained our proactive stance on PFAS management in 2024, implementing stricter standards ahead of regulatory requirements. Per our RSL, we do not intentionally add PFAS to our apparel or accessory products, and we expanded the scope of product categories we test, outside of products we claim to be water or stain resistant.

Our risk-based testing strategy encompasses products that are subject to heightened scrutiny, including outerwear and bath-related items. This comprehensive approach, combined with our zero intentional PFAS addition standards, provides multiple layers of protection against PFAS presence in our products. We have also enhanced our testing protocols by:

- Conducting total fluorine testing for Carter's in-scope sourced apparel and Skip Hop products
- Expanding the scope of testing beyond water- or stain-resistant claims
- Enhancing documentation requirements for E.U. market compliance
- Strengthening supplier engagement to increase PFAS awareness

Digital Product Passport

As we advance our chemicals management program, we are taking a holistic approach to future challenges and opportunities. The E.U.'s Ecodesign for Sustainable Products Regulation (ESPR) includes a key requirement for Digital Product Passports (DPP) which store relevant product sustainability information. The upcoming implementation of the DPP presents an opportunity to streamline our documentation process and enhance transparency.

In the near term, we are focused on several key initiatives:

- Providing suppliers with technical guidance and clear communication during manufacturing transitions
- Strengthening our documentation systems, including improved access to test reports and chemical management verification, to meet evolving European market requirements
- Maintaining our leadership position in third-party safety certifications while optimizing program efficiency

As the chemicals management and product transparency regulatory landscapes continue to evolve, we remain committed to staying ahead of requirements and maintaining the trust of our customers.



planet

reduce our carbon footprint

We aim to reduce our impact on the environment for future generations through our multi-pronged climate and environmental strategy and ambitious goals.

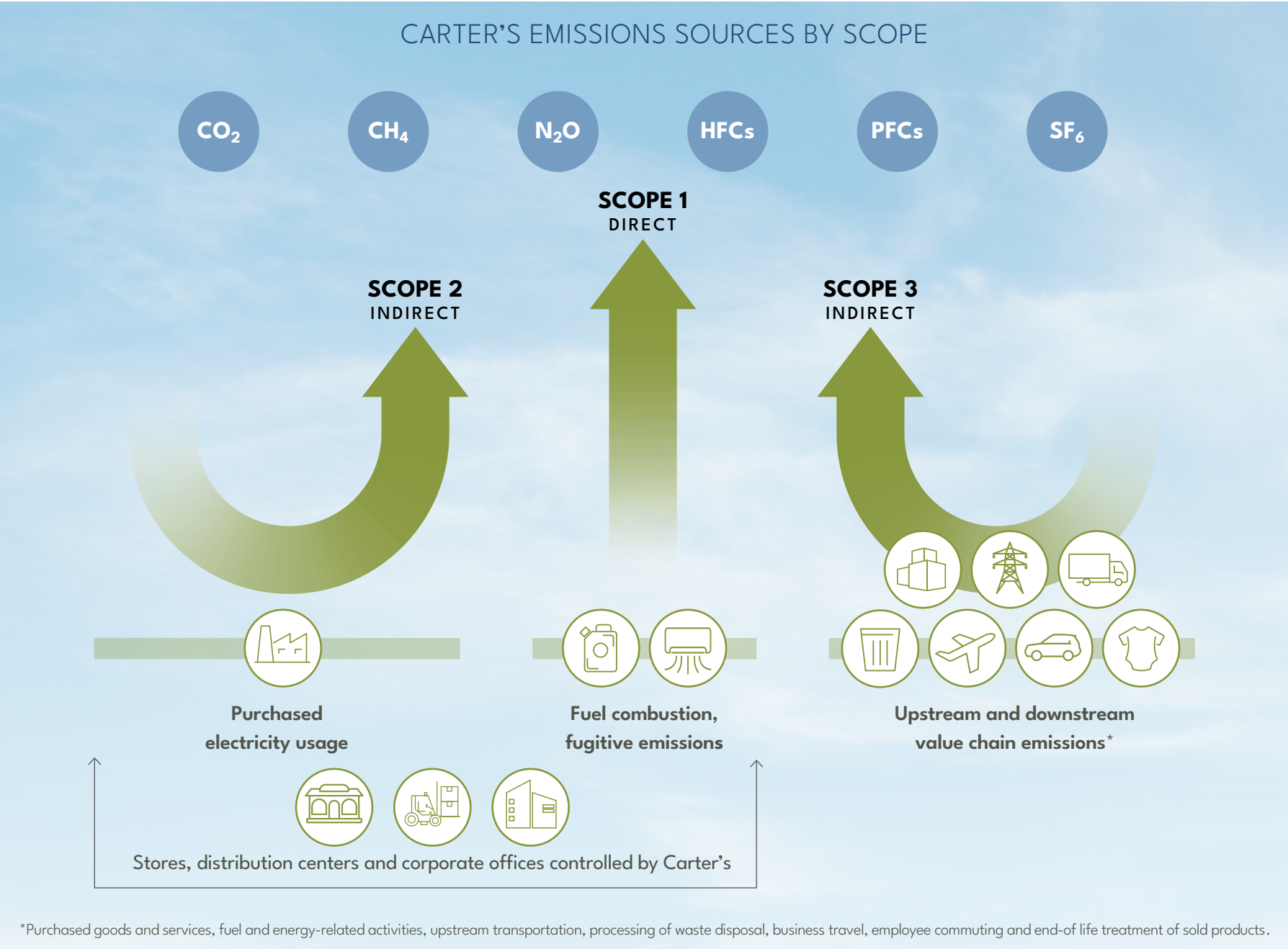
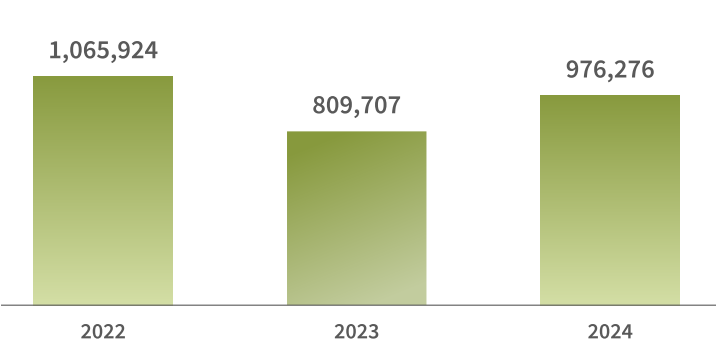


energy & emissions

Climate action plays a crucial role in addressing our approach to priority initiatives, such as raw material sourcing and supply chain resilience. The efforts we are taking to mitigate climate change support our human rights and responsible sourcing initiatives. As such, our approach to emissions reduction spans our operations, supply chain, and product lifecycle. We set targets validated by the Science Based Targets initiative (SBTi) to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions 50% by 2030 versus 2019 baseline, while also requiring 77% of our purchased goods and services vendors by spend to set science-based targets by 2027. To strengthen accountability, we prioritize gathering primary GHG data and obtain third-party limited assurance for our Scope 1 and 2 emissions, water usage, and waste volume disclosures.

In 2024, we accelerated our climate action strategy as we prepare for increasingly stringent regulatory requirements and growing stakeholder expectations around emissions transparency.

TOTAL EMISSIONS (metric tons CO₂e)



scope 1 & 2 emissions

Our approach to reducing direct emissions focuses on operational efficiency, renewable energy, and new technologies across our retail locations, distribution centers, and corporate offices.

To achieve our 2030 emissions reduction target, we believe our strategy balances quick-win efficiency improvements with long-term structural changes, designed to maintain business momentum while progressively decarbonizing our operations. In 2024, Scope 1 and 2 emissions decreased by 26% from a 2019 baseline, through direct reduction initiatives such as:

- Completing LED lighting retrofits for over 40 stores
- Launching a store remodel initiative incorporating energy-efficient design principles
- Maintaining Leadership in Energy and Environmental Design (LEED) Gold certifications for key facilities
 - Atlanta Headquarters
 - Hong Kong Sourcing Office
 - Vietnam Sourcing Office

We expect our Scope 1 and 2 emissions to remain stable compared to 2023 once our renewable energy credit (REC) purchases in 2025 have been applied to our 2024 emissions inventory.

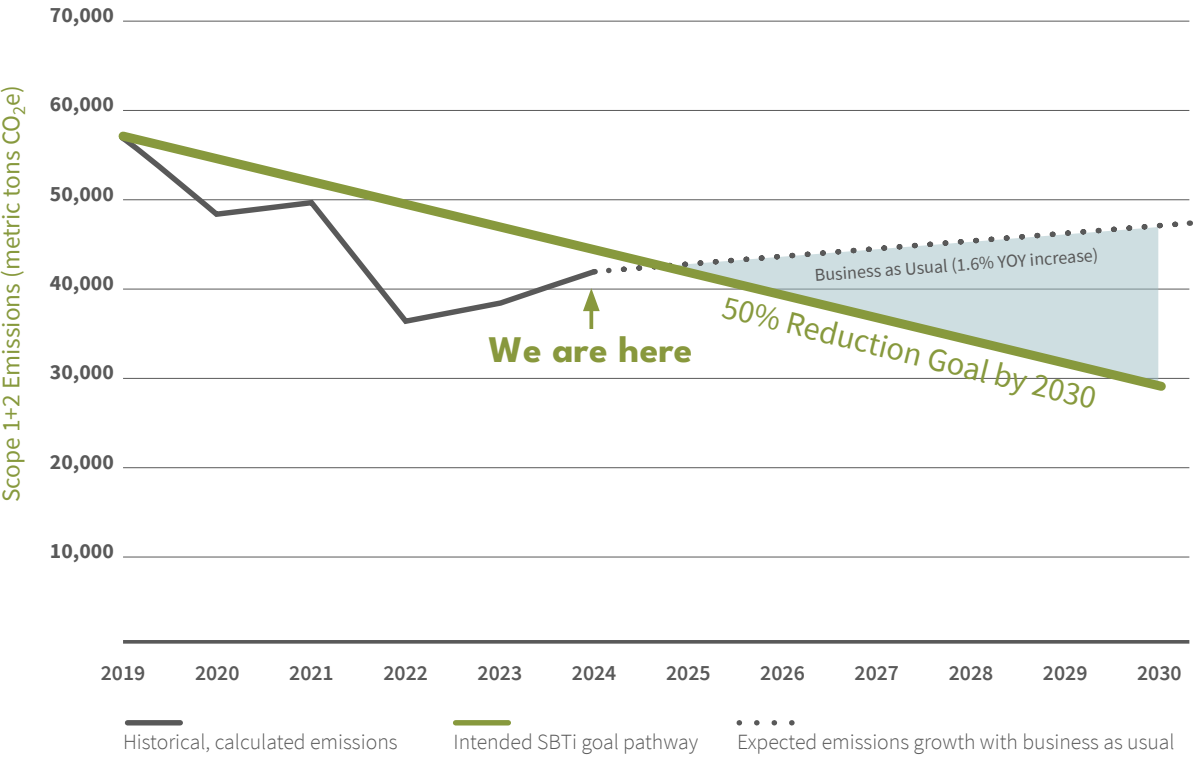
As a member of the EPA Green Power Partnership for the past two years, we strategically use RECs to complement our direct reduction efforts. Our REC strategy:

- Bridges the gap between current emissions and reduction targets
- Supports development of renewable energy markets
- Provides flexibility as we transition to more permanent solutions

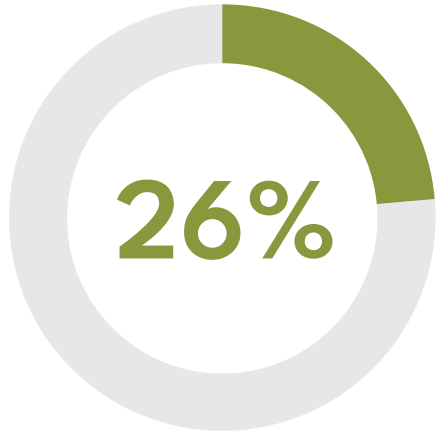
We purchased 10,000 verified credits to supplement our 2024 emissions reduction efforts and will retroactively apply these in our next inventory. Since 2023, we have purchased a total of 34,000 verified RECs.¹⁴

¹⁴ 34,000 RECs is equivalent to 13,380 MTCO₂e.

HISTORICAL AND EXPECTED SCOPE 1 AND 2 GHG EMISSIONS THROUGH 2030



We expect our Scope 1 and 2 emissions to remain stable compared to 2023 once our REC purchases from 2025 have been applied to our 2024 emissions inventory.



