

C0. Introduction

C0.1

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

American Eagle Outfitters (NYSE: AEO) is a leading global specialty retailer offering high-quality, on-trend clothing, accessories and personal care products at affordable prices under its American Eagle® and Aerie® brands. We are an inclusive, optimistic and empowering company that celebrates the individuality of our customers and associates. Our purpose is to show the world that there's REAL power in the optimism of youth.

The company operates more than 1,100 stores in the United States, Canada, Mexico, Japan, and Hong Kong, and ships to 81 countries worldwide through its websites. American Eagle and Aerie merchandise also is available at more than 200 international locations operated by licensees in 24 countries.

Doing the right thing, continually innovating and caring about the global community is foundational to AEO's culture. In 2019, we unveiled a comprehensive plan to be carbon neutral by 2030 with a commitment to water reduction, energy reduction and the use of more sustainable raw materials. This work is highlighted in our Real Good products, which is how customers can identify the most sustainable items in our American Eagle and Aerie collections. Real Good is our promise to doing better and working harder.

We pledge to accelerate sustainability improvements across our company, guided by a corporate purpose that is rooted in the optimism of youth and a promise to help build a better world for all of our stakeholders.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data and indicate whether you will be providing emissions data for past reporting years.

Reporting year

Start date

February 1 2022

End date

January 31 2023

Indicate if you are providing emissions data for past reporting years

Yes

Select the number of past reporting years you will be providing Scope 1 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 2 emissions data for

1 year

Select the number of past reporting years you will be providing Scope 3 emissions data for

1 year

C0.3

(C0.3) Select the countries/areas in which you operate.

Canada
China
Hong Kong SAR, China
Japan
Mexico
Puerto Rico
United States of America

C0.4

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

USD

C0.5

(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 chosen approach for consolidating your GHG inventory.

Operational control

C0.8

(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
------------------------------------------------------------------------------------	--------------------------------

C1. Governance

C1.1

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

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual or committee	Responsibilities for climate-related issues
Board-level committee	Board-level oversight of all sustainability issues, including climate-related issues, is undertaken by the Nominating, Governance and Corporate Social Responsibility Committee of the board. This committee, comprised of six directors, reports to the full board on ESG-related activities and is responsible for social corporate responsibility, sustainability and other corporate governance matters. The committee receives quarterly written reports on AEO's progress against its sustainability goals as well as semi-annual in-person or virtual presentations from the VP - Responsible Sourcing & Sustainability, who oversees all sustainability goals.
Chief Operating Officer (COO)	The Executive Vice President and Chief Operating Officer (COO) leads all aspects of Supply Chain including production, sourcing, logistics, and distribution. He also oversees Technology, Digital Commerce, and Corporate Strategy. The COO oversee all company direct operations, including logistics & DCs as well as sourcing operations, which are key areas of impact with regards to climate change and sustainability. Part of the COO's responsibilities include Responsible Sourcing, which houses the team working on sustainability and climate. The COO meets with those responsible for program implementation throughout his reporting line on a monthly basis to review progress and opportunities towards goals, including sustainability. The VP - Responsible Sourcing & Sustainability, who oversees all sustainability goals, reports up to the COO.

C1.1b

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

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures Overseeing acquisitions, mergers, and divestitures Reviewing and guiding strategy Overseeing and guiding scenario analysis Overseeing the setting of corporate targets Monitoring progress towards corporate targets Reviewing and guiding the risk management process	<Not Applicable>	Board-level oversight of all sustainability issues, including climate-related issues, is undertaken by the Nominating, Governance and Corporate Social Responsibility Committee of the board. This committee, comprised of six directors, reports to the full board on ESG-related activities and is responsible for social corporate responsibility, sustainability and other corporate governance matters. The committee receives quarterly written reports on AEO’s progress against its sustainability goals as well as semi-annual in-person presentations from the VP - Responsible Sourcing & Sustainability, who oversees all sustainability goals.

C1.1d

(C1.1d) Does your organization have at least one board member with competence on climate-related issues?

	Board member(s) have competence on climate-related issues	Criteria used to assess competence of board member(s) on climate-related issues	Primary reason for no board-level competence on climate-related issues	Explain why your organization does not have at least one board member with competence on climate-related issues and any plans to address board-level competence in the future
Row 1	Yes	We use a few criteria to address the competencies of board members on climate-related issues. These include; certified relevant coursework, ESG-related roles on other company boards and continuing education in the form of forums, conferences, summits, etc. We have a board member who meets all of these outlined criteria. They are enrolled in the Competent Board’s ESG certification program and sit on boards at two other companies with a climate and ESG focus. They also continue their education informally at forums and summits.	<Not Applicable>	<Not Applicable>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Position or committee

Chief Operating Officer (COO)

Climate-related responsibilities of this position

Managing annual budgets for climate mitigation activities
 Monitoring progress against climate-related corporate targets
 Managing value chain engagement on climate-related issues
 Assessing climate-related risks and opportunities

Coverage of responsibilities

<Not Applicable>

Reporting line

CEO reporting line

Frequency of reporting to the board on climate-related issues via this reporting line

More frequently than quarterly

Please explain

Board-level oversight of all sustainability issues, including climate-related issues, is undertaken by the Nominating, Governance and Corporate Social Responsibility Committee of the board. This committee, comprised of six directors, reports to the full board on ESG-related activities and is responsible for social corporate responsibility, sustainability and other corporate governance matters. The committee receives quarterly written reports on AEO's progress against its sustainability goals as well as semi-annual in-person or virtual presentations from the VP - Responsible Sourcing & Sustainability, who oversees all sustainability goals.

