

# Abercrombie & Fitch Co. - Climate Change 2018

## C0. Introduction

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### C0.1

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#### (C0.1) Give a general description and introduction to your organization.

Abercrombie & Fitch Co. ("A&F"), a company incorporated in Delaware in 1996, through its subsidiaries (collectively, A&F and its subsidiaries are referred to as "Abercrombie & Fitch" or the "Company"), is a specialty retailer that operates stores and direct-to-consumer operations. Through these channels, the Company sells a broad array of products, including: casual sportswear apparel, including knit and woven shirts, graphic t-shirts, fleece, jeans and woven pants, shorts, sweaters, and outerwear; personal care products; and accessories for men, women and kids under the Abercrombie & Fitch, abercrombie kids, and Hollister brands. The Company also sells bras, underwear, personal care products, sleepwear and at-home products for girls through direct-to-consumer operations and Hollister stores under the Gilly Hicks brand. As of Q1 2018 the Company operated 869 stores in the United States, Canada, Europe, Asia, and the Middle East. The Company also operates e-commerce websites at [www.abercrombie.com](http://www.abercrombie.com), [www.abercrombiekids.com](http://www.abercrombiekids.com), [www.hollisterco.com](http://www.hollisterco.com) and [www.gillyhicks.com](http://www.gillyhicks.com).

### C0.2

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#### (C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Not Applicable>
Row 2	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 3	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Row 4	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

## C0.3

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**(C0.3) Select the countries/regions for which you will be supplying data.**

Austria  
Belgium  
Canada  
China  
Denmark  
France  
Germany  
Ireland  
Italy  
Japan  
Kuwait  
Netherlands  
Poland  
Puerto Rico  
Republic of Korea  
Singapore  
Spain  
Sweden  
Switzerland  
United Arab Emirates  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Other, please specify (Hong Kong)

## C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

## C1. Governance

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### C1.1

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

#### C1.1a

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**(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain
Chief Operating Officer (COO)	The COO approves and oversees A&F's sustainability initiatives (including GHG emissions management) and works to garner support throughout A&F for sustainability initiatives. The CFO, along with the company's Chief Executive Officer (CEO), and other corporate officers form a Leadership Team which works closely with the Board of Directors' Corporate Social Responsibility Committee (the Committee). The Committee was established in November 2009 to provide oversight of the Company's attention to issues of social responsibility, including diversity, philanthropy and sustainability and the Company's policies, practices and progress with respect to such issues.
Director on board	There are directors on the board who form the Board of Directors' Corporate Social Responsibility Committee (the Committee). The Committee was established in November 2009 to provide oversight of the Company's attention to issues of social responsibility, including diversity, philanthropy and sustainability and the Company's policies, practices and progress with respect to such issues. The Committee consists of 3 directors: Archie Griffin (Chair), Jim Bachmann, and Sarah Gallagher. Jim Bachman and Sarah Gallagher were newly elected to this committee in 2014. The Committee periodically reviews and reassesses the adequacy of its charter, in consultation with the Nominating and Board Governance Committee, and recommends changes to the full Board as necessary to reflect changes in regulatory requirements, authoritative guidance and evolving practices.

#### C1.1b

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**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

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Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Sporadic - as important matters arise	Reviewing and guiding strategy Reviewing and guiding risk management policies	The Committee's charter sets forth the duties and responsibilities of the Committee, which include: • monitoring issues and practices relating to the Company's corporate social responsibility on a global basis, including diversity initiatives and programs, health and safety matters, environmental and sustainability matters, human rights matters, significant philanthropic matters and significant community relations; • reviewing the prudence of having the Company prepare and publish a Corporate Social Responsibility Report and, in the event the Committee determines such a report is prudent, overseeing the preparation of such report; • reviewing significant lawsuits, investigations by governmental entities and other significant legal matters involving the Company or any of its affiliates that significantly affect or could significantly affect the Company's performance, business activities or reputation as a global corporate citizen; • monitoring significant programs and activities aimed at enhancing the Company's global communications, crisis management, media relations and community relations; • when appropriate, making recommendations to the Board with respect to any of the areas that the Committee oversees, reviews or monitors, and any other major social responsibility policies and practices of the Company; and • reviewing and making recommendations to the Board regarding stockholder proposals submitted for inclusion in the Company's annual proxy materials that relate to social responsibility issues. A&F has an Energy Management team that is focused on reducing energy consumption and spend across its portfolio of stores. This team includes representatives from departments that directly and indirectly influence energy usage and consumption at the stores. Representatives are from: • Store Operations and Maintenance • Facilities • Finance • Store Design and Construction • EHS • Brand Senses • Store Management • Sustainability • IT The intent for this team was to meet monthly, evaluate, and implement opportunities to reduce energy consumption. Through this cross-functional collaboration, A&F is able to simultaneously create ownership and facilitate broader engagement for the long term benefit of the Company.