GOAL
Reduce absolute Scope 1 and 2 GHG emissions **50%** by 2030 from a 2019 baseline and achieve net zero in our direct operations by 2040

2024 PROGRESS
26% reduction of Scope 1 and 2 emissions since 2019

scope 3 emissions

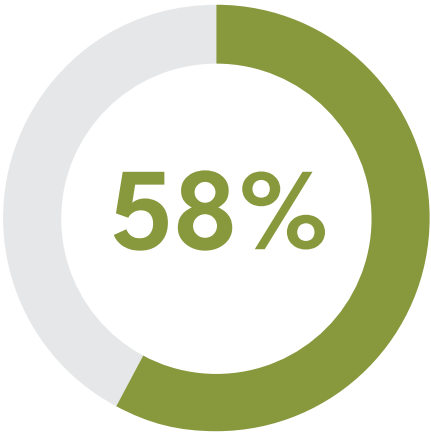


As Scope 3 emissions make up the bulk of our GHG emissions, we are actively exploring emissions reductions in opportunity areas including materials purchasing and logistics. To support these efforts, we have established a supplier engagement target that requires 77% of our purchased goods and services suppliers by spend to set science-based targets by 2027. We continue working with our suppliers to increase data completeness and accuracy to track our progress through annual questionnaires that contribute to an internal supplier scoring system. Currently, 58% of purchased goods and services suppliers by spend and 52% by count have established such targets, an increase compared to 2023.

- 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

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





our suppliers

Collecting comprehensive and accurate supplier data is fundamental to managing and reporting our Scope 3 emissions. Our supplier data collection strategy combines direct engagement with industry-standard tools to create a comprehensive picture of our supply chain emissions.

We collect primary data from our Tier 1 and logistics suppliers, which make up the majority of our Scope 3 emissions. This enables us to:

- Track progress towards our science-based target with increased accuracy
- Identify potential opportunities for improvement of data collection
- Evaluate potential reduction initiatives and improvements undertaken by our suppliers

Our logistics providers share emissions data and reduction opportunities, which can help guide our transportation purchasing decisions. We also aim to optimize delivery efficiency through RFID technology, enabling real-time product tracking and improved inventory management.

We leverage Cascale’s Higg Facility Environmental Module (FEM) to assess the environmental impacts of our apparel and accessory suppliers. These impacts include energy, emissions, water, and chemical management. Beyond data collection, the Higg FEM helps us identify opportunities to support our suppliers in developing their carbon reduction strategies. In 2024, more than 99% of our Tier 1 and 2 suppliers completed the Higg FEM, and Tier 1 suppliers were asked to report on their science-based emissions, water, and waste reduction targets.

Additionally, we implemented a strategic supplier assessment framework in 2023 that incorporates ESG criteria, including environmental initiatives, worker empowerment programs, and public disclosure. This framework guides supplier selection and production allocation decisions.

We are also enhancing our data management systems to prepare for the European Union’s Digital Product Passport (DPP). This will enable us to:

- Better understand and manage our product environmental impacts
- Increase Scope 3 emissions accuracy

REDUCING OUR FOOTPRINT

Since 2021, we have been working with one of our trim suppliers, YKK, to incorporate materials derived from recycled plastic into the zippers of our products. To date, this effort has supported the diversion of more than **9.4 million plastic bottles from landfills** and the avoidance of **330 metric tons of CO₂**.¹⁵



¹⁵ Calculation is based on an assumed blended rate of 0.035 kg CO₂ per plastic bottle diverted.

life cycle assessment (LCA)

We anticipate our goal to transition to 100% sustainable cotton by 2030 will reduce GHG emissions from raw materials. To measure this impact, we launched a cradle-to-gate LCA in 2023 on our bestselling product that year—the six-to-nine-month bodysuit five-pack. To expand our understanding, in 2024, we began additional LCA work on our top three bestselling products of the year—girls’ cotton briefs, three-month bodysuit, and set of toddler pants. These efforts have provided visibility into which stages of manufacturing are most impactful, and we plan to further expand the assessment scope and develop targeted reduction strategies going forward. We will use this data to evaluate key decision points throughout our manufacturing process and help support compliance with DPP. The data will also inform our supplier and manufacturing strategy based on factors such as water scarcity in specific regions, minimizing environmental impact while maintaining production efficiency.



Recognizing the importance of post-purchase impacts in our emissions reduction journey, we include cold-water wash instructions on all care labels to minimize customer energy consumption and its associated environmental impacts.



climate risks & opportunities

Our annual climate risk assessments, aligned with the Task Force on Climate-related Financial Disclosures (TCFD), evaluate physical and transition risks across our stores, distribution centers, suppliers, and cotton sourcing. Through these assessments, we gain insight into the short-, medium-, and long-term adverse impacts that climate change could have on our business and operations, along with the potential strategic business opportunities. In 2024, we began working with industry experts to quantify these potential impacts, using the IPCC's climate change scenarios—the Shared Socioeconomic Pathways. Our 2024 risk assessment focused on modeling the financial impacts of previously identified risks and opportunities. Our complete TCFD table can be found in the [Disclosure Index](#).



Scope

- Carter’s owned operations—stores, distribution centers
- Value chain—suppliers, cotton sourcing

Time Frame

- Short (S): 0-1 year (2025)
- Medium (M): 2-10 years (2035)
- Long (L): 11-25 years (2050)

Emissions Scenarios

- Physical Risk Scenarios, including Representative Concentration Pathways (RCPs) 4.5 & 8.5
- Bespoke transition scenarios aligned with 1.5°C

Risk Mitigation

- Include climate risk assessments within new store evaluation process, alongside financial and market considerations
- Incorporate sustainability questions into consumer surveys to gain insights into market perception
- Monitor policies and regulations, and advance internal controls on data collection and reporting

Impact Areas¹⁶

PHYSICAL RISKS

- Acute: Extreme weather events (e.g., extreme heat, flooding, wildfires, hurricanes) can damage store infrastructure, cause inventory loss, and lead to temporary store closures; can affect value chain and consumer spending (S, M, L)
- Chronic: Increased temperatures, changing rainfall patterns, sea level rise, water stress, etc., can affect distribution, maintenance, and utility costs at retail stores (S, M, L)
- Potential Financial Impacts: ~\$40-\$50M

TRANSITION RISKS

- Failure to meet or properly report progress on our climate targets (M, L)
- Additional compliance costs due to current and emerging regulatory requirements around topics such as EPR and GHG emissions (S, M, L)
- Increased consumer awareness of environmental issues driving the need for more sustainable products (S, M, L)
- Increased raw materials costs for key fabrics such as cotton (S, M, L)
- Potential Financial Impacts: Up to \$215M

OPPORTUNITIES

- Expansion of the sustainable products market, through expansion of Carter’s brands Little Planet and PurelySoft (S, M, L)
- Reduction of packaging, such as polybags (S, M, L)
- Supplier engagement driven resiliency through improved collection of their GHG emissions and climate target reporting via Higg FEM (S, M, L)
- Potential Financial Impacts: ~\$5-\$145M

¹⁶ The potential financial impacts for all impact areas are discounted values in the year 2035.

biodiversity

At Carter’s, we recognize our responsibility to protect and preserve the natural environment that future generations will inherit. Our partnership with the [Arbor Day Foundation](#) continues to demonstrate our commitment to environmental stewardship and biodiversity conservation.

As North America’s largest branded marketer of children’s apparel, we acknowledge the interconnection of our business operations with biodiversity and ecosystem health. Our collaboration with the Arbor Day Foundation strategically addresses multiple priorities:

- Carbon sequestration to support emissions reduction
- Water conservation in key manufacturing regions
- Biodiversity protection in critical ecosystems
- Employee engagement in environmental initiatives

The Cauvery Calling Project, a reforestation initiative in India’s Cauvery Basin, remains a key revitalization project in supporting these efforts. In 2024, Carter’s supported the planting of more than 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.

Our commitment to future generations extends to our Carter’s family. In 2024, we continued our tradition of planting trees to celebrate new additions to our employees’ families, with more than 460 trees planted.

While we’ve made significant progress in our reforestation efforts, we recognize the need for a more comprehensive approach to biodiversity protection. The apparel industry faces unique challenges in measuring and managing biodiversity impacts throughout the supply chain, from cotton cultivation to final product distribution. We are exploring additional ways to reduce our impact on biodiversity and expect to disclose progress in future reporting.

Estimated impacts from our 2024 tree planting, across the next 40 years, include:¹⁷



6,535 metric tons CO₂e emissions sequestered, equivalent to **1,420** cars off the road for one year



3.2 million gallons of water runoff avoided, equivalent to water provided to **39,000** people for one day



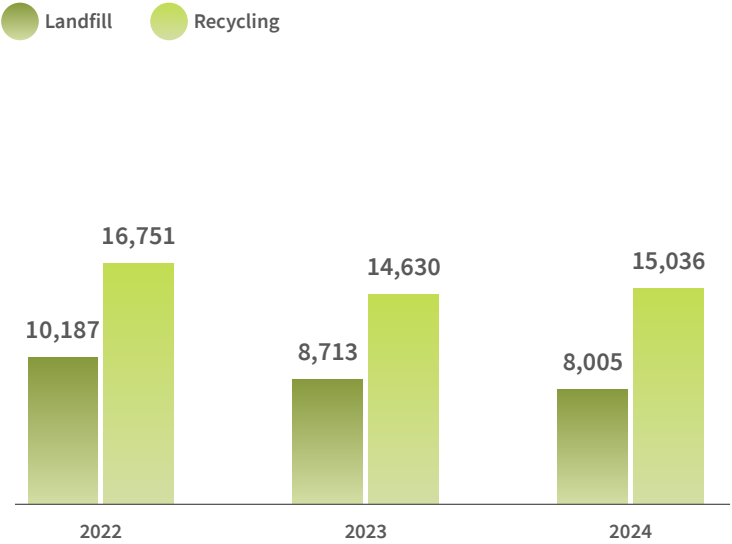
¹⁷ These figures were provided by the Arbor Day Foundation using the i-Tree Planting calculator, developed by the USDA Forest Service, and the EPA’s Greenhouse Gas Equivalencies Calculator.

waste

We continue working toward our goal to divert 80% of our operational waste¹⁸ from landfill by 2025. 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.

We aim to replicate the success of our distribution centers across all retail operations; however, data collection and waste management capabilities vary across locations, affecting our access to primary data. We directly manage waste and can obtain primary data through a dedicated vendor at more than 200 stores. The remaining retail locations operate under landlord-managed waste systems. For these locations, we estimate waste volumes by extrapolating data from directly-managed stores using an average per square foot of retail space. Given these challenges, we are reevaluating the timing of our waste goal. Detailed waste metrics are third-party validated and can be found in our [Disclosure Index](#).

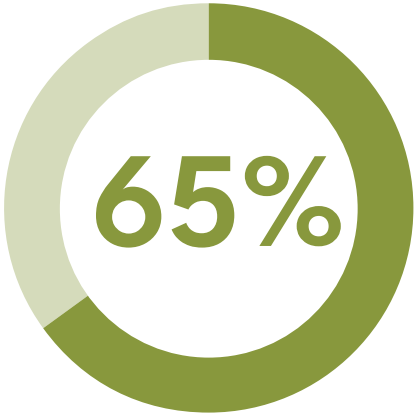
WASTE FROM DIRECT OPERATIONS (tons)



¹⁸ Operational waste includes waste disposed of at our offices, retail stores and distribution centers.

GOAL
Divert **80%** of operational waste from landfill by 2025

2024 PROGRESS
65% of waste diverted from landfill



Electronic Waste Management

Carter’s headquarters in Atlanta, Georgia has participated in the building’s electronic waste recycling program for many years. Through this program, we collect electronics that have reached the end of their lives and provide them to our landlord. The landlord works with a certified recycler who follows federal guidelines to ensure they do not end up in landfills. Since 2023, we have collected nearly 20,000 pounds of electronics for recycling.



product circularity

A circular fashion economy promotes products designed for regeneration by using safe, recycled, and renewable materials to extend product lifespan. Carter’s plans to advance toward product circularity by integrating end-of-life considerations into our design and manufacturing processes.

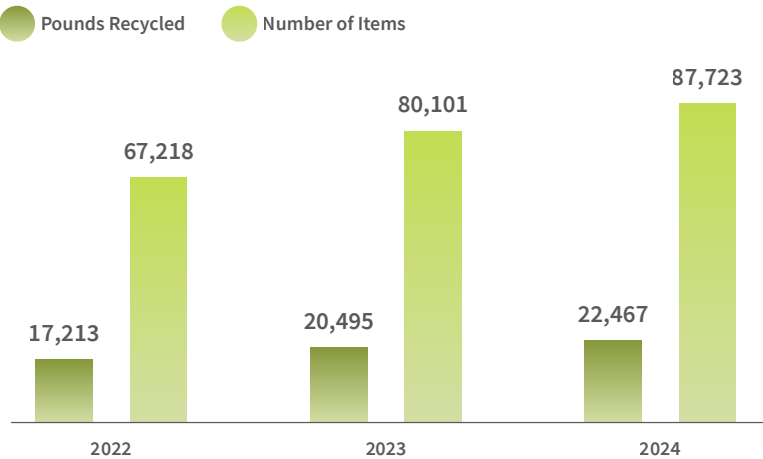
The children’s apparel sector presents unique opportunities and challenges for circularity. The inherent “hand-me-down” nature of children’s clothing aligns naturally with circular principles, yet factors like fiber-to-fiber recycling technology and the availability and cost of recycled textile inputs present challenges. Through carefully designed programs and partnerships, we are creating and seeking scalable solutions that address these industry-specific challenges while meeting our consumers’ increased demands for sustainable products.

