



Human Rights Commitment

At AEO, we believe respect for global human rights is integral to living our values wherever we do business. Our commitment to these fundamental, universal and inalienable human rights applies to our own operations, our associates and our partners. This commitment is informed by our values - People, Innovation, Passion, Integrity and Teamwork - as well as the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the UN Declaration of Human Rights and the United Nations Guide for Developing a Human Rights Policy. AEO is dedicated to fostering a culture that recognizes human rights everywhere and seeks to empower our associates, our supply chain and our communities.

How We Work with Factories

To make AEO products, we partner with apparel manufacturers that operate more than 300 factories in more than 20 countries around the world. We do not own or operate any factories, so it's important to develop trusted relationships with our suppliers to make our apparel responsibly. We're working to enhance our current factory monitoring programs and advance key initiatives that focus on worker well-being, environmental responsibility and increased supplier ownership.

How We Source

In our supply chain, we value suppliers that share our commitment to responsibility and respect the safety and rights of their workers. We effectively promote relationships with these types of suppliers by first training our new sourcing associates to understand the importance of compliance in factories. With this base of understanding, our Responsible Sourcing team meets monthly with our Sourcing team to discuss the overall performance of our suppliers, including social compliance, and review any factories in our supply chain that are currently working to remediate noncompliance issues.

In 2013, we developed a supplier scorecard to measure the social compliance performance of our suppliers. This scorecard measures the supplier's factory social compliance performance and commitment to improvement.

Supplier Code of Conduct

AEO is dedicated to the highest level of social responsibility. As part of that commitment, we direct our business relationships to those suppliers, including our sourcing agents, vendors, factories and their own suppliers, who share our vision of ethical and fair working conditions.

Our Code of Conduct clearly outlines our expectations for the treatment of factory workers for the suppliers that make our products. Our code prohibits corporal punishment or physical, psychological, verbal or sexual harassment, threats, or abuse. It also forbids the use of any form of forced or compulsory labor, involuntary or trafficked labor, including prison, bonded, and indentured and any form of human trafficking. AEO and its suppliers will not employ workers under the age of 15 or the minimum age required by law, if higher. The Code also outlines our expectations regarding working hours, health & safety, promotion of living wage and many other topics that affect the lives of factory workers.

View the Code of Conduct



Factory Inspection and Improvement

AEO is committed to working with our factory partners to properly protect the workers and environment across our supply chain.

Supplier Approval

We are careful about who we decide to do business with. All factories must be approved through a pre-sourcing audit before an AEO production order may be placed, and factories with orange or red ratings are not approved for business.

Our suppliers often have subcontractors assist them in meeting our production needs. Penalties for failing to properly disclose the use of subcontractors include fines, decreases in AEO orders, and possible termination of business.

Our Inspection Approach + Factory Rating System

All of the apparel factories we actively source from are visited and inspected every year by our internal team or third-party auditing partners.

Our approach is focused on transparency and remediation, so most of our audits are semi-announced to help us build trust with our factory partners. We have a group of AEO associates in Hong Kong and Bangladesh that conduct a portion of our audits and work closely with factories on remediation.

We rate factories after each audit. Factories with more severe ratings are given reduced or no business opportunities until issues are resolved. We work with factories to remediate every finding, but address more severe ones with increased urgency.



Strategic Labor Programs

Factory Fire and Building Safety

All of our strategic factories are required by AEO to comply with national building requirements and fire codes and have training for their workers on safe workplace practices. In this spirit, AEO signed the 2013 Bangladesh Accord on Fire and Building Safety—an unprecedented independent, legally binding agreement to build a safer and healthier ready-made garment industry. AEO subsequently signed the 2021 International Accord for Health and Safety in the Textile and Garment Industry to continue this vital work.

We have expanded our learnings to other countries where there is aging infrastructure that could present risks to workers. AEO has launched its own Global Fire and Building Safety guideline that incorporates insights from the Bangladesh Accord. As part of this program, we have provided trainings and conducted inspections focused on fire and building safety in factories in Pakistan and India.

