



AMERICAN EAGLE *aerie*

AEO Inc. Commitment to Protect Forests Through Our Fabrics Choices

AEO Inc. (AEO) is committed to protecting the world's forests through our approach to procurement of fabrics.

Conservation of Ancient and Endangered Forests and Ecosystems

AEO will support approaches and systems to build a future that does not use ancient and endangered forests in man-made cellulosic fabrics, including rayon, viscose, lyocell, modal and other trademarked brands.

We will influence our fabric supply chain in order to protect the world's remaining ancient and endangered forests^[i] and endangered species^[ii] habitat.

To do this, we will:

1. Assess our existing use of man-made cellulosic fabrics and eliminate sourcing from endangered species habitat and ancient and endangered forests such as the Canadian and Russian Boreal Forests; Coastal Temperate Rainforests; tropical forests and peatlands of Indonesia, the Amazon and West Africa by 2020.
2. Work to eliminate sourcing from companies that are logging forests illegally^[iii], from tree plantations established after 1994 through the conversion or simplification of natural forests, from areas being logged in contravention of indigenous and local peoples' rights, or from other controversial suppliers.
3. Work with Canopy and our suppliers to support collaborative and visionary solutions that protect remaining ancient and endangered forests in the Coastal Temperate Rainforests on Vancouver Island^[iv] and the Great Bear Rainforest^[v], Canada's Boreal Forests^[vi], and Indonesia's Rainforests.^[vii]
4. Should we find that any of our fibers are being sourced from ancient and endangered forests, endangered species habitat or illegal logging, we will engage our suppliers to change practices and/or re-evaluate our relationship with them.

This commitment is aligned with, and builds on, the work of not-for-profit organization Canopy, who collaborates with brands and retailers to ensure that their supply chains are free of ancient and endangered forests as part of the CanopyStyle Initiative.

Shift to More Environmentally and Socially Beneficial Fabrics

AEO will collaborate with Canopy, innovative companies and suppliers to encourage the development of fiber sources that reduce environmental and social impacts, with a focus on agricultural residues^[viii] and recycled fabrics.

In 2020, we will put in place a preference for purchasing man-made cellulose with a minimum of 50% of these innovative fiber sources and develop a 2025 procurement target for these closed-loop solutions based on viscose fiber producer innovation.

Recognizing, respecting and upholding human rights and the rights of communities

We will request that our suppliers respect the Universal Declaration of Human Rights and acknowledge indigenous and rural communities legal, customary or user rights to their

territories, land, and resources.^[ix] To do so, we request that our suppliers acknowledge the right of Indigenous People and rural communities to give or withhold their Free, Prior and Informed Consent (FPIC) before new logging rights are allocated or plantations are developed. We request that our suppliers resolve complaints and conflicts, and remediate human rights violations through a transparent, accountable, and agreeable dispute resolution process.

Forest Certification for Fabrics

Where the above conditions are met (including 1-4), AEO will request that all fabric sourced from forests are from responsibly managed forests, certified to the Forest Stewardship Council (FSC) certification system, and where FSC certified plantations^[x] are part of the solution.

Support Best Processing Practices

We require that our man-made cellulosic suppliers use best available environmental practices for processing, such as the 'closed-loop' lyocell processing.

Reduce Greenhouse Gas Footprint

Recognizing the importance of forests as carbon storehouses, as part of our ongoing leadership on climate we will support initiatives that advance forest conservation to reduce the loss of high carbon value forests, by encouraging suppliers to avoid harvest in these areas, and by giving preference to those that use effective strategies to actively reduce their greenhouse gas footprint.

Promote Industry Leadership

AEO looks to create a positive impact together with our suppliers, partners and customers. As implementation progresses, we will work with suppliers, non-governmental organizations, other stakeholders and brands that are part of the CanopyStyle initiative to support the protection of ancient and endangered forests and forward solutions to reduce demand on our forests. We will also seek opportunities to educate and inform the public on these issues and solutions through our marketing and communications.

Mark Rose, SVP – Global Production & Sourcing
AEO, Inc.