Textile Recycling

Our flagship circularity program, KIDCYCLE™, continues to demonstrate the potential for scaled textile recycling in the children’s apparel sector. Customers can mail apparel that would otherwise be discarded to our partner, TerraCycle, for recycling at no cost. TerraCycle sorts, shreds, and transforms the collected materials into items such as insulation for mattresses, pet bedding, and sports equipment. In 2025, we are excited to pilot an evolved approach to KIDCYCLE that will strengthen our collection infrastructure while improving customer accessibility to the program through in-store drop-off locations at specific U.S. stores.



KIDCYCLE METRICS



“We are grateful to leverage industry support through the emergence of Producer Responsibility Organizations, who have taken on the role of managing state-specific regulations and serve as the liaison between regulating bodies and producers like us.”

Anu Piduru, Sr. Director – Sustainability

Extended Producer Responsibility (EPR)

The regulatory landscape for packaging and textile waste is rapidly evolving, driven by new EPR laws emerging across multiple jurisdictions. Through these regulations, Carter’s is held responsible for the full lifecycle of our packaging and textile products, which includes how these items are disposed of at the end of life. While we currently manage packaging EPR obligations in Canada and Germany, the introduction of similar requirements in additional jurisdictions and the expansion into textile requirements will expand our responsibilities.

We are actively preparing for increasing EPR regulations through activities such as:

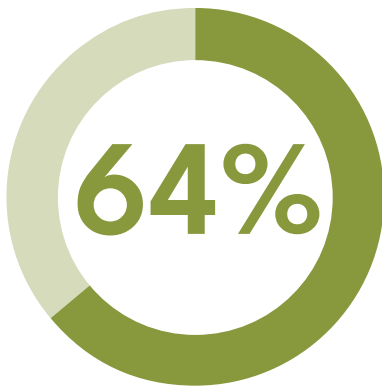
- Registering with compliant Producer Responsibility Organizations
- Creating implementation plans for upcoming state-specific requirements
- Developing comprehensive, internal packaging data tracking systems
- Exploring expansion of eco-modulation opportunities (product recycling, reuse, resale, etc.), including through our KIDCYCLE™ program, to optimize future compliance costs

packaging

Packaging plays a critical role in protecting our products during their journey from manufacturing to our customers' homes. It is also often the first touchpoint a consumer has to our product, whether checking the tag or unboxing an eCommerce order. As regulations and consumer expectations evolve, we are strengthening our approach to making impactful changes to our packaging. Our packaging strategy focuses on eliminating unnecessary materials and costs, increasing recycled content, and improving recyclability—all while maintaining the protection our products need.

Our commitment to reduce 50% of virgin plastic packaging by 2030 (from a 2022 baseline) has driven several of our packaging decisions. We met, and exceeded, this goal six years early through three key strategies:

- **Elimination:** Removing unnecessary packaging and transitioning to more sustainable alternatives
- **Optimization:** Improving packaging efficiency and reducing materials
- **Innovation:** Increasing recycled content and testing new materials



GOAL
Achieve **50%** reduction in virgin plastic packaging by 2030

2024 PROGRESS
64% of our total plastic packaging was made of recycled content

2024 Packaging Reduction Efforts

Retail Operations

- Converted to 100% recycled content shopping bags and poly mailers across U.S. operations
- Expanded electronic receipts program, with nearly 50% of transactions resulting in digital receipts in 2024
- Consumed 32% less plastic by expanding our use of hybrid hangers from Little Planet to our PurelySoft product line

Distribution Centers

- Maintained carton reuse for shipping from distribution centers to retail stores, with approximately 100% of corrugate boxes reused
- Generated cardboard recycling rebates

Product Packaging

- Committed to transition to 100% recycled content hangers for Carter's brand retail stores and non-exclusive wholesale accounts by 2026¹⁹
- Skip Hop continued using 100% recycled polybags and printed retail packaging across soft goods lines



¹⁹ Both types of hangers will be in circulation as we phase out our existing hanger inventory.

managing our water impact

Water management remains a significant environmental challenge, particularly in the textile industry where manufacturing processes are water intensive. At Carter’s, we recognize our responsibility to support adequate water access for future generations by minimizing water consumption across our operations and supply chain, focusing particularly on our manufacturing processes where we have the greatest opportunity for impact.

Balancing consumer preferences for soft, comfortable clothing with water reduction goals presents ongoing challenges. However, we see these challenges as opportunities for innovation. We have developed a two-pronged strategy that balances innovation with practical optimization:

1. Embracing Technological Innovation

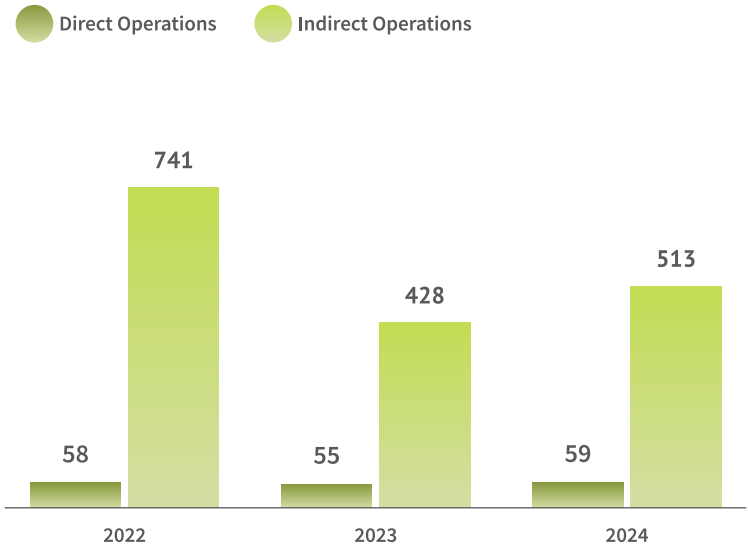
In late 2024, we introduced ozone washing technology for a portion of our OshKosh brand – our World’s Best Overalls™. This innovative wash approach marks a significant shift from conventional washing methods. In 2025, we are expanding implementation of this technology across our denim production for playwear products and Little Planet.

2. Reimagining Design Processes

Our design teams are pioneering new ways to achieve the soft, comfortable feel parents expect from Carter’s products while minimizing water usage. For instance, we are exploring alternative fabric finishing techniques that create the same cozy feel without water-intensive washing processes.

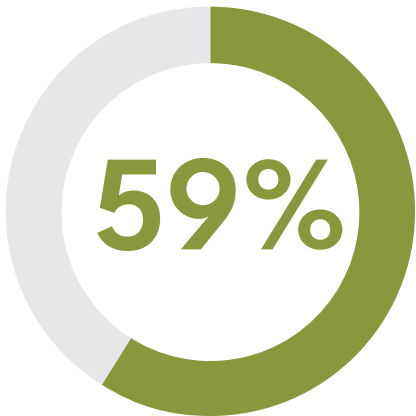
Over the last few years, we have reduced the number of overall styles that require additional garment washing in the manufacturing process. In 2024, due to an increase in styles produced compared to 2023, the number of our styles that require an additional wash increased slightly. However, we have reduced the number of styles needing additional garment washing by 59% since 2019. To enhance accountability and to track our progress, we have implemented the Environmental Impact Measuring (EIM) software of Jeanologia—a comprehensive monitoring tool that provides enhanced visibility into our washing processes. This system scores each wash process based on water usage, energy consumption, and chemical impact, helping us make data-driven decisions about our manufacturing processes. We expect EIM to complement our goal to utilize the Higg Index and further reduce water usage in the manufacturing and washing of our products in 2025 and beyond.

TOTAL WATER USE (millions gallons)



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



people

uplift our workers and communities

Our team's passion and dedication enable us to provide high-quality, great value children's apparel and accessories to families raising future generations.



our culture

For nearly 160 years, Carter's has been a family-first company—from our products to our brands to our employees—that stands true to its values. Our values are the cornerstone of who we are, and we empower our employees to live these principles every day. We invest in our teams to foster a work environment where our people are respected, valued, and able to see the impact they make.

We celebrate employees who embody our values through our annual LOVE (Living Our Values Everyday) Award recognition program. The program is designed to acknowledge the unique contributions of our corporate office, retail, and distribution center employees. In 2024, the LOVE award demonstrated remarkable growth with nominations increasing from 1,600 in 2023 to 2,800.

2,800
LOVE Nominations

177
LOVE Winners

Employee Engagement

Our values-driven culture fosters an environment of high employee engagement. It starts with our people, and we are committed to cultivating a positive workplace culture where our employees feel valued, supported, and empowered to grow. To do this, we regularly gather employee feedback and insights. We also prioritize training, development, and a respectful work environment to help teams thrive while delivering on our mission to serve all families with young children.

Field Engagement Survey

In 2024, we strengthened our commitment to understanding and responding to employee needs. We conducted our biennial field engagement survey—focusing on North American retail stores and distribution centers. This survey provides valuable insights that inform our employee initiatives and strengthen our support of field teams, who create exceptional customer experiences every day.

With a best-in-class response rate of 97%, the overall sentiment from our field employees on Carter's being a great place to work is above the global retail benchmark.²⁰ We continue to actively work with field teams to develop action plans based on the feedback gathered.

²⁰Per our engagement survey partner.

recruitment

Our recruitment strategy focuses on leveraging technology and strategic partnerships to enhance the candidate experience while driving operational efficiency. This approach directly supports our business objectives of strengthening our retail presence and expanding globally by attracting and retaining top talent across all channels.

AI-powered Recruiting

Our AI-powered virtual assistant, Alicia, continues to demonstrate significant value in streamlining our recruitment process by scheduling over 4,100 interviews in 2024. We expanded Alicia’s implementation to a retail store pilot group across the U.S. and Canada. This expansion has enhanced our hiring process by enabling immediate candidate engagement and reducing the administrative burden on store managers. Early results show improvement in time-to-hire metrics, with locations reporting successful hires completed within minutes of application submission.

Tracking Our Progress

Our investments in recruitment marketing and technology yielded strong results in 2024. By leveraging digital platforms and strategic partnerships, we significantly expanded our talent pipeline while improving operational efficiency in our hiring process. This approach proved particularly valuable during our peak seasonal hiring periods, during which we successfully met all staffing goals across our retail and distribution centers.

- Over 37M impressions via digital recruitment marketing
- 357,000 applications completed
- Over 14,000 positions filled
- Exceeded peak season hiring goals in stores & distribution centers
- Reduced number of stores with critical staffing needs to an all-time low

Partnerships

We continue to strengthen our strategic partnerships to expand our talent pipeline. In 2024, we deepened our relationship with the National Retail Federation (NRF) by serving as their Case Study Competition partner and reaching students at hundreds of colleges. This partnership resulted in a record number of case study submissions, enhancing our visibility among emerging retail talent.

We also expanded our strategic outreach through targeted partnerships that align with our commitment to building a talented workforce across all levels of our organization. Our approach focuses on creating meaningful connections with educational institutions and professional organizations to develop sustainable talent pipelines for our growing business.

Partnership Highlights

- Strengthened presence at Historically Black Colleges and Universities (HBCUs) in the Atlanta area, including Spelman College, Morehouse College, and Clark Atlanta University
- Continued collaboration with military-focused organizations supporting veteran recruitment
- Partnered with the Professional Diversity Network to broaden our candidate reach
- Deepened relationships with local workforce development organizations near our distribution centers
- Engaged with alumni networks to tap into experienced professional talent pools



career development



Our commitment to investing in people remains central to who we are as an organization. In 2024, we strengthened our focus on employee development by introducing comprehensive professional development frameworks and providing clear pathways for advancement. These initiatives empower our employees to own their career growth. This renewed emphasis on development supports our strategic priority of fostering an engaged workplace culture and building long-term careers at Carter’s.

Our development strategy is built on three pillars:

- Empowering employees to take ownership of their career journey
- Providing structured pathways for growth
- Supporting development through multiple learning channels

“Development happens at all levels, wherever you are in your career. Our goal is to help employees see how they can grow and take responsibility for their own development.”

Jennifer George, Human Resources Director

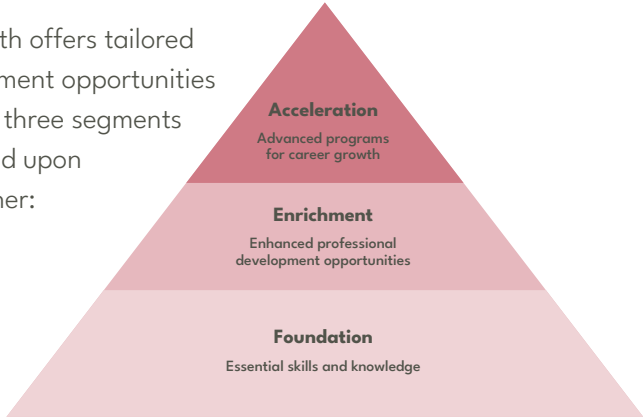


Development Pathways and Frameworks

Our professional development pathways align leadership behavior with career levels.



Each path offers tailored development opportunities through three segments that build upon each other:



To provide greater clarity around expectations and development areas, we launched our Leadership Behaviors by Level framework. This competency model defines specific actions and behaviors for each leadership level, standardizing evaluations and career development.

career development

Carter’s Signature Development Programs

In 2024, we continued our core development programs.

Accelerated Development Program (ADP)

The 12-month ADP program supports both high-potential emerging and advanced leaders²¹ in strengthening their leadership skills. Participants take part in assessments, 360° feedback, leadership roundtables, and mentorship and networking opportunities.