Focus on Workers' Voice

We are committed to working with our factories to foster an environment in which workers feel comfortable raising and discussing labor concerns in a constructive manner.

Our goal is for all of our strategic factories to implement effective grievance systems and establish elected worker / management committees. AEO recognizes the need for suppliers to own their own compliance systems. A key part of this process is to implement effective ways for workers to raise concerns and communicate openly with factory management. This is accomplished by forming committees within factories that include both worker and management representatives that regularly meet to discuss issues raised by workers, auditors, and other stakeholders. We work together with our suppliers to establish systems that best work for their companies and verify the effectiveness through regular review and worker surveys.

Responsible Recruitment

We are committed to working with factories that treat all workers with respect, and take special precautions for vulnerable populations, such as those that migrate for work.

All factories are required by AEO to ensure that migrant workers do not pay recruitment fees. Also, all international migrant workers must be trained on contract terms before leaving their home countries. Migrant workers, both domestic and

international, make up a vital part of factory workforces in certain AEO sourcing countries, including China, India, and Jordan. We published a Forced Labor and Migrant Worker Policy in 2019, which outlines the protections that factories must have in place for migrant workers, including ensuring that fees are not paid by workers at any stage of the recruitment process.

Key Sourcing Policies

Great style shouldn't come at the cost of the welfare of others. The materials and treatment processes we use are one part of our commitment to responsible sourcing, reflecting our company values and reinforcing our Code of Conduct.

Uzbek And Turkmen Cotton Ban

In response to issues around forced and child labor practices, we have banned the use of cotton from Uzbekistan and Turkmenistan.

Sandblasting Ban

In 2011, we banned sandblasting in the production of our denim as well as the presence of sandblasting equipment in any facility producing for us.

Raw Materials and Manufacturing in the Xinjiang Uygur Autonomous Region in China

Due to allegations of forced labor in the Xinjiang Uygur Autonomous Region in China, we prohibit the manufacture of any product or the use of any raw material from this region. <u>Click here to read our Cotton & Country of Origin Policy</u>

Animal Welfare Policies

We oppose the inhumane treatment of animals, and we do not tolerate animal cruelty in the design, manufacturing or testing of American Eagle Outfitters products. The following policies outline our stance on the usage of specific materials and procedures.

We do not permit the use of the following under any circumstances:

- 1. Fur, including mink, fox, rabbit and beaver;
- 2. Skins from endangered or exotic animals;
- 3. Muleseed wool;
- 4. Angora (rabbit hair);
- 5. Animal testing

The following are only allowed under qualifying circumstances:

- 1. Alpaca (Responsible Alpaca Standard)
- 2. Down (Responsible Down Standard)
- 3. Leather (Leather Working Group)

Improving Women Factory Workers' Health

We are committed to promoting the health and well-being of the women who make our products in our global supply chain.

Our goal is for all strategic factories to invest in women workers through health, life skills, and employment skills training, and to increase women's access to management positions. To this end, AEO partners with global initiatives, such as Empower@Work and HERproject, to drive systemic change for women workers in global supply chains. These programs focus on educating workers on topics that include health needs, financial inclusion, and gender equality.

Since our first launch in Cambodia in 2013, AEO has partnered with 33 factories in Bangladesh, India, Indonesia, and Vietnam to support various programs (i.e., HERhealth, HERfinanace and HERespect). More than 55,000 workers have participated in these programs.

In response to the pandemic, which limited in-person training, AEO supported the development of a digitalized package known as "HERessentials". This program brings together the most critical resources for women workers during the time of crisis.

By participating in trainings, becoming peer educators, and sharing information with colleagues, friends, family, and members of their communities, women workers acquire important information and the ability to access products and services necessary to improve health, finance, and gender equality. Additionally, factories are able to boost productivity and engagement, and create a gender-inclusive workplace.

Resources

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