## C1.2

**(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Operating Officer (COO)	Other, please specify (Oversees sustainability initiatives)	As important matters arise

## C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

A&F has an Energy Management team and a Sustainability team who are focused on reducing energy consumption and spend across its portfolio of stores. This team includes representatives from departments that directly and indirectly influence energy usage and consumption at the stores. Representatives are from:

- Store Operations and Maintenance
- Facilities
- Finance
- Store Design and Construction
- EHS
- Brand Senses
- Store Management
- Sustainability
- IT

The intent for this team was to meet monthly, evaluate, and implement opportunities to reduce energy consumption. Through this cross-functional collaboration, A&F is able to simultaneously create ownership and facilitate broader engagement for the long term benefit of the Company.

## C1.3

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**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

## C1.3a

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**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Emissions reduction target

**Comment**

A&F's sustainability director is rewarded with a merit raise for exceeding the expectations of her responsibilities pertaining to sustainability. One specific performance indicator is to increase the transparency of A&F's environmental impacts, including its corporate carbon footprint and efforts to manage emissions reduction initiatives.

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**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Energy reduction project

**Comment**

A&F's sustainability and energy specialist is incentivized with non-monetary recognition for his role in facilitating the actions of the Company's Energy Management team, which is ultimately responsible for driving reductions in A&F's energy consumption and spend.

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**Who is entitled to benefit from these incentives?**

Facilities manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Energy reduction project

**Comment**

A&F is deliberately moving towards a future wherein each of the Energy Management representatives' annual performance and merit compensation will include performance against key sustainability metrics, including climate change. While A&F is committed to achieving these goals because it is the right thing to do, tying these achievements to specific job functions will make sure Sustainability is a constant goal of the business. Members of A&F's Energy Management team have been challenged to consider sustainable alternatives when making decisions on behalf of the Company.

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**Who is entitled to benefit from these incentives?**

Process operation manager

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Energy reduction project

**Comment**

A&F is deliberately moving towards a future wherein each of the Energy Management representatives' annual performance and merit compensation will include performance against key sustainability metrics. While A&F is committed to achieving these goals be-

cause it is the right thing to do, tying these achievements to specific job functions will make sure Sustainability is a constant goal of the business. Members of A&F's Energy Management team have been challenged to consider sustainable alternatives when making decisions on behalf of the Company.

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## C2. Risks and opportunities

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### C2.1

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**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	1	2	This time frame is consistent with procurement processes which impact the travel and energy portion of the company's carbon impact. Factors within this time frame impact strategy with respect to green energy purchases from the grid.
Medium-term	2	4	This time frame is consistent with procurement processes which impact the travel and energy portion of the company's carbon impact. Factors within this time frame impact strategy with respect potential renewable energy sources being a more direct portion of our energy portfolio. For example, instead of a fixed price contract, the company will investigate a block trade scheme in which a block of the portfolio is specifically part of a solar power purchase agreement or similar renewable mechanism.
Long-term	4	10	This time frame is consistent with procurement processes which impact the travel and energy portion of the company's carbon impact. Factors within this time frame are more directly impacted with respect to potential renewable energy sources being a portion of our energy portfolio as the length of these agreements tend to be more in the 7-10 year range. Additionally, such practices are consistent with real estate processes and the length of our leases.

### C2.2

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**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

### C2.2a

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**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Six-monthly or more frequently	1 to 3 years	Dating back to 2014, Abercrombie & Fitch included within its Enterprise Risk Management (ERM) process the topic of sustainability. The Company expanded its Enterprise Risk Management Committee from a semiannual process led by its Risk Management Department with ad hoc membership to a chartered committee, with its EVP & CFO and SVP & General Counsel as co-chair, and which members of the Company's senior leadership, including officers and heads of business functions, and with semiannual reporting to its Board's Audit and Finance Committee. 2015 was a year in which these groups added extra emphasis to the quantification of risk in all business aspects and it continues to the current year.

## C2.2b

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**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

At the enterprise level, risks were primarily identified by an assessment process of interviews with function heads and senior management from across the business. In the 3rd quarter of 2014 the Company expanded its Enterprise Risk Committee to a cross functional group of senior management in order to better identify, evaluate, and prioritize a more comprehensive range of risks.

Better sustainability representation was achieved under this new structure via two identified groups: the Compliance Support Network (CSN) and the Embedded Compliance Officers (ECOs). The addition of a technical resource with an Energy Engineering background was added to the CSN and a new position for tracking sustainability efforts was created at the ECO level to better address environmental sustainability risks and opportunities and part of the Company's way to address climate change.

Asset level risk is identified via the ERM process regarding risks that could affect distribution, procurement or supply efforts within the Company's Supply Chain which can include climate based risks. For example, the Company's facilities, systems and stores, as well as the facilities and systems of its vendors and manufacturers, are vulnerable to natural disasters and other unexpected, climate-related events, and any of which could result in an interruption to its business and adversely affect the Company's operating results. To ensure its continuity of operations during a catastrophe that disrupt its essential operations, the company has a strategy that brings together its Business Continuity Planning and IT Disaster Recovery.