Field Leadership Development

These targeted programs for entry- to senior-level retail store and distribution center leaders focus on accelerating leadership capabilities, cultivating succession pipelines, and retaining top talent.

Executive Development Program (EDP)

This six-month program guides recent college graduates in transitioning from campus life to entry-level corporate roles through hands-on and cross-functional learning experiences.

Mentor Partnerships

This global program reflects our culture of people helping people and supports our value of investing in our talent by fostering professional guidance and peer learning across six countries.

Since 2019, the Mentor Partnership Program has grown 60%, with a record number of participants in 2024.

²¹ Emerging leaders include employees at the manager-level and advanced leaders include employees at the director level or above.

Training & Learning

We are committed to supporting our employees’ growth through a variety of learning opportunities across Carter’s. From on-the-job training and development sessions to online courses and leadership programs, employees have access to resources to enhance their skills and career development. These combined efforts contribute to our total training hours, reflecting our dedication to continuous learning at every level.

Looking ahead, we will continue to:

- Integrate new development frameworks across the organization
- Enhance learning offerings to align with business needs
- Advance succession planning through targeted development initiatives
- Expand mentorship and coaching opportunities



benefits & well-being

At Carter’s, we understand that supporting our employees extends beyond the workplace. We offer a robust benefits package designed to support employees at every life stage and career level. In response to evolving employee needs, we enhanced our benefits package in 2024 through several key initiatives that reflect our commitment to addressing workforce challenges.

Financial Support

- Absorbed medical premium increases to reduce the financial burden of inflation on employees
- Introduced the Greenlight debit card program to support financial literacy for employees’ children

Health Support

- Enhanced diabetes and weight management programs within our medical benefits



In 2024, Carter’s was recognized by the [Dave Thomas Foundation for Adoption](#) (DTFA) as one of the nation’s top 5 adoption-friendly retailers, ranked No. 5, and a DTFA 2024 Adoption Advocate. The award recognizes organizations that offer financial reimbursement, paid leave or both, to make adoption and foster care supported options for every working parent.

For further information on Carter’s full suite of benefits, refer to the [Disclosure Index](#).

²² Living Wage is defined as the income needed for basic needs and reasonable living.

401(k) Matching

Over 93% of eligible U.S. employees participate in our retirement plan, with automatic enrollment for new employees. For 2024, we provided a 100% match for up to 4% of eligible 401(k) compensation, totaling over \$9M. Our company match has exceeded benchmark rates for 9 of the past 15 years.

Living Wage

We carefully track Living Wage²² benchmarks against current wages for our GOTS-certified distribution centers. While Living Wage targets continually evolve, we monitor and document our progress toward closing any gaps, such as through our merit increase program. This ensures we make informed decisions about wage adjustments that support our employees’ well-being.



EMPLOYEE TESTIMONIAL

Lantern Cancer Care



A Carter’s employee, and single mother of two, was referred to [Lantern](#), a specialty care platform, following her Stage 2 breast cancer diagnosis. Throughout early 2024, Lantern’s care team secured financial assistance to cover the employee’s essential needs, while her Oncology Nurse Navigator supported her through treatment and now provides continuous care coordination.

Pay Equity

We assess pay equity across our corporate workforce through regular evaluations, upholding equitable compensation across comparable roles regardless of race, gender, or age. Reviews occur during annual and midyear assessments, reorganizations, hiring, promotion cycles, and upon request.

employee safety



The safety and well-being of our employees is fundamental to our operations. Whether they work in our retail stores, distribution centers, or corporate offices, we prioritize a proactive approach to workplace safety. This approach operates on three guiding principles, with targeted programs that address the unique needs and risks of each workplace environment.

Prevention First

We emphasize injury prevention through ongoing safety training and communication. Our distribution centers conduct daily start-of-shift meetings focused on safety awareness and injury prevention techniques, addressing both acute and repetitive stress injuries. This consistent communication ensures safety remains a top priority in our daily operations.

Rapid Response and Support

When injuries occur, we provide comprehensive support to ensure employees receive proper care and can safely return to work. Our temporary light-duty program helps injured employees maintain employment while recovering, reinforcing our commitment to employee recovery. This approach has contributed to lower workers' compensation costs.

Continuous Improvement

In 2024, we initiated a comprehensive review of our safety programs to identify opportunities for improvement.

Emergency Notification System

In 2024, we rolled out an emergency notification system that streamlined how we communicate during urgent situations. Whether there is inclement weather, an active threat, or a sudden disruption, this system delivers real-time alerts directly to employees via text, voicemail, and email.



Safety Metrics	2022	2023	2024
Work-related injuries ²³	50	56	52
Days away, restricted, or transferred (DART) rate ²⁴	0.78	0.88	.85
Total recordable incident rate (TRIR) ²⁵	Not calculated	2.16	1.77
High-consequence work-related injuries ²⁶	0	0	0
Fatalities	0	0	0

²³Top types of work-related injuries: Slip or fall, strain by lifting, injury due to objects.

²⁴DART Rate = Number of OSHA recordable injuries and illnesses that resulted in days away, restrictions, or transfers × 200,000 / employee hours worked.

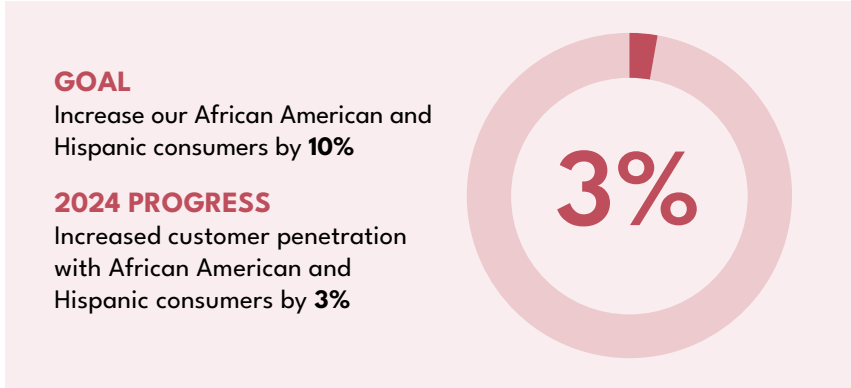
²⁵TRIR = (Number of recordable injuries and illnesses × 200,000) / employee hours worked.

²⁶Work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

diversity & inclusion

At Carter’s, we are committed to attracting and retaining multicultural consumers and building a workforce that supports these efforts. Projections show that by 2040 our consumer base will become increasingly diverse, and we recognize the need to build authentic connections that will drive future growth.

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. We are committed to creating an inclusive work environment that inspires innovation and allows us to gain creative and strategic advantages to facilitate our continued growth. Carter’s does not tolerate any form of discrimination and the prohibition against discrimination extends to our consumers and business partners.



“We believe that we have an opportunity to uniquely serve multicultural families. From where we locate our stores to delivering a personalized digital experience, we aim to be intentional in meeting the needs of all our customers.”

Johncia Bartley, Vice President, Consumer Insights & Multicultural Marketing

Marketplace Diversity

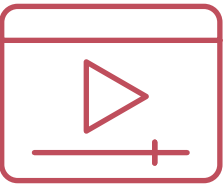
We leverage consumer insights to inform our product, marketing, and customer experience strategies. Our goal to achieve a 10% increase in our African American and Hispanic customer base by 2025 is supported by these insights.

In 2024, we conducted a comprehensive business audit to assess the effectiveness of our multicultural engagement. This analysis led to several strategic enhancements in how we connect with consumers such as:

- Enhancing visual merchandising to reflect local market consumers
- Implementing customized store experiences in high-diversity markets
- Increasing visibility of multicultural social media content

We are proud to report that, through these strategies, we saw a 3% increase in these customers, exceeding our interim 2024 goal.

2024 Multicultural Growth Metrics



Our 2024 multicultural media campaign drove strong consumer response with engagement metrics outperforming benchmarks by 50%.

diversity & inclusion

Workplace Diversity

We strive to create an environment where all employees feel a sense of belonging. We are focused on building a workforce that supports our consumer acquisition and retention efforts through the support of our cross-functional teams leveraging consumer insights to inform our product, marketing, and consumer experience strategies. Our teams are also focused on maintaining fairness across our global enterprise. We enhanced our approach in 2024 through stronger leadership accountability and broadened leadership training.

We maintain focus on hiring employees who understand and reflect our multicultural customers. We also prioritize building cultural competency across all employee levels. In 2024, we completed our "Habits of Inclusion" training across all levels, with tailored versions for retail and distribution teams to ensure relevance and accessibility.

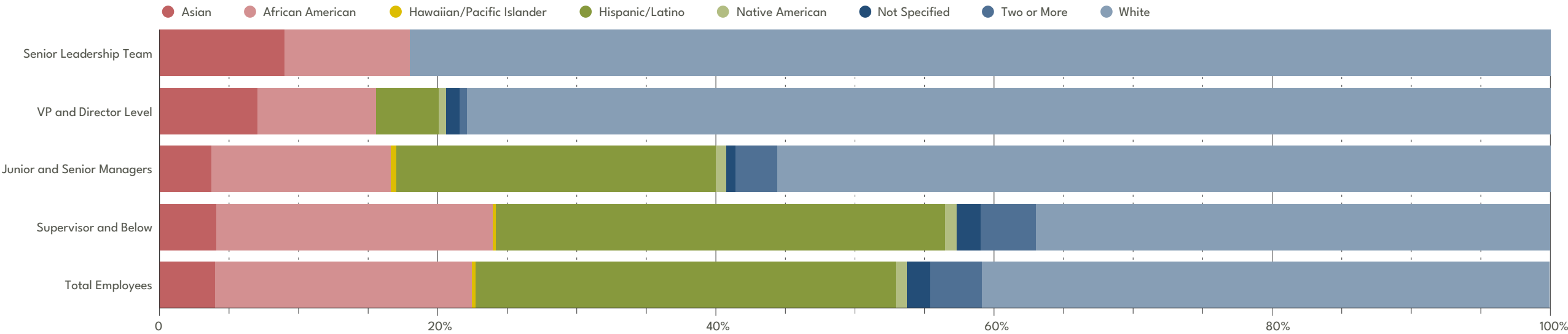
Moving forward, we will continue to expand educational initiatives and reinforce accountability at all levels, supporting the development of the best talent across our organization.

Employee Demographics: Gender²⁸

Employee Population	Women	Men	Not Specified
Senior Leadership Team	5	6	-
VP and Director Level	127	101	2
Junior and Senior Managers	2,086	317	32
Supervisor and Below	9,910	1,390	627
Total Employees	12,132	1,820	661

²⁸ Gender data is global, from January 1, 2024 through December 31, 2024.

Employee Demographics: Race & Ethnicity²⁷



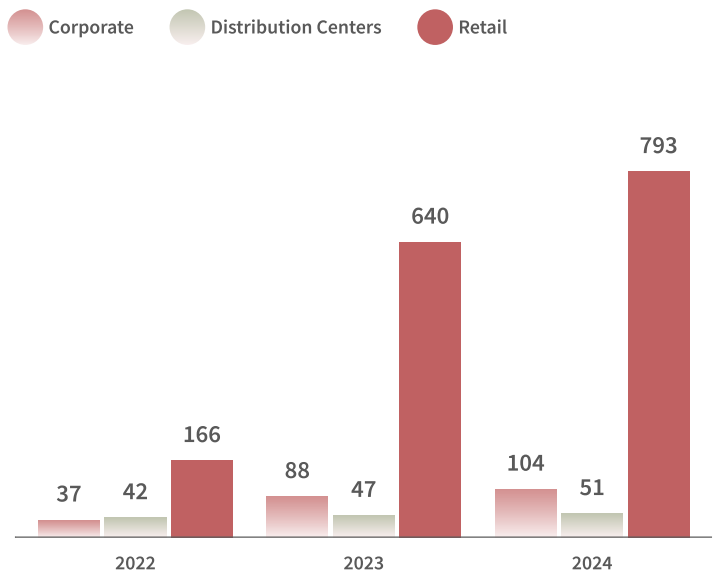
²⁷ Race and ethnicity data are U.S. only, from January 1, 2024 through December 31, 2024.

diversity & inclusion

Employees with Different Abilities

Our efforts focus on creating an inclusive environment where every employee can contribute fully and thrive professionally. As an equal opportunity employer, Carter’s is committed to providing equal treatment for all employees, including those with different abilities as defined by the Americans with Disabilities Act (ADA). We aspire to address barriers that may inhibit employees’ and consumers’ access to an equitable workplace and retail experience. We follow state and federal accommodation requirements and, in line with our values, hold discussions that prioritize inclusivity. These discussions ensure that accommodations do not impose undue hardship or pose a threat to the health or safety of individuals, while also maintaining confidentiality and dignity. We also welcome certified service animals.

EMPLOYEES WITH DIFFERENT ABILITIES (in total numbers)²⁹



²⁹ Employees with Different Abilities metrics are U.S. only.

Supplier Diversity

Carter’s is committed to expanding business opportunities with traditionally underrepresented businesses, including those owned by women, minorities, LGBTQ+ community members, veterans, and individuals with different abilities. We continued to mature our supplier diversity program in 2024 by enhancing program infrastructure and expanding industry engagement.