April 11, 2019

^[i] Ancient and endangered forests are defined as intact forest landscape mosaics, naturally rare forest types, forest types that have been made rare due to human activity, and/or other forests that are ecologically critical for the protection of biological diversity. Ecological components of endangered forests are: Intact forest landscapes; Remnant forests and restoration cores; Landscape connectivity; Rare forest types; Forests of high species richness; Forests containing high concentrations of rare and endangered species; Forests of high endemism; Core habitat for focal species; Forests exhibiting rare ecological and evolutionary phenomena. As a starting point to geographically locate ancient and endangered forests, maps of High Conservation Value Forests (HCVF), as defined by the Forest Stewardship Council (FSC), and of intact forest landscapes (IFL), can be used and paired with maps of other key ecological values like the habitat range of key endangered species and forests containing high concentrations of terrestrial carbon and High Carbon Stocks (HCS). (The Wye River Coalition's Endangered Forests: High Conservation Value Forests Protection – Guidance for Corporate Commitments. This has been reviewed by conservation groups, corporations, and scientists such as Dr. Jim Stritholt, President and Executive Director of the Conservation Biology Institute, and has been adopted by corporations for their forest sourcing policies). Key endangered forests globally are the Canadian and Russian Boreal Forests;

Coastal Temperate Rainforests of British Columbia, Alaska and Chile; Tropical forests and peat lands of Indonesia, the Amazon and West Africa.

^[ii]A good source to identify endangered, threatened and imperiled species is NatureServe's Conservation Status rankings for imperiled species that are at high risk of extinction due to very restricted range, very few populations (often 20 or fewer), steep declines in populations, or other factors.

^[iii]Legal forest management is management that complies with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties.

^[iv]Coastal temperate rainforests are rare and only ever covered 0.2% of the planet. On Vancouver Island only 10% of Vancouver Island's productive old growth rare coastal temperate rainforest remain. These stands of 1,000-year old trees continue to be harvested despite their immense value to local communities for tourism. Their accessibility and beauty are a remarkable global asset and Canopy is working to see these last stands protected.

^[v]Conservation solutions are now finalized in the Great Bear Rainforest. On February 1st, 2016 the Government of British Columbia, First Nations, environmental organizations and the forest industry announced 38% protection in the Great Bear Rainforest and an ecosystem-based management approach that will see 85% of this region off limits to logging. Provided these agreements hold – sustainable sourcing has been accomplished in this ancient and endangered forest. We encourage ongoing verification of this through renewal of Forest Stewardship Council certification.

^[vi]Protection of Boreal Forests where the largest remaining tracts of forests are located worldwide is critical and dissolving pulp is becoming an increasing threat. Canada's Boreal Forest contain the largest source of unfrozen freshwater worldwide and are part of the world's largest terrestrial carbon sink – equivalent to 26 years worth of global fossil fuel use. Canopy is committed to working collaboratively on the establishment of new protected areas, the protection of endangered species and the implementation of sustainable harvesting in Canada's Boreal Forest.

^[vii]Indonesia experiences the second highest rate of deforestation among tropical countries, with the island of Sumatra standing out due to the intensive forest clearing that has resulted in the conversion of 70% of the island's forested area (FAO Forest Assessment 2010; Margono, B.A. et al. 2012). Canopy and our NGO partners are focused on forwarding lasting protection of the Leuser Ecosystem. Asia Pulp & Paper (APP) and Asia Pacific Resources International Ltd. (APRIL) have been identified as the primary cause and have been criticized by local and international groups for being implicated in deforesting important carbon rich peatlands, destroying the habitat for critically endangered species and traditional lands of indigenous communities, corruption, and human rights abuses (Eyes on the Forest. 2011. <http://www.eyesontheforest.or.id/>). APP and APRIL have both put in place forest policies, tracking implementation closely will be key to understanding if either company offers lasting solutions for Indonesia's rainforests. Cellulosic fiber producer Sateri, is part of the Royal Golden Eagle Group along with APRIL.

^[viii]Agricultural Residues are residues left over from food production or other processes and using them maximizes the lifecycle of the fiber. Fibers used for paper products include cereal straws like wheat straw, rice straw, seed flax straw, corn stalks, sorghum stalks, sugar cane bagasse, and rye seed grass straw. Where the LCA (life cycle analysis) shows environmental benefits and conversion of forest land to on purpose crops is not an issue, kenaf can also be included here. Depending on how they are harvested, fibers for fabrics may include flax, soy, bagasse, and hemp. (Agricultural residues are not from on purpose crops that replace forest stands or food crops.)

^[ix]Plantations area areas that have been "established by planting or sowing using either alien or native species, often with few species, regular spacing and even ages, and which lack most of the principal characteristics and key elements of natural forests". Plantations prior to 1994 are often FSC certified. Source FSC: <http://www.fsc.org/download.plantations.441.htm>