Beginning in 2016, asset risk in A&F's supply chain was better managed via category managers for specialized expenses including energy. In the reporting year 2016, internal processes prompted the calculation of potential impact to business operating costs from a potential flagged increase in fuel prices to our delivery vendors.

## C2.2c

### (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	A&F since 2012 has been expanding internationally which has exposed it to a multitude of additional reporting requirements by various countries including European Union member states which are bound by the imposed Energy Efficiency Directive. Specifically in the reporting year such member states started to indicate that energy audit mandates consistent with Article 8 of the directive would be implemented. The penalty for not compliance being roughly 50,000 euro per member state. Not only would these mandates be an impact in the immediate term but compliance would be required on a repeating basis. A&F's assessment of risk associated with taxes on energy and fuel is focused on its supply chain. The largest area of impact in the Company's supply chain is the cost of energy, which would increase from fuel/energy taxes and regulation. While A&F's cost of energy is less than 5% of total operational spend, the Company expects that energy is a more significant portion of operational spend for many of its suppliers in the manufacturing, transportation, distribution, and agriculture components of A&F's supply chain. Specific examples of operations within its supply chain that could be affected by fuel/energy taxes and regulation include A&F's distribution network, the cotton industry (e.g. cost of fertilizer and fuel), and the raw material procurement for polyester-based products (petroleum is a base ingredient in polyester).
Emerging regulation	Relevant, always included	A&F since 2012 has been expanding internationally which has exposed it to a multitude of additional reporting requirements by various countries including European Union member states which are bound by the imposed Energy Efficiency Directive. Specifically in the reporting year such member states started to indicate that energy audit mandates consistent with Article 8 of the directive would be implemented. The penalty for not compliance being roughly 50,000 euro per member state. Not only would these mandates be an impact in the immediate term but compliance would be required on a repeating basis. A&F's assessment of risk associated with taxes on energy and fuel is focused on its supply chain. The largest area of impact in the Company's supply chain is the cost of energy, which would increase from fuel/energy taxes and regulation. While A&F's cost of energy is less than 5% of total operational spend, the Company expects that energy is a more significant portion of operational spend for many of its suppliers in the manufacturing, transportation, distribution, and agriculture components of A&F's supply chain. Specific examples of operations within its supply chain that could be affected by fuel/energy taxes and regulation include A&F's distribution network, the cotton industry (e.g. cost of fertilizer and fuel), and the raw material procurement for polyester-based products (petroleum is a base ingredient in polyester). Additionally, in these same geographic areas, emerging regulation is impacting electricity suppliers in addition to end users.
Technology	Please select	

	Relevance & inclusion	Please explain
Legal	Please select	
Market	Please select	
Reputation	Relevant, always included	Previously, A&F had received negative publicity about its environmental performance from various NGOs, which the Company feels was due to limited stakeholder transparency into its own operations. While A&F has implemented many initiatives to improve the environmental performance of the Company (and plans to continue to find, evaluate, and implement additional opportunities to reduce energy use and GHG emissions), these negative publicity events serve as evidence that if the Company does nothing, or if its environmental performance worsens, it could damage the reputation of the Company.
Acute physical	Please select	
Chronic physical	Relevant, always included	Climate change presents a business-continuity risk for the increased occurrence of flooding and droughts in the regions throughout the world where A&F sources its materials. Precipitation extremes and droughts can result in increased costs of goods sold for A&F due to disruptions in its cotton supply chain and garment manufacturing. While the cotton price increases experience back in 2010 have subsided, significant volatility can expose A&F to risks for projecting and meeting corporate earnings estimates.
Upstream	Please select	
Downstream	Please select	

## C2.2d

### (C2.2d) Describe your process(es) for managing climate-related risks and opportunities.

In 2014, a new director was hired within the Strategic Planning department whose first task was to work with the Director of Sustainability in order to benchmark A&F's sustainability program with those of comparable entities.

This process yielded the addition of the above mentioned tracking resource at our ECO level and the emphasis on a technically proficient energy resource at the CSN level of the new ERM process. Sustainability is integrated into the business strategy by means of strong connections to its internal Continuous Profit Improvement (CPI) initiative.

The Company is an active member in the Retail Industry Leaders Association's (RILA's) Retail Sustainability Committee, an industry wide educational forum for the largest U.S. retailers. It brings its members together to share leading practices, network, identify future trends, benchmark with peers, and collaborate on common industry sustainability chal-

lenges.

The Company is also active in the Retail Industry Leaders Association's (RILA's) Energy Management Program, Landlord-Tenant Workgroup, Responsible Sourcing Workgroup, and an active member of its Environmental Compliance Committee. Processes from the Landlord-Tenant Workgroup bring together the leading retailers and their landlords to address energy reduction and recycling in leased facilities. Processes are identified for shared opportunities for cost savings and environmental benefits to help Abercrombie & Fitch overcome common industry challenges such as investing in energy efficient technology in Landlord billed facilities.