We implemented a new vendor information management system that allows suppliers to self-manage their profiles— including diversity status and certifications—streamlining engagement with diverse suppliers. To support this enhancement, we developed a comprehensive Supplier Diversity Playbook to help our sourcing teams understand the program scope and alignment with Carter’s broader diversity and inclusion initiatives.

Diverse Supplier Metrics	2022	2023	2024
Diverse Supplier Spend	\$22.1M	\$19.2M	\$13.5
% of Total In-Scope Spend ³⁰	0.90%	0.93%	1.31%
# Diverse Suppliers	45	59	44

³⁰ Items considered within in-scope spend include non-government suppliers located in the U.S. and Canada.

GOAL

Continue to grow our Supplier Diversity program

>

2024 PROGRESS

Maintained our total in-scope spend compared to 2022

Supplier Spotlight

DSI Security Services is a woman-owned business that provides security services for our distribution centers.

“We at DSI Security Services are proud to partner with Carter’s in supporting their commitment to supplier diversity. By providing innovative, reliable security services tailored to their needs, we help foster a safe and secure environment for their operations.”

We strengthened our engagement in the supplier diversity community by joining the retail industry group within the National Minority Supplier Development Council (NMSDC). This strategic partnership provides valuable opportunities for:

- Sharing knowledge with industry peers
- Accessing diverse supplier recommendations
- Expanding network opportunities within the retail sector
- Developing best practices specific to retail operations

We experienced an overall decrease in number of and total spend with diverse suppliers in 2024, largely due to a general decrease in year-over-year in-scope spend. As our procurement function evolves, we remain committed to building long-term, mutually beneficial relationships with diverse suppliers while enhancing program accessibility and support.

uplifting our communities

Carter’s Cares, our corporate philanthropic program, focuses on helping children in need with an emphasis on early childhood education and literacy. 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.

In partnership with our employees and customers, our three-pronged approach includes:

Corporate Giving: The Company provides product and in-kind donations, while Carter’s Charitable Foundation, Inc. provides financial support to various charitable partners.

Employee Giving: Each year, eligible full-time U.S. and Canadian employees can take advantage of 16 hours of paid volunteer time and \$500 in gift-matching for qualifying donations. Starting in 2024, each U.S. and Canadian retail store was provided 16 paid volunteer hours for store employees to share.

Customer Giving: We engage with our customers to involve them in our charitable efforts through retail campaigns such as B’gosh Jeanius and Pajama Program.

In 2024, we advanced community impact with an approach that combines global reach and local engagement. Our strategy focuses on creating meaningful change through strategic partnerships, employee-led initiatives, and targeted community investments.



Goal by 2030

Progress

Lives Impacted

Improve the well-being of at least 10 million lives



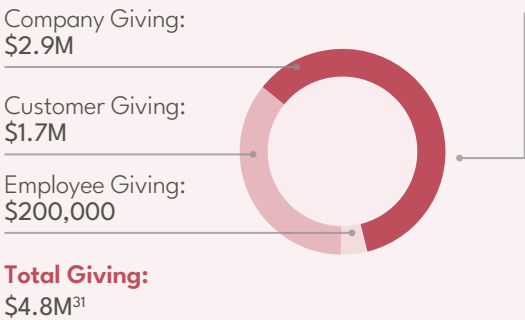
Volunteer Hours

Volunteer over 200,000 hours



Investment

Invest more than \$50M toward improving the lives of children



³¹Includes ~\$1.1M donated from the Carter’s Charitable Foundation, Inc.

uplifting our communities

Global Reach with Local Impact

Our community engagement strategy centers on creating meaningful impact at both the global and local levels.

In 2024, we launched a transformative multi-year partnership with [Boys & Girls Clubs](#), donating \$1 million from the Carter's Charitable Foundation to advance early childhood education and literacy. This partnership exemplifies our "global reach with local touch" approach. Nearly all 1,000+ retail locations across North America are in close proximity to a Boys & Girls Club. The partnership focuses on two key initiatives:

- Creation of first-of-its kind early childhood development resources to expand access in Clubs for children ages 0-5
- Development of a new summer education curriculum focused on literacy for children ages 6-9

Our first year of partnership has already demonstrated meaningful progress including:

- Developing a summer literacy curriculum and early childhood development resources
- Expanding employee volunteer engagement across retail locations
- Hosting the 2024 National Youth of the Year Finalists at our Atlanta headquarters

Cultural Celebration Through Service

In 2024, we launched an innovative approach to celebrating multiculturalism by aligning nine cultural heritage celebrations with volunteer service opportunities. Led by our employee council ambassadors, this initiative strengthened connections between heritage month observances and community impact, engaging employees in service projects that directly support multicultural communities.

Among other activities, we created educational kits for Communities in Schools during Black History Month and read books focused on Asian heritage in classrooms with Quality Care for Children during AAPI/ Asian Heritage Month, among other activities. These initiatives reflect our commitment to support and uplift the communities we celebrate.

To deepen employee awareness and understanding, we also provided educational content on our internal communication platforms, offering the opportunity for employees to learn more about the significance of each cultural holiday we celebrated.

Atlanta Hometown Initiatives

As part of our commitment to strengthening our corporate citizenship, we deepened our engagement in the Atlanta community—the location of Carter's headquarters—through new partnerships with:

- [Soccer in the Streets](#) – supporting Hispanic youth development
- [Communities in Schools of Atlanta](#) – advancing educational equity
- [Girl Scouts of Greater Atlanta](#) – empowering young women
- [YMCA of Metro Atlanta](#) – fostering youth development
- [L.E.A.D. Center for Youth](#) – supporting African American youth leadership



uplifting our communities

Our Community Partners

We are proud partners of these empowering organizations and aspire to drive meaningful change in the lives of young families each day.





disclosure index

We map our reporting to specific metrics established by key reporting frameworks, such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD).



about this report

This report generally covers Carter’s, Inc.’s corporate responsibility efforts during fiscal year 2024, although some initiatives launched prior to fiscal 2024 and during fiscal 2025 are included as well. References to 2024, 2023, 2022, 2021, and 2020 are to calendar years, and references to fiscal 2024, fiscal 2023, fiscal 2022, fiscal 2021, and fiscal 2020 are to our fiscal years.

This report includes a Sustainability Accounting Standards Board (SASB) index and addresses topics associated with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. It has been prepared with reference to the Global Reporting Initiative (GRI) Standards and also acknowledges in places how our long-term goals align with and support specific United Nations Sustainable Development Goals (SDGs).

We sought and received limited assurance from an independent external auditor for our performance disclosures on Scope 1 and 2 greenhouse gas (GHG) emissions, water usage, and waste volume. We did not seek or receive external assurance from third parties with respect to other information, although in certain instances, third parties assisted in the process of collecting, analyzing, and calculating information presented in this report. The items we have identified throughout this report reflect our Corporate Social Responsibility (CSR) strategy and programs, and should not be construed as a characterization regarding the materiality or financial impact of such issues or related information to our investors. Please see our most recent Annual Report on Form 10-K and our subsequent Quarterly Report on Form 10-Q and Current Reports on Form 8-K for a discussion of risks that may be material to our investors.

This report focuses primarily on operations under our direct control, but also includes discussions and data relating to operations outside of our direct control, as indicated. “Carter’s” or “Company” refers to Carter’s, Inc. and its subsidiaries. Some initiatives referenced in this report may be made by Carter’s Charitable Foundation, Inc., which Carter’s, Inc. established in 2010. Our trademarks named in this report, including Carter’s, OshKosh, OshKosh B’gosh, Skip Hop, Child of Mine, Just One You, Simple Joys, and Little Planet, many of which are registered in the United States and more than 100 other countries and territories, are each the property of one or more subsidiaries of Carter’s, Inc.

forward looking statements & other notices

Unless otherwise indicated, this report covers our fiscal year ended December 28, 2024. This Impact Report contains certain forward-looking statements based on Carter's current assumptions and expectations. These statements are typically accompanied by the words "aim," "anticipate," "believe," "commit," "could," "drive," "estimate," "envision," "ensure," "goal," "intend," "may," "might," "mission," "seek," "strategy," "strive," "target," "plan," and "will" or similar words or phrases. The principal forward-looking statements in this report include: our sustainability goals, commitments and programs; our social goals, initiatives, programs and objectives; the scope and impact of CSR risks and opportunities; and standards and expectations of third parties.

All of our forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results, including the achievement of our targets, goals or commitments, could differ materially.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. These risks

include, but are not limited to, our ability to achieve our stated diversity, equity and inclusion, CSR and sustainability, and climate change goals, protecting customer and employee data, as well as those risks identified in Item 1A of our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the Securities and Exchange Commission ("SEC"), which should be read in conjunction with the forward-looking statements in this report, as well as other assumptions, risks, uncertainties, and factors identified in this report.

The information contained in this Impact Report also is subject to the precision of our data collection and analysis methods, which are subject to future evolution and calibration. Such information is subject to additional uncertainties, as there are limitations inherent in the data collection and analysis methods.

While we consider information from external resources and consultants to be reliable, we do not assume responsibility for its accuracy. Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by Carter's from internal and external sources and, therefore, are approximate and/or estimated values. It is also important to note that the availability of data varies from section to section in this report.

Our goals and commitments include aspirational components that may take years or decades to achieve. Carter's cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. We urge you to consider all of the risks, uncertainties, and factors identified above or discussed in this and other reports carefully in evaluating the forward-looking statements in our reporting.

Readers of this report are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except for any ongoing obligations to disclose material information as required by federal securities laws, Carter's does not undertake any obligation to publicly update or revise any forward-looking statements after the publication of this report, whether as a result of new information, future events, or otherwise.

un sdg connection

The UN Sustainable Development Goals (SDGs), adopted in 2015, are 17 interconnected goals addressing global environmental, social, and economic challenges. These goals support the 2030 Agenda for Sustainable Development, promoting an equitable and sustainable world.



Across our Product, Planet, & People pillars, we focus our efforts on five of the UN SDGs



Product

Grow Our Sustainable Offerings



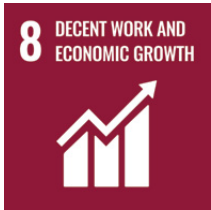
Planet

Reduce Our Carbon Footprint



People

Uplift Our Workers and Communities



global reporting initiative (GRI) index

Statement of Use		
Carter's Inc. has reported in accordance with the GRI standard for the period January 1, 2024 through December 31, 2024.		
GRI 1 Used		
GRI 1: Foundation 2021		
2: General Disclosures		Response
2-1	Organizational details	About This Report, p. 54 Carter's Inc. 2024 Form 10-K
2-2	Entities included in the organization's sustainability reporting	Carter's Inc. 2024 Form 10-K
2-3	Reporting period, frequency, and contact point	About this Report, p. 54 We intend to continue publishing a CSR report annually. Questions and comments may be addressed at CSR@carters.com
2-4	Restatements of information	Our 2022 and 2023 scope 2 market-based emissions have been restated after purchasing and applying RECs.
2-5	External assurance	Our performance disclosures on Scope 1 GHG emissions, Scope 2 GHG emissions, water, and waste for 2021, 2022, 2023, and 2024 have undergone independent limited assurance carried out by a third-party. For our Independent Limited Assurance Statement, see p. 76
2-6	Activities, value chain, and other business relationships	About Carter's, Carter's at a Glance, p. 6 About Carter's, Our Brands, p. 5 About Carter's, Our Global Value Chain, p. 7 Planet, Energy and Emissions, pp. 29-32 Product, Responsible Sourcing, pp. 21-22
2-7	Employees	People, Diversity & Inclusion, pp. 48-49
2-8	Workers who are not employees	People Data, p. 73
2-9	Governance structure and composition	About Carter's, ESG Governance, p.10 Carter's Inc. 2024 Annual Report
2-10	Nomination and selection of the highest governing body	Carter's Inc. 2024 Annual Report

2: General Disclosures		Response
2-11	Chair of the highest governance body	Carter's Inc. 2024 Annual Report
2-12	Role of the highest governance body in overseeing the management of impacts	About Carter's, ESG Governance, p.10 The Nominating and Governance Committee of our Board of Directors provides oversight of management and our business.
2-13	Delegation of responsibility for managing impacts	About Carter's, ESG Governance, p.10 We have developed a strategic plan that reflects, in part, the goals and initiatives disclosed in this report. The Sustainability and CSR Departments are responsible for the execution of our <i>Raise the Future</i> strategy, which is based on our Company purpose, and our ESG Council meets quarterly to review progress. Because the SVP, General Counsel, Secretary, CSR and Chief Compliance Officer serves on the Company's Leadership Team, other executives receive information and updates regularly.
2-14	Role of the highest governance body in sustainability reporting	About Carter's, ESG Governance, p.10 Our SVP, General Counsel, Secretary, CSR and Chief Compliance Officer, reports directly to our CEO.
2-15	Conflicts of interest	The Company has a Conflicts of Interest and Gift Policy that is communicated to employees annually. The policy includes detailed requirements for reporting violations or suspected misconduct, including, but not limited to, anonymous reporting telephonically via phone numbers provided for various locations where the Company and/or its distributors operate, as well as anonymous reporting via dedicated (and attended) email addresses and online via the Carter's Ethics Hotline. Upon receipt of a report of a suspected violation of the policy, the Company is required to launch a prompt and thorough investigation, and the Company will, as needed, escalate any such investigation to the Audit Committee of the Board of Directors.
2-16	Communication of critical concerns	There were no critical concerns reported in 2024. When there are critical concerns, the Audit Committee and, if needed, the Board are informed pursuant to established reporting lines, processes, and procedures, including, but not limited to, the Company's Fraud Policy
2-17	Collective knowledge of the highest governance body	About Carter's, ESG Governance, p.10 The Board's Nominating and Corporate Governance Committee provides oversight of the Company's environmental, social, and governance (ESG) initiatives through quarterly or more frequent reviews of progress. These reviews include assessments of ongoing efforts related to climate change, global supply chain compliance, diversity and inclusion (D&I), and product sustainability, among other issues.
2-18	Evaluation of the performance of the highest governance body	Carter's Inc. 2024 Annual Report

global reporting initiative (GRI) index

2: General Disclosures		Response
2-19	Remuneration policies	Carter's Inc. 2024 Annual Report
2-20	Process to determine remuneration	Carter's Inc. 2024 Annual Report
2-21	Annual total compensation ratio	Carter's Inc. 2024 Annual Report
2-22	Statement on sustainable development strategy	Letter from Leadership, p. 3 About Carters, Our ESG Strategy, p. 11
2-23	Policy commitments	Corporate Social Responsibility Policy Environmental Policy Code of Ethics
2-24	Embedding policy commitments	Product, Responsible Sourcing, pp. 21-22 Forced Labor in Canadian Supply Chains
2-25	Process to remediate negative impacts	Product, Responsible Sourcing, pp. 21-22 Forced Labor in Canadian Supply Chains
2-26	Mechanisms for seeking advice and raising concerns	We encourage anyone who has concerns about the behavior of any employee—including senior leaders as it relates to compliance with applicable laws—or unethical behavior of any kind to report the issue to our Ethics Hotline, which can be done anonymously. Our Ethics Hotline is monitored by an independent company that provides a dedicated phone line and internet site for anonymous communication of any questions or concerns to a trained specialist, 24 hours a day. Users of the Hotline are assigned an identification number and security code so that they can follow up on their report later. A written notice of each report is sent to the Chief Compliance Officer, who provides updates to the Leadership Team and the Audit Committee of the Board of Directors as warranted. All reports are investigated. Resolution for substantiated cases can include termination of employees found to have violated our Code of Ethics.

Ethics Hotline Reporting			
	FY 2022	FY 2023	FY 2024
Total Call Volume	335	300	351
Anonymous	73	86	89

2: General Disclosures		Response
2-27	Compliance with laws and regulations	Carter's does not publicly disclose matters related to non-compliance.
2-28	Membership associations	About Carters, Membership and Trade Associations, p. 9 Product, Better Cotton, p. 17 Planet, Energy and Emissions, pp. 29-30 Managing Our Water Impact, p. 39 People, Diversity & Inclusion, p. 49
2-29	Approach to stakeholder engagement	About Carter's, ESG Governance, p. 10 Both internal and external stakeholders across our employees, investors, wholesalers, suppliers and community partners were engaged via interviews and online surveys.
2-30	Collective bargaining agreements	We have zero employees covered by collective bargaining agreements.
3-1	Process to determine material topics	About Carter's, ESG Governance, p. 10
3-2	List of material topics	About Carter's, ESG Governance, p. 10

201: Economic Performance		Response
3-3	Management of material topic	Carter's Inc. 2024 Annual Report
201-2	Financial implications and other risks and opportunities due to climate change	Planet, Climate Risks and Opportunities, p. 34 Carter's Climate Risks and Opportunities, pp. 66-68

global reporting initiative (GRI) index

301: Materials		Response
3-3	Management of material topic	Product, Sustainable Materials, pp. 15-16
301-2	Recycled input materials used	Product, Sustainable Materials, pp. 15-16 Product Data, p. 69
308: Supplier Environmental Assessment		Response
3-3	Management of material topic	We intend to source only from suppliers that use the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) by 2025.
308-1	New suppliers that were screened using environmental criteria	Tier 1 suppliers are currently evaluated on social and environmental criteria. We intend, by 2025, to source only from Tier 1 suppliers that use the Higg FEM.
401: Employment		Response
3-3	Management of material topic	Benefits & Well-being, p. 45
401-1	New employee hires and employee turnover	People Data, p. 74
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People Data, p. 75

404: Training		Response
3-3	Management of material topic	People, Career Development, pp. 43-44
404-1	Average hours training per year per employee	People, Career Development, p. 44
404-2	Programs for upgrading employee skills and transition assistance programs	People, Career Development, pp. 43-44
404-3	Percentage of employees receiving regular performance and career development	Total percentage of employees who received a regular review is 100% and gender is the following percentages: ³² <ul style="list-style-type: none">• Female – 82%• Male – 13%• Not Declared – 4%
405: Diversity and Equal Opportunity		Response
3-3	Management of material topic	People, Diversity & Inclusion, pp. 47-49
404-5	Diversity of governance bodies and employees	People, Diversity & Inclusion, p. 48 People Data, p. 73
408: Child Labor		Response
3-3	Management of material topic	Product, Responsible Sourcing, pp. 21-22
408-1	Operations and suppliers at significant risk for incidents of child labor	Product, Responsible Sourcing, pp. 21-22
409: Forced or Compulsory Labor		Response
3-3	Management of material topic	Product, Responsible Sourcing, pp. 21-22
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Product, Responsible Sourcing, pp. 21-22

³² All eligible employees hired on or before October 1, 2024 and excludes contractors and temporary employees.

global reporting initiative (GRI) index

414: Supplier Social Assessment		Response
3-3	Management of material topic	Product, Responsible Sourcing, pp. 21-22
414-1	New suppliers that were screened using social criteria	Product, Responsible Sourcing, pp. 21-22
416: Customer Health and Safety		Response
3-3	Management of material topic	Product, Our Product Strategy, p. 14 Product, Chemicals Management, pp. 26-27
416-1	Assessment of the health and safety impacts of product and service categories	Product, Our Product Strategy, p. 14 Product, Chemicals Management, pp. 26-27
417: Marketing and Labeling		Response
3-3	Management of material topic	Product, Chemicals Management, pp. 26-27 Product, Our Sustainable Materials Journey, pp. 15-16
417-1	Requirements for product and service information and labeling	In compliance with legal requirements, we provide information on fibers, country of manufacture, and safe use via care instruction labeling for textile items and consumer instructions. We also provide guidance for hard goods in the Skip Hop product lines.
Consumer Behavior		Response
3-3	Management of material topic	People, Diversity & Inclusion, p. 47
	Consumer Behavior	People, Diversity & Inclusion, p. 47

sustainable accounting standards board (SASB) index

Apparel, Accessories, & Footwear; Multiline & Specialty Retailers & Distributors

SASB Topic	Code	Accounting Metric	Response
Energy Management in Retail & Distribution	CG-MR-130a.1	1. Total energy consumed	1. 133,453 MWh
		2. Percentage grid energy	2. 100%
		3. Percentage renewable	3. 7%; Scope 1 & 2 Emissions, p. 30
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	We have established physical, electronic, and contractual safeguards to protect the security of customer and employee personal information. Our approach follows the National Institute of Standards and Technology (NIST) and Capability Maturity Model Integration (CMMI) security frameworks. We also regularly review and update our privacy policy to ensure consumers have access to relevant information about their rights and how we handle their personal information. In 2023, we expanded our next generation firewall, implemented isolation of web and email items considered as threats, and continued cultivating a culture where all our employees feel responsible for data privacy and security through phishing campaigns, monthly newsletters, and trainings.
	CG-MR-230a.2	1. Number of data breaches 2. Percentage involving personally identifiable information 3. Number of customers affected Discussion of processes to maintain compliance with restricted substances regulations	In 2024, we had zero data breaches directly within our network.
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	Product, Our Product Strategy, p. 14 Product, Chemicals Management, pp. 26-27 We test products to our proprietary protocols, which include chemical, safety, and quality compliance with federal and state regulations as well as various industry standards.
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Product, Our Product Strategy, p. 14 Product, Chemicals Management, pp. 26-27 We benchmark our restricted substances list against AAFA and AFIRM RSL lists, which are leading standards to promote best practice and advance the industry.
Labor Practices	CG-MR-310a.1	1. Average hourly wage 2. Percentage of in-store employees earning minimum wage, by region	1. Carter's does not publicly disclose information on wages at this time. 2. Carter's does not publicly disclose information on wages at this time
	CG-MR-310a.2	1. Voluntary turnover rate for in-store employees 2. Involuntary turnover rate for in-store employees	1. 52% 2. Carter's does not disclose information on involuntary turnovers.
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	Carter's is an equal opportunity employer and seeks to comply with all labor and employment regulations where our employees are located. We respect current and former employees' rights to raise labor concerns outside of our reporting systems. Carter's defends alleged labor violations when resolution cannot be achieved with the other party. Carter's has not, however, been found liable for labor law allegations by an administrative agency or legal tribunal during the period of this report.

sustainable accounting standards board (SASB) index

Apparel, Accessories, & Footwear; Multiline & Specialty Retailers & Distributors

SASB Topic	Code	Accounting Metric	Response
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender and racial/ethnic group representation for: 1. Management 2. All other employees	People, Diversity & Inclusion, p. 48 People Data, p. 73
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	Carter's is an equal opportunity employer and seeks to comply with all labor and employment regulations where our employees are located. We respect current and former employees' rights to raise labor concerns outside of our reporting systems. Carter's defends alleged labor violations when resolution cannot be achieved with the other party. Carter's has not, however, been found liable for labor law allegations by an administrative agency or legal tribunal during the period of this report.
Product Sourcing, Packaging & Marketing	CG-MR-410a.1	Revenue from products third-party certified to environmental and/or social sustainability standards	We grew sustainable product sales to 4% of overall sales in 2024, excluding Skip Hop sales.
	CG-MR-410a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Product, Chemicals Management, pp. 26-27
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	Product, Sustainable Apparel & Goods, p. 20 Planet, Packaging, p. 38
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of supplier facilities in compliance with wastewater discharge permits and/or contractual agreement by: 1. Tier 1 2. Beyond Tier 1	1. 97% 2. 97%
	CG-AA-430a.2	Percentage of supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment by: 1. Tier 1 2. Beyond Tier 1	1. 99% of Tier 1 2. 99% of Tier 2

sustainable accounting standards board (SASB) index

Apparel, Accessories, & Footwear; Multiline & Specialty Retailers & Distributors

SASB Topic	Code	Accounting Metric	Response
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of supplier facilities a that have been audited to a labor code of conduct by: 1. Tier 1 2. Beyond Tier 1 3. And percentage of total audits conducted by a third-party auditor	Product, Social Compliance, p. 24 1. 100% of Tier 1 Suppliers are audited against our CSR Policy 2. 100% of our Tier 2 3. 100%
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	In FY 2024, all but one active Tier 1 suppliers passed a compliance audit.
	CG-AA-430b.3	Description of the greatest risks in the supply chain by: 1. Labor 2. Environmental, health and safety	Product, Social Compliance, p. 23 1. We consider the greatest labor risks to be violations of worker employment contracts, freedom of association, forced labor, and disciplinary practices. 2. We consider the greatest EHS risks to be machine safety, personal protective equipment, chemical storage and emergency preparedness.
Raw Materials Sourcing	CG-AA-440a.3	1. List of priority raw materials For each priority raw material: 2. Environmental or social factor(s) most likely to threaten sourcing 3. Discussion on business risks or opportunities associated with environmental or social factors 4. Management strategy for addressing business risks and opportunities	Product, Our Sustainable Materials Journey, p. 16 Planet, Climate Risks and Opportunities, p. 34 Carter's Climate Risks and Opportunities, pp. 66-68 Product Data, p. 69
	CG-AA-440a.4	1. Amount of priority raw materials purchased, by material 2. Amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	Product, Our Sustainable Materials Journey, p. 16 Product Data, p. 69

sustainable accounting standards board (SASB) index

Apparel, Accessories, & Footwear; Multiline & Specialty Retailers & Distributors

SASB Topic	Code	Accounting Metric	Response
Activity Metric	CG-AA-000.A	Number of: 1. Tier 1 suppliers 2. Suppliers beyond Tier 1	1. 85 (177 active factories) 2. 193 (358 active factories)
	CG-MR-000.A	Number of 1. Retail locations 2. Distribution centers	1. 1,057 retail locations in North America 2. In the United States, we operate three distribution centers in Georgia: an approximately 1.1 million square-foot multi-channel facility in Braselton, a 0.5 million square-foot facility in Stockbridge, and a 0.2 million square-foot single-channel facility in Jonesboro. We outsource some distribution activities to third-party logistics providers located in California and leverage additional third-party providers in Georgia primarily for storage seasonally. Our distribution center activities include receiving finished goods from our vendors, inspecting those products, preparing them for retail and wholesale presentation, and shipping them to our wholesale customers, retail stores, and eCommerce customers.
	CG-MR-000.B	Total area of 1. Retail locations 2. Distribution centers	Total retail space: 5.2M square feet (includes US, Canada, and Mexico) Total distribution centers: approx. 1.7M square feet