## C2.3

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**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.3a

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**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact driver**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**

Climate change presents a business-continuity risk for the increased occurrence of flooding and droughts in the regions throughout the world where A&F sources its materials. Precipitation extremes and droughts can result in increased costs of goods sold for A&F due to disruptions in its cotton supply chain and garment manufacturing. While the cotton price increases experience back in 2010 have subsided, significant volatility can expose A&F to risks for projecting and meeting corporate earnings estimates.

**Time horizon**

Current

**Likelihood**

Very likely

**Magnitude of impact**

Unknown

**Potential financial impact****Explanation of financial impact**

There is no known reliable source of weather event predictions associated with climate change; therefore, it's difficult to quantify the financial impacts, or likelihood of such events. A&F felt the financial impacts of extreme changes in precipitation via Hurricane Sandy in October 2012, temporarily shuttering a number of its stores, preventing customers from shopping. This event was estimated to cause \$10 million in lost store sales and approximately \$750,000 in direct-to-consumer sales and provides an order of magnitude when considering this in the Company's Enterprise Risk Management process.

**Management method**

A&F has, as part of its Enterprise Risk Management process, identified ways to mitigate the risk of disruption to the supply chain at a broader level. A&F has already diversified its manufacturing operations around the globe as well as the regions from which it procures cotton and other product inputs. This prevents it from being significantly impacted by a disturbance to one facility or region. A&F will continue to monitor precipitation patterns at a high level and will develop strategies to mitigate this risk when necessary in the future. Additionally, the long-term outcomes of its baseline assessments at each of the Company's key mills and laundries suppliers will ensure that A&F's apparel manufacturing facilities are operating efficiently and able to respond to supply chain disruptions. In 2013, A&F focused on additional self-assessments through the Sustainable Apparel Coalition's Higg Index, and when necessary, worked with its suppliers to improve operations from both an environmental and social vantage point. This effort continued in 2014 and to date, 100% of the Company's key mills and laundries suppliers have completed the Higg Index and are now focused on progress and corrective action.

**Cost of management****Comment**

Company has already incurred business-as-usual capital costs as part of its diversification strategy. If precipitation extremes and droughts become more widespread and prevent A&F from meeting consumer demands, it will incur the necessary costs to shift sourcing decisions and manufacturing operations. These costs will impact each factory differently and depend on current operating efficiencies and appropriate corrective actions in response to assessments.

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Supply chain

**Risk type**

Physical risk

**Primary climate-related risk driver**

Chronic: Rising sea levels

**Type of financial impact driver**

Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)

**Company- specific description**

A significant number of A&F suppliers' manufacturing facilities are located in low-lying areas throughout Asia. Similarly, many of the materials and products the Company sells originate in Asia and must be shipped via ocean freight. To the extent that sea level rise impacts these facilities and the distribution operations at ports, A&F's supply chain could stand to be disrupted.

**Time horizon**

Long-term

**Likelihood**

More likely than not

**Magnitude of impact**

Unknown

**Potential financial impact****Explanation of financial impact**

There is no known reliable source of sea level rise predictions associated with climate change, and therefore, it is difficult to quantify the financial impacts or likelihood of such events on its business. A&F knows that a significant rise in sea levels has the potential to drastically affect the manufacturing operations of its suppliers. This could inhibit the Company's ability to meet consumer demand, and force A&F to source production in areas not threatened by sea level rise.

**Management method**

Due to lack of consensus on the magnitude and likelihood of sea level rise, A&F is challenged to develop a strategy to mitigate this particular risk. As mentioned before, A&F has already diversified its manufacturing operations around the globe as well as the regions from which it procures cotton and other product inputs. This prevents A&F from being significantly impacted by sea level rise at any one facility or region. The Company will continue to monitor physical changes induced by climate change at a high level and will develop strategies to mitigate this risk when necessary in the future.

**Cost of management****Comment**

A&F is not currently incurring any costs to mitigate the risk of sea level rise. It has already incurred business-as-usual capital costs as part of its diversification strategy, which is in line with management's business strategy to diversify the Company's operations. As sea level rise becomes more apparent and threatening to business continuity, A&F will incur

the necessary costs to adapt and shift sourcing and contracted manufacturing away from coastal areas.

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**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Customer

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Other

**Type of financial impact driver**

Reputation: Reduced revenue from decreased demand for goods/services

**Company- specific description**

Previously, A&F had received negative publicity about its environmental performance from various NGOs, which the Company feels was due to limited stakeholder transparency into its own operations. While A&F has implemented many initiatives to improve the environmental performance of the Company (and plans to continue to find, evaluate, and implement additional opportunities to reduce energy use and GHG emissions), these negative publicity events serve as evidence that if the Company does nothing, or if its environmental performance worsens, it could damage the reputation of the Company.

**Time horizon**

Short-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-low

**Potential financial impact****Explanation of financial impact**

In 2016, studies indicated that sustainability was not a decision driving factor for its customers.

**Management method**

The Company's Corporate Responsibility Report and A&F Cares website demonstrate A&F's increased commitment to transparency as well as its continued disclosure of emissions via the CDP. In addition, A&F is continuously identifying ways to improve the environmental performance of the Company. The Company has been engaging suppliers through the use of the Sustainable Apparel Coalition's Higg Index, and has continued to implement emission reduction activities at its headquarters and retail locations, while A&F's Energy Management team is actively focused on reducing energy consumption across the Company's portfolio of buildings.

**Cost of management**

### Comment

Through A&F's Energy team, more than \$300,000 in associate compensation is spent on energy efficiency and management initiatives. The Company continues to use the SAC Higg Index to help A&F engage its key mill suppliers to identify opportunities for improving environmental performance. In 2016 A&F invested nearly over \$10M in capital energy projects.

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## C2.4

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.4a

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

#### Identifier

Opp1

#### Where in the value chain does the opportunity occur?

Customer

#### Opportunity type

Products and services

#### Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

#### Type of financial impact driver

Increased revenue through demand for lower emissions products and services

#### Company- specific description

While the environmental impacts of A&F's operations are not a primary concern of its customers, the Company recognizes an opportunity to build a reputation as a leader with respect to managing environmental aspects of supply chain and retail operations. It is possible, and perhaps likely, that the growing trend of environmental awareness among consumers of direct and indirect operations will reach A&F's customer demographic. By proactively positioning itself as a leader, A&F will be able to meet future stakeholder expectations and potentially grow its market share.

#### Time horizon

Short-term

#### Likelihood

About as likely as not

### **Magnitude of impact**

Low

### **Potential financial impact**

#### **Explanation of financial impact**

Due to the lack of insight into how A&F's customers make purchasing decisions based on a company's commitment to reducing its impact on climate change, A&F has not conducted a detailed financial analysis associated with this opportunity. The potential demand increase cannot be quantified at this time, but A&F recognizes that every basis point increase in revenue generated from an improved reputation can translate into more than \$400,000 in additional revenue.

#### **Strategy to realize opportunity**

The Company's Corporate Responsibility Report and A&F Cares website demonstrate A&F's increased commitment to transparency. In addition, A&F is continuously identifying ways to improve the environmental performance of the Company. In 2013, A&F's Energy Management team focused on driving the roll-out of a series of process improvements and employee engagement initiatives designed to reduce energy usage at its retail stores. Collectively, these actions demonstrate the Company's commitment to strengthen its reputation.

#### **Cost to realize opportunity**

#### **Comment**

The costs associated with A&F's actions to improve its reputation for addressing climate change involve capital and labor investments. Through the Energy Management team, more than \$300,000 in associate compensation is spent on energy efficiency management initiatives. Most of the process improvements cost very little (small sums of money per store for lighting/HVAC/AV control schedule upgrades) or (behavioral changes); these costs are expected to be recouped quickly through energy savings.

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### **Identifier**

Opp2

### **Where in the value chain does the opportunity occur?**

Customer

### **Opportunity type**

Products and services

### **Primary climate-related opportunity driver**

Development of new products or services through R&D and innovation

### **Type of financial impact driver**

Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

### **Company- specific description**

At this time, the environmental impacts of A&F's products are not a primary concern of its customers, but the Company recognizes an opportunity to build a reputation as a leader

with respect to managing environmental aspects of apparel design and manufacturing. It is possible, and perhaps likely, that the growing trend of environmental awareness of sustainable apparel among consumers will reach A&F's customer demographic. By proactively positioning itself as a leader, A&F will be able to meet future stakeholder expectations and potentially grow its market share.

#### **Time horizon**

Short-term

#### **Likelihood**

About as likely as not

#### **Magnitude of impact**

Low

#### **Potential financial impact**

#### **Explanation of financial impact**

Due to the lack of insight into how A&F's customers make purchasing decisions based on a company's commitment to reducing its impact on climate change, A&F has not conducted a detailed financial analysis associated with this opportunity. The potential demand increase cannot be quantified at this time, but A&F recognizes that every basis point increase in revenue generated from an improved reputation can translate into more than \$400,000 in additional revenue.

#### **Strategy to realize opportunity**

ANF took a number of steps in 2012 to address consumers' demand for improved environmental responsibility associated with the company's manufacturing and supply chain operations. Building upon its existing partnership with BSR and 2011 mandates for thorough evaluations of its apparel manufacturing operations in Asia, A&F completed baseline assessments at each of its key mills and laundries suppliers in 2012. In 2013, A&F focused on additional self-assessments through the Sustainable Apparel Coalition's Higg Index, and when necessary, working with its suppliers to improve operations from both an environmental and social vantage point. This effort continued in 2014 and to date, 100% of the Company's key mills and laundries suppliers have completed the Higg Index and are now focused on progress and corrective action. A&F anticipates that water, energy, and environmental efficiencies identified and addressed will provide A&F with an advantage in the marketplace and permit the Company to build stronger brand loyalties amongst its customers.