taskforce on climate-related financial disclosures (TCFD) index

TCFD Topic	Description	Response	Additional Resources
Governance	Describe the board's oversight of climate-related risks and opportunities	About Carter's, ESG Governance, p. 10	Carter's CDP Response - C4
	Describe management's role in assessing and managing climate-related risks and opportunities	About Carter's, ESG Governance, p. 10	Carter's CDP Response - C4
Strategy	Describe management's role in assessing and managing climate-related risks and opportunities	Carter's Climate Risks and Opportunities, pp. 66-68	Carter's CDP Response - C3,5
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Carter's Climate Risks and Opportunities, pp. 66-68	Carter's CDP Response - C3,5
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Carter's Climate Risks and Opportunities, pp. 66-68	Carter's CDP Response - C3,5
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks	Carter's Climate Risks and Opportunities, pp. 66-68	Carter's CDP Response - C2
	Describe the organization's processes for managing climate-related risks	Carter's Climate Risks and Opportunities, pp. 66-68	Carter's CDP Response - C2
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Carter's Climate Risks and Opportunities, pp. 66-68	Carter's CDP Response - C2
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Energy & Emissions, pp. 29-32 Planet Data, p. 70	Carter's CDP Response - C6-10
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Energy & Emissions, pp. 29-32 Planet Data, p. 70	Carter's CDP Response - C6-10
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Energy & Emissions, pp. 29-32 Planet Data, p. 70	Carter's CDP Response - C7,10

carter’s climate risks & opportunities

Our annual climate risk assessments, aligned with the Task Force on Climate-related Financial Disclosures (TCFD), evaluate physical and transition risks across our stores, distribution centers, suppliers, and cotton sourcing. Through these assessments, we gain insight into the short-, medium-, and long-term adverse impacts that climate change could have on our business and operations, along with the potential strategic business opportunities. In 2024, we began working with industry experts to quantify these potential impacts. Our 2024 risk assessment focused on modeling the financial impacts of previously identified risks and opportunities.

TIME HORIZON:

S - Short: 0-1 years (2025) **M** - Medium: 2-10 years (2035) **L** - Long: 11-25 years (2050)

The potential financial impacts for all impact areas are discounted values in the year 2035.

Transition Risks

Policy, legal, technology, market, and reputation risks can impact our business in the short-, medium-, and long-term. For example, Carter’s could be impacted if global suppliers decide to pass additional costs from current and emerging regulation related to emissions reductions or global carbon tax schemes. Additionally, increasing consumer awareness of environmental issues has sparked industry pressure for companies to offer more sustainable products, allowing consumers to make conscious decisions.

The failure to meet or properly report progress on our climate targets, public expectations or regulatory requirements may result in reputational damage or other adverse effects. Public expectations for reductions in greenhouse gas emissions could also result in increased energy, transportation, and raw material costs, and may require us to make additional investments in facilities and equipment.

Transition Risk	Potential Impacts	Time Horizon	Response
Policy/Legal	<ul style="list-style-type: none">• There is potential for a significant cost burden to Carter’s if global suppliers decide to pass the additional costs from current and emerging regulation related to emissions reductions, utility/energy usage, etc., to their buyers• China’s Emissions Trading Scheme is set to expand and could have a waterfall effect on costs for suppliers, and thereby increased raw materials costs for Carter’s• Potential carbon taxes around the globe could affect upstream operations, including the import of materials and finished goods• Increasing and emerging regulation on extended producer responsibility for both packaging and textiles can increase regulatory fees for Carter’s – Potential Financial Impact: ~\$2M - \$5M	S M L	<ul style="list-style-type: none">• Continuously monitor emerging legislation on a global scale, such as from the E.U. and various U.S. states, like California, to determine its impact on our business. This legislation includes, but is not limited to, climate disclosure and extended producer responsibility
Technology	<ul style="list-style-type: none">• Improvements in technology may influence the viability of the use of alternative materials	M L	<ul style="list-style-type: none">• Continuously evaluate alternative material options, using the principles of life cycle assessment to inform decision making
Market	<ul style="list-style-type: none">• Increasing consumer awareness of environmental issues has sparked a trend in the industry of offering more sustainable products, allowing customers to make more conscious decisions. Companies that do not recognize this trend may be perceived to be behind market expectations• Increased raw material costs for key fabrics such as cotton – Potential Financial Impact: up to \$60M	S M L	<ul style="list-style-type: none">• Continuously monitor consumer expectations and trends to inform decision-making• Set ambitious climate and environmental goals• Extend traceability of cotton to Carter’s fabric mills by implementing country of origin testing technology
Reputation	<ul style="list-style-type: none">• There is potentially a significant positive or negative financial impact associated with reputational impacts based on climate inaction or industry-leading climate action• Public expectations for reductions in greenhouse gas emissions could also result in increased energy, transportation, and raw material costs• If Carter’s is not proactive in setting and achieving its climate targets, there could be a negative impact on consumers perception and a decreased ability to participate in the expanding low-carbon market – Potential Financial Impact: \$90 - \$150M	M L	<ul style="list-style-type: none">• Evaluated industry peers’ climate change commitments and reporting to better inform our own climate strategy• Pledging to become net zero in our own operations by 2040 and having set a near-term target approved by SBTi

carter’s climate risks & opportunities

Physical Risks

Our business is susceptible to natural conditions and severe weather events, which could influence customer demand, consumer traffic, and shopping habits, as well as disrupt production along the supply chain. For example, severe weather events and other acute and chronic climate-related risks could affect timing and demand for our products, and thereby have an adverse effect on our operational results, financial position, and cash flows.

Frequent or unusually heavy or intense snowfall, flooding, hurricanes, heat stress and sea level rise, or other extreme weather conditions over an extended period could cause our stores or distribution centers to close for a period of time or permanently. They also could make it difficult for our customers and employees to travel to our stores or to receive products shipped to them, which in turn could negatively impact our operating results. In addition, changes in weather patterns could result in decreased agricultural productivity in certain regions, which may limit availability and/or increase the cost of certain key materials, such as cotton.

TIME HORIZON:

S - Short: 0-1 years (2025) **M** - Medium: 2-10 years (2035) **L** - Long: 11-25 years (2050)

The potential financial impact for physical risks is estimated to be ~ \$40 - \$50M (discounted value) in the year 2035.

Physical Risk	Potential Financial/Operational Impacts	Time Horizon	Response
Acute	Includes extreme weather events, e.g., severe flooding, droughts. <ul style="list-style-type: none">• May disrupt production along the value chain (upstream, direct operations, and downstream)• May negatively impact consumer discretionary spending and negatively impact our sales and results of operations• Flooding of high importance for retail stores due to potential merchandise damage and inability for customers/employees to travel to affected locations• Could result in higher distribution expenses, revenue loss, and lower profit margins	S M L	<ul style="list-style-type: none">• Continue to monitor and evaluate corporate climate risk, complete our annual GHG inventory, and develop and manage an ambitious climate strategy• Retail, Real Estate, and Sourcing teams to incorporate climate risks into criteria for opening new stores and onboarding new vendors, based on location
Chronic	Includes increased temperatures, extreme rainfall, sea level rise, water scarcity, etc. <ul style="list-style-type: none">• May disrupt distribution activities in the southwest and southeast U.S., including retail and distribution centers• Could result in higher operating costs, supply disruption, and property damages	L	

carter’s climate risks & opportunities

Opportunity

Climate change presents an opportunity to offer carbon-reduced or carbon-neutral products which are growing in demand and expected to continue to grow in demand as consumers become more climate-conscious. Certain of our products (including Little Planet) are available with climate-related designations for certain wholesalers, which provides an opportunity to reach the growing customer segment seeking environmentally friendly products.

These initiatives support Carter’s development and expansion of product offerings that have sustainability attributes that resonate with consumers’ shifting preferences. As Gen Z ages, they are rapidly replacing Millennials as the dominant generation to be in the prime age for becoming new parents. 58% of Gen Z are already adults, and the oldest of Gen Z are now 27.³³ According to Deloitte, this emerging generation of new parents prioritizes sustainability and cares deeply about the environment.³⁴

TIME HORIZON:

S – Short: 0-1 years (2025) **M** – Medium: 2-10 years (2035) **L** – Long: 11-25 years (2050)

The potential financial impacts for all impact areas are discounted values in the year 2035.

Opportunities	Potential Impacts	Time Horizon	Response
Resiliency	<ul style="list-style-type: none">Strong climate action and target setting can create resilience, in part by meeting stakeholder expectationsCould lead to indirect operating costsCould avoid increased indirect operating expenses	<div>S</div> <div>M</div> <div>L</div>	<ul style="list-style-type: none">Set a science-based target to reduce 50% of Scope 1 and 2 emissions by 2030 from a 2019 base year and has also committed to becoming net zero in its own operations by 2040
Products & Services	<ul style="list-style-type: none">Offering more sustainable products can help meet customer demand and trends<ul style="list-style-type: none">Potential Financial Impact: ~\$5 - \$15MExpanding supplier engagement through their GHG emissions reporting and climate targets would help develop more accurate accounting and transparency of our own products and supply chain<ul style="list-style-type: none">Potential Financial Impact: \$70 - \$110M	<div>S</div> <div>M</div> <div>L</div>	<ul style="list-style-type: none">Set a goal to ensure 77% of our suppliers by spend covering purchased goods and services will have set their own science-based targets by 2027Little Planet products are made with sustainable materials. The majority of styles include GOTS certified organic cotton, and recycled materials, which are used in certain products, such as swimwearNew PurelySoft sleep collection, which launched in 2023, offers products that are made with wood-based fibers sourced from sustainably-managed forests
Resource Efficiency	<ul style="list-style-type: none">Reduction of packaging<ul style="list-style-type: none">Potential Financial Impact: ~\$10 - \$20M	<div>S</div> <div>M</div> <div>L</div>	<ul style="list-style-type: none">Converted to 100% recycled content poly mailers across U.S. operations

³³ Insider Intelligence, January 2023.
³⁴ 2023 Gen Z and Millennial Survey, Deloitte LLP, 2023.

product data

2024 Raw Materials Data

Fiber	Metric Tons	% Weight
Cotton	32,569	69%
Organic Cotton	1,108	2%
BCI Cotton	8,067	25%
Polyester	13,291	28%
Recycled Polyester	30	0.1%
LENZING™ ECOVERO™	800	2%
Elastane	360	1%
Linen	5	<0.1%
Nylon	23	<0.1%
Other (incl., Recycled Nylon, Metallics)	6	<0.1%
Total	47,054	100%

planet data

2024 GHG Emissions (metric tons CO₂e)

	2019 Base Year	2022	2023	2024
Scope 1 Emissions ³⁵	7,822	7,042	7,433	7,153
Scope 2 Emissions market-based ³⁶	46, 323	29,017 ³⁷	31,330 ³⁸	35,435
Scope 2 Emissions location-based ³⁹	49,458	34,818	33,840	32,241
Scope 1 + 2 (market-based)	57,280	36,060	38,763	42,588
Scope 3 Emissions ⁴⁰	1,312,433	1,029,075	767,069	933,688
Category 1 – Purchased goods and services	–	868,555	665,040	776,110
Category 3 – Fuel and energy-related activities	–	10,131	7,699	10,413
Category 4 – Upstream transportation and distribution	–	83,247	44,295	92,472
Category 5 – Waste generated in operations	–	7,7289	7,003	6,832
Category 6 – Business travel	–	251	1,127	1,417
Category 7 – Employee commuting	–	13,953	12,976	10,309
Category 12 – End-of-life treatment of sold products	–	45,220	28,928	36,134
Total Emissions (market-based)	1,368,713	1,065,135	805,832	976,276
Total Emissions Intensity (per net sales)	389.23	331.61	273.57	343.26
Total Emissions Intensity (per million units produced)	1,632.17	1,494.60	1,466.93	1,565.10
Scope 1 + 2 (market-based) emissions intensity (per net sales)	16.28	11.22	13.16	14.97
Scope 1 + 2 (market-based) emissions intensity (per million units produced)	68.26	57.91	70.56	68.28
Energy Consumption				
Total Energy Consumption for Operations (MWh) ⁴¹	164,491	133,616	133,644	133,453
Energy Intensity (kWh per square foot) ⁴²	20.23	18.45	18.24	18.75
U.S. Electricity Consumption (MWh)	–	84,964	84,964	85,859
Renewable energy credits purchased (applied to prior year inventory)	–	–	14,000	10,000

Certain data presented have not been audited or assured. See the “Independent Limited Assurance Statement” on page 76 for a description of the scope of the assurance work performed. Additionally, while we attempt to ensure consistent methodologies for each inventory year, Carter’s cautions against year-over-year comparison as inconsistency in data, particularly as it relates to Scope 3 and indirect operations, may still be present.

³⁵ Carter’s GHG inventory utilizes the operational control approach. As such, reported “Scope 1 emissions” are direct emissions from sources controlled by Carter’s and include stationary and mobile use of fuels such as natural gas and propane, as well as estimated fugitive emissions from refrigerants used in HVAC equipment. Where possible, direct consumption values were used. However, in instances where consumption was unknown or only partially reported, estimations were made based on average consumption values of similar locations per square foot.