#### **Cost to realize opportunity**

#### **Comment**

The costs to address consumer behavior as related to purchasing preferences around environmental (e.g., climate change) related issues involves both capital and labor investments.. These costs are expected to impact factories differently and will depend on current operating efficiencies, country-by-country mandatory regulations, and appropriate corrective actions in response to assessments.

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## C2.5

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**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	Impact	Description
Products and services	Impacted for some suppliers, facilities, or product lines	The company has already sold in stores eco friendly low wash products and has evaluated the demand for these products among the customer base.
Supply chain and/or value chain	Impacted	The procurement process for utilities is managed under the supply chain area of the company's business.
Adaptation and mitigation activities	Not evaluated	
Investment in R&D	Not evaluated	
Operations	Not evaluated	
Other, please specify	Please select	

## C2.6

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**(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.**

	Relevance	Description
Revenues	Please select	
Operating costs	Please select	
Capital expenditures / capital allocation	Please select	
Acquisitions and divestments	Please select	
Access to capital	Please select	
Assets	Please select	
Liabilities	Please select	
Other	Please select	

## C3. Business Strategy

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## C3.1

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### **(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

## C3.1a

---

### **(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

No, and we do not anticipate doing so in the next two years

## C3.1c

---

### **(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

Climate change has been built into A&F's business strategy by means of a published carbon reduction goal. In 2014, a new director was hired within the Strategic Planning department whose first task was to work with the Director of Sustainability in order to benchmark A&F's sustainability program with those of comparable entities.

This process yielded the addition of the above mentioned tracking resource at our ECO level and the emphasis on a technically proficient energy resource at the CSN level of the new ERM process. Sustainability is integrated into the business strategy by means of strong connections to its internal Continuous Profit Improvement (CPI) initiative.

## C3.1g

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### **(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

Climate-Related Issues have not been identified as a primary strategic driver at this time.

## C4. Targets and performance

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### C4.1

---

**(C4.1) Did you have an emissions target that was active in the reporting year?**

No target

### C4.1c

---

**(C4.1c) Explain why you do not have emissions target and forecast how your emissions will change over the next five years.**

	Primary reason	Five-year forecast	Please explain
Row 1	Important but not an immediate business priority	Emissions are expected to level out in 2018 and decrease in the next 5 years.	Scope 1&2 emissions for items directly under our operational control have steadily declined. Scope 3 emissions for product transport have increased both with increasing sales and industry shift for retail which requires faster transit times. Because of this, air product transport has increased over ocean based transport. We believe that 2017 was the peak of this transition and that future processes will better anticipate shipping needs and that we will at least see a leveling off of this emissions category.

### C4.2

---

**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

### C4.3

---

**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

### C4.3a

---

**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	3	6000
To be implemented*	1	5600
Implementation commenced*	0	0
Implemented*	2	16180
Not to be implemented	0	0

## C4.3b

**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Activity type**

Energy efficiency: Building services

**Description of activity**

Lighting

**Estimated annual CO2e savings (metric tonnes CO2e)**

16130

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

5000000

**Investment required (unit currency – as specified in CC0.4)**

9000000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

**Activity type**

Energy efficiency: Processes

**Description of activity**

Process optimization

**Estimated annual CO2e savings (metric tonnes CO2e)**

50

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

**Investment required (unit currency – as specified in CC0.4)**

**Payback period**

Please select

**Estimated lifetime of the initiative**

Please select

**Comment**

---

### C4.3c

---

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Employee engagement	In early 2015, Environmental Sustainability was identified as a key priority across the company. To help drive the environmental mission and program, each department named a "Sustainability Lead" to represent their team. Over 40 Sustainability Leads worked to capture current energy related initiatives; identify and implement new energy conservation or efficiency environmental initiatives throughout the company; and help educate associates on A&F's environmental progress. In addition to reporting initiative progress to the Sustainability Team on a regular basis, the department Sustainability Leads also meet quarterly to discuss new initiative ideas, challenges and opportunities. To help educate and engage associates more broadly, A&F uses a variety of media, including email communications, an interactive annual Sustainability Week, and the ANF Cares website. This structure continued in the reporting year 2017.
Compliance with regulatory requirements/standards	Article 8 of the Energy Efficiency Directive has required energy audits in most of the European markets in which Abercrombie has facilities. Additionally the UK and France have implemented reporting schemes and carbon associated surcharges that drive mitigation of these costs.
Internal finance mechanisms	The energy manager has direct internal goals for an ongoing Continuous Profit Improvement (CPI) initiative in which operating cost savings items are identified and in the case of the energy manager consumption is reduced and by extension emissions.

### C4.5

---

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

## C4.5a

---

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Jeans - both recycled fabric and fabrics that use less water in the wash process

**Are these low-carbon product(s) or do they enable avoided emissions?**

Please select

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Please select

**% revenue from low carbon product(s) in the reporting year**

0.1

**Comment**

In 2017, the reporting year, A&F piloted using recycled polyester and other materials in certain jeans that use less water in their wash process than traditional methods. While we are not reporting a carbon save for the pilot year of 2016 and have not selected a formal method of evaluation, the fabric selected for this line of products in 2017 requires less water in the wash process and is anticipated to have a measurable energy save from traditional fabrics and methods. In 2017 A&F will work with suppliers to quantify any additional upstream savings for any recycled material that is used. A first version of these products were sold to evaluate a customer response and the potential demand for such a product.

---

## C5. Emissions methodology

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### C5.1

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

January 1 2008

**Base year end**

December 31 2008

**Base year emissions (metric tons CO2e)**

9413

**Comment****Scope 2 (location-based)****Base year start**

January 1 2008

**Base year end**

December 31 2008

**Base year emissions (metric tons CO2e)**

123576

**Comment****Scope 2 (market-based)****Base year start****Base year end****Base year emissions (metric tons CO2e)****Comment**

## C5.2

---

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

---

### C6.1

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

Row 1

Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)

8116

End-year of reporting period

<Not Applicable>

Comment

## C6.2

---

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment

## C6.3

---

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO<sub>2</sub>e?

Row 1

Scope 2, location-based

70580

Scope 2, market-based (if applicable)

<Not Applicable>

End-year of reporting period

<Not Applicable>

Comment

## C6.4

---

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

## C6.5

---

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

### Purchased goods and services

#### Evaluation status

Relevant, not yet calculated

#### Metric tonnes CO2e

#### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

#### Explanation

### Capital goods

#### Evaluation status

Relevant, not yet calculated

#### Metric tonnes CO2e

#### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

#### Explanation

### Fuel-and-energy-related activities (not included in Scope 1 or 2)

#### Evaluation status

Not relevant, explanation provided

#### Metric tonnes CO2e

#### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

#### Explanation

Fuel is the primary driver of emissions for the upstream transportation of our products and the number is reported there.

### Upstream transportation and distribution

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

135724

**Emissions calculation methodology**

Emissions are calculated using activity records that include chargeable weight and mileage data for all shipments for Air transportation. TEUs were approximated based on container lengths provided by vendor using ocean transit and a portion of newly tracked emissions were provided directly by FEDEX for all of their operations but no methodology was provided. For calculations done in house emissions factors and GWPs published by the U.S. EPA 5th assessment were used.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Explanation**

Raw data relevant for calculations is tracked in our vendor databases such as mileage/number of trips per segment.

**Waste generated in operations****Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e****Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation****Business travel****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

4276

**Emissions calculation methodology**

Emissions are calculated using records from Abercrombie & Fitch's travel agency. Records include the total mileage flown by employees as well as the mileage of individual flight legs. Flight legs are categorized as short (0 to 300 miles), medium (301 to 2,300 miles), or long (greater than 2,300 miles), and the appropriate updated V2 U.S. EPA emissions factors from published in 2017, along with GWPs from the IPCC 5th Assessment Report, were applied to calculate the associated greenhouse emissions. No assumptions or allocation methods were used to calculate emissions.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Explanation**

Data is maintained by our travel agent and used to calculate the emissions

**Employee commuting**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

**Upstream leased assets**

**Evaluation status**

Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

**Downstream transportation and distribution**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

A&F's downstream distribution relates to its direct to consumer (DTC) business and the transportation of product from its warehouses to consumers' homes via the U.S. Postal Service and other third-party logistics companies. DTC is a growing piece of Abercrombie's business model however and in future reports this highlighted as an area that could become relevant due to the underlying connection to fuel consumption for these services.

**Processing of sold products**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation**

A&F sells finished products ready for consumer use; none of its sold products are therefore processed further.

**Use of sold products****Evaluation status**

Not evaluated

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation****End of life treatment of sold products****Evaluation status**

Not evaluated

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation****Downstream leased assets****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e****Emissions calculation methodology**

Percentage of emissions calculated using data obtained from suppliers or value chain partners

**Explanation**

A&F is not aware of any downstream leased assets; therefore, this category is not relevant.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

### Emissions calculation methodology

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

Franchises are extremely rare and for which A&F is not responsible for utilities or emissions driving factors.

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

### Emissions calculation methodology

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

This category is not relevant because A&F generates revenues and profits from its retail and DTC business; a de minimis portion of profits comes from financial holdings.