³⁶ For market-based emissions, Carter’s used emission factors (EF) from the Green-e residual mix (updated October 2022). Market EF are not available for many international facilities.

³⁷ This value and the values for total emissions and emissions intensities have been restated after applying 14,000 RECs purchased in 2023.

³⁸ This value and the values for total emissions and emissions intensities have been restated after applying 10,000 RECs purchased in 2024.

³⁹ The GHG Protocol defines Scope 2 emissions as indirect emissions from the use of purchased electricity and chilling water. Carter’s used emissions factors from the latest release of the EPA eGrid emissions factors (eGrid2021, released January 2023) to calculate location-based emissions.

⁴⁰ Scope 3 emissions are from sources not owned or directly controlled by Carter’s, but are related to Carter’s activities. The GHG Protocol defines 15 Scope 3 categories. Of these categories, the following are included in the reported Scope 3 value: purchased goods and services, fuel and energy-related activities, upstream transportation, processing of waste (landfill waste, recycling, and wastewater), business travel, employee commuting, and end-of-life treatment of sold products. As is commonly understood in the GHG inventory process, Scope 3 emissions tend to be the most difficult to quantify accurately and may require estimations due to the complexity of global supply chains.

⁴¹ The term “operations” refers to those directly controlled by Carter’s. Values include purchased electricity and fuels. Sources are the same as those listed in “Scope 1 emissions.” Where possible, the calculation used direct consumption values. However, in instances where consumption was unknown or only partially reported, estimations were made based on average consumption values of similar locations per square foot. This value also includes fuel (natural gas, propane).

⁴² The reported value is calculated from reported and estimated electricity and fuel usage. Correspondingly, the per-sq-ft number includes fuels.

planet data

2024 Waste (metric tons)

	2019 Base Year	2022	2023	2024
Distribution Centers				
Landfilled	287	385	492	520
Recycled	2,853	3,692	5,830	2,299
Stores ⁴³				
Landfilled	12,390	9,731	8,985	7,429
Recycled	20,043	13,027	13,471	12,718
Corporate Office				
Landfilled	–	72	56	56
Recycled	–	32	34	19
Waste from Direct Operations ⁴⁴	35,374	26,939	28,868	23,041
Total Landfilled Waste	12,677	10,188	9,533	8,005
Total Recycled Waste	22,897	16,751	19,335	15,036
Diversion Rate ⁴⁵	64%	62%	67%	65%

Certain data presented have not been audited or assured. See the “Independent Limited Assurance Statement” on page 76 for a description of the scope of the assurance work performed. Additionally, while we attempt to ensure consistent methodologies for each inventory year, Carter’s cautions against year-over-year comparison as inconsistency in data, particularly as it relates to Scope 3 and indirect operations, may still be present.

⁴³We receive waste data from approximately 20% of our stores. We have limited visibility to waste data at the majority of our stores due to our leasing structures and relationships with landlords. For stores that could not report waste values, Carter’s extrapolated waste and recycling rates submitted by the stores that were able to track this information. Carter’s is working to improve waste tracking at all locations.

⁴⁴“Direct” refers to waste generated at Carter’s operated distribution centers and retail stores. Where possible, Carter’s waste inventory used direct waste generation values provided by each location. However, in instances where waste generation was unknown or only partially reported, Carter’s made estimations based on the average per square foot waste generation value of similar locations and historical data. Unlike water and energy, indirect waste generation values from suppliers are not reported due to uncertainty in data quality. Carter’s is working to better understand the waste generation profile of suppliers.

⁴⁵Diversion rate equals waste sent to recycling divided by total waste generated.

planet data

2024 Water Use (millions gallons)

	2019 Base Year	2022	2023	2024
Direct Operations ⁴⁶	60	58	55	59
Distribution Centers	6	7	6	5
Corporate Offices	0.3	4	3	4
Retail Stores	54	47	46	50
Indirect Operations ⁴⁷	1,392	741	428	454
Total water use (direct and indirect)	1,452	799	490	513
Intensity Metrics				
Water Intensity: Direct Only (per million \$ revenue)	0.02	0.02	0.02	0.02
Water Intensity: Direct and Indirect (per million \$ revenue)	0.41	0.25	0.17	0.18

Certain data presented have not been audited or assured. See the “Independent Limited Assurance Statement” on page 76 for a description of the scope of the assurance work performed. Additionally, while we attempt to ensure consistent methodologies for each inventory year, Carter’s cautions against year-over-year comparison as inconsistency in data, particularly as it relates to Scope 3 and indirect operations, may still be present.

⁴⁶ “Direct” refers to Carter’s owned operations (e.g., distribution centers, retail stores, corporate offices). Where possible, Carter’s water inventory used direct consumption values. However, in instances where consumption was unknown or only partially reported, Carter’s made estimations based on the average water consumption value of similar locations per square foot.

⁴⁷ “Indirect” refers to the operations of Carter’s suppliers. Due to the uncertainty of supplier information, water use can be different year over year. Carter’s is exploring the reasons for this and is committed to improving data quality within the Company’s environmental reporting framework and supply chain. Outliers in data have been excluded based on assumptions due to potential errors in billing by utility companies.

people data

2024 Global Workforce Data

Total Employees		Male	Female	Not Recorded
Employment Status				
Regular	12,584	1,545	10,385	654
Temporary	2,765	324	2,312	129
Total	15,349	1,869	12,697	783
Employment Type				
Full-time	5,772	1,351	4,045	376
Part-time	9,577	518	8,652	407
Total	15,349	1,869	12,697	783

Diversity at Senior Levels

2022 EOY			2023 EOY		2024 EOY	
	Male	Female	Male	Female	Male	Female
SVP/Vice President	45% (24)	55% (29)	43% (23)	57% (31)	43% (23)	57% (31)
District Managers	35% (19)	65% (36)	33% (18)	67% (36)	31% (17)	69% (38)
	White	Minority ⁴⁸	White	Minority ⁴⁸	White	Minority ⁴⁸
SVP/Vice President ⁴⁹	74% (39)	26% (14)	79% (42)	21% (11)	76% (41)	22% (12)
District Managers	80% (44)	20% (11)	74% (40)	26% (14)	71% (39)	29% (16)

⁴⁸ Refers to employees identifying as Asian, Black/African American, Hawaiian/Pacific Islander, Hispanic/Latino, or Native American.

⁴⁹ 2024 race/ethnicity values do not add up to 100% as one employee was not identified.

people data

2024 Hirings, Promotions, and Retention^{50,51}

2024 Hirings			2024 Promotions		2024 Retention Rate ⁵²		
	Total New Hires	%	Total Promotions	%	Total Departures	Turnover Rate	Retention Rate
Total	11,125		1,652		7,121		
Role Category							
Corporate	364	3%	227	14%	268	2%	98%
Distribution Center	1,747	16%	145	9%	335	3%	97%
Retail	9,014	81%	1,280	77%	6,518	52%	48%
Age Group							
Under 30	7,133	64%	861	52%	4,369	61%	39%
30-50	2,785	25%	642	39%	1,783	25%	75%
Above 50	730	7%	141	9%	561	8%	92%
Not Specified	477	4%	8	<1%	408	6%	94%
Gender							
Male	1,599	14%	218	13%	649	10%	90%
Female	8,763	79%	1,389	84%	5,781	81%	19%
Not Recorded	763	7%	45	3%	691	9%	91%
Race/Ethnicity							
Asian	271	3%	66	5%	160	3%	97%
Black/African American	2,410	26%	193	15%	1,231	22%	78%
Hawaiian/Pacific Islander	28	<1%	2	<1%	18	<1%	>99%
Hispanic/Latino	2,693	29%	418	32%	1,615	29%	71%
Native American	104	1%	11	1%	65	1%	99%
White	3,039	33%	550	42%	2,123	38%	62%
2 or More	484	5%	60	5%	263	5%	95%
Not Specified	205	2%	13	1%	320	6%	94%
Seniority							
Supervisor and Below	10,497	94%	1,452	88%	6,441	90%	10%
Senior and Junior Manager	613	6%	183	11%	656	9%	91%
Director and Above	15	<1%	17	1%	24	<1%	>99%

⁵⁰Figures may not be additive due to rounding.

⁵¹ All figures except race and ethnicity include global employee population from January 1, 2024 through December 31, 2024. Race and ethnicity data are U.S. only, from January 1, 2024 through December 31, 2024.

⁵² Turnover and retention metrics exclude involuntary terminations.

people data

2024 Benefits

Benefit ⁵³	Full-Time Retail Employees	Full-time Distribution Center Employees	Full-time Corporate Employees	Part-time Employees ⁵⁴
Medical Plan	X	X	X	X
Dental Plan	X	X	X	X
Vision Plan	X	X	X	X
401(k) Savings Plan ⁵⁵	X	X	X	X
Life Insurance	X	X	X	X
Short-term Disability	X	X	X	X
Accident and Hospital Expense Plans	X	X	X	X
Paid Parental Leave ⁵⁶	X	X	X	
Paid Volunteer Time		X	X	
Employee Assistance Program	X	X	X	X
Identify Theft Protection	X	X	X	X
Pet Insurance	X	X	X	X
Employee Discount	X	X	X	X
Flexible Spending Accounts	X	X	X	
Backup Dependent Care	X	x	X	X
Scholarship and Tuition Programs	X	X	X	X

⁵³ Benefits available to regular U.S. full-time and part-time employees who are not temporary or seasonal. Outside U.S. benefits vary by country. For more details on benefits, please visit our [Benefits & Well-being page](#).

⁵⁴ Part-time employee plans/programs may vary from full-time offering, including whether employer or employee paid.

⁵⁵ Part-time employees may become eligible for the 401(k) Plan by working more than 1,000 hours in their initial year of service or any subsequent Plan year and/or completing at least 500 hours of service in two consecutive 12-month periods.

⁵⁶ Carter’s offers employees whose child’s birth or adoption/placement occurs on, or after, one year of continuous service up to 6 weeks of paid parental leave when welcoming a new child to their family.



ASSURANCE STATEMENT US25/00000195

SGS North America, Inc REPORT ON ASSURANCE of Carter’s Inc FY2024 KPIs in their 2024 Sustainability Report.

NATURE OF THE ASSURANCE/VERIFICATION

SGS North America, Inc (hereinafter referred to as SGS) was commissioned by Carter’s Inc (hereinafter referred to as Carters) to conduct an independent assurance of selected FY2024 KPIs in their 2024 Sustainability Report (hereinafter referred to as the Report).

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all of Carter’s Stakeholders.

RESPONSIBILITIES

The information in the Report and its presentation are the responsibility of the directors and management of Carter’s. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on selected KPIs within the scope of verification with the intention of informing all of Carter’s stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The purpose of this assurance engagement was, by review of objective evidence, to independently verify whether the KPI data, as declared by Carters and included in the Report, is accurate, complete, consistent, transparent, and free of material error or omission.

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of the reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

Assurance has been conducted at a limited level of assurance. The assurance of this report has been conducted according to the 3000 International Standard on Assurance Engagement (ISAE) and SGS ESG & SRA Assurance Protocols (based on GRI principles).

SCOPE OF ASSURANCE

The scope of the assurance included the evaluation of quality, accuracy, and reliability of specified performance information as detailed below:

Reporting Criteria Options

1	Specified Performance Information
2	GHG Protocol: “A Corporate Accounting and Reporting Standard”

SPECIFIED PERFORMANCE INFORMATION AND DISCLOSURES INCLUDED IN SCOPE

KPI	KPI Verified Data 2024	Notes
Total Scope 1 (direct) GHG emissions in Tonnes CO ₂ e	7,152.73	Including estimations
Total Scope 2 (indirect) GHG emissions in Tonnes CO ₂ e (location- & market-based)	Location based - 32,241.46 Market based - 35,435.14	Including estimations
Total Waste-direct operations (MT)	23,041.02	Including estimations
Total Waste to landfill (MT)	8,005.37	Including estimations
Total Waste to recycling (MT)	15,035.65	Including estimations
Total Water- direct operations (MG)	58.96	Including estimations

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant KPI data owners (conducted virtual audit of corporate headquarters); examination of processes and platforms used for collection, collation, and calculation of data for relevant KPIs; documentation and record review.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts has not been checked back to the source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social, and ethical auditing and training; environmental, social, sustainability and ESG report assurance. SGS affirms our independence from Carter’s, being free from bias and conflicts of interest with the organization, its subsidiaries, and stakeholders. The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and included the following individuals:

Laura Serrano	Lead Auditor	Canada
Ursula Antunez de Mayolo	Technical Reviewer	USA

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, nothing has come to our attention that causes us to believe that the specified performance information included in the scope of assurance is not fairly stated and has not been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

QUALITY AND RELIABILITY OF SPECIFIED PERFORMANCE INFORMATION

During the assurance engagement, some examples of good practices as well as some opportunities for improvement in underlying processes were identified and reported to Carters with the aim of enabling a process of continual improvement in the collection and reporting of KPI data. It may be possible to roll out examples of good practice to other KPIs, or parts of the business and the opportunities for improvement identified may be considered for implementation during future reporting cycles.

Signed:
For and on behalf of SGS North America



Viqaruddin Mohammed
SGS North America

May 9, 2025

WWW.SGS.COM