## Other (upstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

### Emissions calculation methodology

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

## Other (downstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

### Emissions calculation methodology

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

## C6.7

---

**(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?**

Please select

## C6.10

---

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

## C7. Emissions breakdowns

---

### C7.1

---

**(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?**

Yes

### C7.1a

---

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO <sub>2</sub> e)	GWP Reference
CO <sub>2</sub>	6457.67	IPCC Fifth Assessment Report (AR5 – 100 year)
CH <sub>4</sub>	3.68	IPCC Fifth Assessment Report (AR5 – 100 year)
N <sub>2</sub> O	5.78	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	1648	IPCC Fifth Assessment Report (AR5 – 100 year)

### C7.2

---

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
----------------	--------------------------------------

## C7.3

---

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**  
By activity

## C7.3c

---

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Stationary Combustion	5553
Mobile Combustion	914
Fugitive Emissions	1648.4

## C7.5

---

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Austria	128.86		599.35	
Belgium	173.19		883.6	
Canada	227.36		1361.42	
China	3104.42		4063.38	
Denmark	130.36		413.8	
France	180.25		2954.95	
Germany	3685.93		7727.32	
Ireland	224.92		526.74	
Italy	857.41		2132.86	
Japan	1531.26		3081	
South Korea	383.6		703.85	
Kuwait	320.46		407.19	

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Netherlands	431.56		1142.47	
Puerto Rico	34.7		188.58	
Singapore	217.93		435.84	
Spain	536.5		1843.65	
Sweden	7.69		452.15	
United Arab Emirates	234.11		61.35	390.18
United Kingdom of Great Britain and Northern Ireland	2432.71		5516.35	
United States of America	55330.45		110881.55	
Other, please specify (Hong Kong)	615.97		802.05	
Poland	128.09		164.22	

## C7.6

---

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**  
By activity

### C7.6c

---

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
Purchased Electricity	70580	

## C7.9

---

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**  
Decreased

## C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	17515	Decreased	19.88	Installation and continuous commissioning of LED projects and continued EMS system Scheduling from previous years.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified		<Not Applicable>		
Other		<Not Applicable>		

## C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

## C8. Energy

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### C8.1

---

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

---

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

---

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)		34601.53	
Consumption of purchased or acquired electricity	<Not Applicable>		146672	
Consumption of purchased or acquired heat	<Not Applicable>			

---

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>			
Consumption of self-generated non-fuel renewable energy	<Not Applicable>		<Not Applicable>	
Total energy consumption	<Not Applicable>			

## C8.2b

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	Please select
Consumption of fuel for the generation of cooling	Yes
Consumption of fuel for co-generation or tri-generation	Please select

## C8.2c

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

## C8.2e

**(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity				
Heat				
Steam				

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Cooling				

## C8.2f

---

**(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.**

## C9. Additional metrics

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### C9.1

---

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## C10. Verification

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### C10.1

---

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

---

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

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### C11.1

---

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

### C11.1a

---

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

Please select

### C11.1d

---

**(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?**

### C11.2

---

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

### C11.3

---

**(C11.3) Does your organization use an internal price on carbon?**

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

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### C12.1

---

#### **(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, other partners in the value chain

### C12.1a

---

#### **(C12.1a) Provide details of your climate-related supplier engagement strategy.**

##### **Type of engagement**

Information collection (understanding supplier behavior)

##### **Details of engagement**

Collect climate change and carbon information at least annually from suppliers

Other, please specify (Higgs Index)

##### **% of suppliers by number**

100

##### **% total procurement spend (direct and indirect)**

##### **% Scope 3 emissions as reported in C6.5**

##### **Rationale for the coverage of your engagement**

A&F's primary method of engaging its suppliers is working with its mills and laundries suppliers to perform self-assessments through the Sustainable Apparel Coalition's Higg Index. The SAC Higg Index is a self assessment tool covering 7 modules; energy, greenhouse gas, emissions to air, environmental management system, water use, wastewater/effluent, waste management, and pollution prevention/hazardous substance. Each module is evaluated through a series of questions, resulting in an overall score. This initiative builds upon the Company's existing partnership with BSR and A&F's 2011 mandates for thorough evaluations of its apparel manufacturing operations in Asia. In 2012, A&F prioritized the completion of baseline assessments at each of its key mills and laundries suppliers. 2013 focused on additional self-assessments which have continued through the 2017 reporting year.

##### **Impact of engagement, including measures of success**

The amount of vendors utilized can fluctuate year to year based on A&F's product offerings. To date, 100% of the Company's key mills and laundries suppliers have completed the Higg Index. Additionally, success will be measured by the above mentioned self-assessment participation rates and – when necessary – the ability to translate corrective action into improvements in water, energy, and environmental efficiencies.

### C12.1c

---

**(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.**

In 2016, A&F made additional investments in its previously mentioned sustainability reporting database to better engage its suppliers in several areas including climate change and energy efficiency. It continues to this day.

### C12.3

---

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

Trade associations

Other

### C12.3b

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**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

No

### C12.3e

---

**(C12.3e) Provide details of the other engagement activities that you undertake.**

Working through local utilities to participate in their energy savings programs to indirectly show the need for the to drive energy conservation and indirectly, climate emissions reductions.

### C12.3f

---

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

## C12.4

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(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

## C14. Signoff

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### C-FI

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(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

## C14.1

---

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Manager	Energy manager



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