In addition to this committee, an Executive Sustainability Committee meets quarterly and is responsible for overall governance and accountability towards the company's sustainability goals. This committee is sponsored by the President of AE & Aerie and the COO and is made up of the top leadership (VPs, SVPs, and EVPs) for stores, finance, logistics & transportation/DCs, production, merchandising, strategy, design, investor relations/communications, marketing, digital, and legal.

The Executive Vice President and Chief Operating Officer (COO) leads all aspects of Supply Chain including production, sourcing, logistics, and distribution. He also oversees Technology, Digital Commerce, and Corporate Strategy. The COO oversee all company direct operations, including logistics & DCs as well as sourcing operations, which are key areas of impact with regards to climate change and sustainability. Part of the COO's responsibilities include Responsible Sourcing, which houses the team working on sustainability and climate. The COO meets with those responsible for program implementation throughout his reporting line on a monthly basis to review progress and opportunities towards goals, including sustainability. The VP - Responsible Sourcing & Sustainability, who oversees all sustainability goals, reports up to the COO.

C1.3

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

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	In 2022, all sourcing and production roles were required to include a goal to further implement AEO sustainability goals, including our climate goals, in their personal performance goals. Performance against these goals help determine annual raises and bonuses.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive

Other, please specify (All sourcing and production roles)

Type of incentive

Monetary reward

Incentive(s)

Bonus - % of salary
 Salary increase

Performance indicator(s)

Progress towards a climate-related target

Incentive plan(s) this incentive is linked to

Short-Term Incentive Plan

Further details of incentive(s)

In 2022, all sourcing and production roles were required to include a goal to further implement AEO sustainability goals, including our climate goals, in their personal performance goals. This includes everyone reporting into AEO's SVP - Global Sourcing & Production, 100+ employees. Performance against these goals help determine annual raises and bonuses.

Explain how this incentive contributes to the implementation of your organization's climate commitments and/or climate transition plan

This group of associates has a critical role in sourcing AEO's products and this connection to our sustainability goals helps drive progress towards our key water, climate, and materials goals.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	3	
Medium-term	3	5	
Long-term	5	10	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive strategic impact on American Eagle Outfitter's business is defined as the occurrence of one or more circumstances or events that could have a material adverse effect on our business, financial condition, or results of operations. In a climate change context, substantive strategic impact refers to physical or transitional climate risks that could have a material adverse effect on our business, financial condition, or results of operations. The following are examples of what types of events would constitute substantial strategic impact:

- Attention required including senior management oversight and engagement
- Market share, brand value/reputation, or earnings may be adversely affected
- Potential regulatory and compliance issues that may result in fines / penalties or other damage to the brand
- Inefficiencies causing delays in normal operations

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Every three years or more

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

In 2020, AEO conducted a Materiality Assessment to prioritize all of the important topics that are a part of our program, including climate and energy. We identified a list of potential material topics by reviewing external standards and our peers and gathered input from our associates, customers, non-profit organizations, industry groups, and peers to understand how to best rank the identified environmental, supply chain/human rights, and governance/corporate issues. This analysis is a living document, and we will periodically reassess this ranking to continually check that we are going in the right direction. This is a foundation for our program and our focus on climate & energy.

In addition, we factor in climate change risks and opportunities into many aspects of our business including raw material sourcing, supply chain, and operations. For example, when identifying our preferred materials for our Real Good program and sustainability goals we evaluated the climate impacts as a key factor. This also helps our scope 3 reduction goal to reduce emissions in our purchased goods and services. We relied on climate science and the impacts of not addressing climate change when setting our SBT and RE100 goals. We set the most ambitious science-based target, aligned with a 1.5 degree scenario to make sure we are doing our part to address climate change. In addition, to reduce purchased goods and services, we are partnering with our manufacturers to reduce energy and water usage and transition to renewable energy throughout our operations.

Value chain stage(s) covered

Direct operations
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The Internal Audit team at AEO conducts an annual risk review for the company. This involves interviewing department heads about risks related to their scopes of work to make sure the company is adequately assessing and monitoring short and long-term risks. The VP - Responsible Sourcing & Sustainability, directly responsible for the company's social and sustainability initiatives, is interviewed each year to review sustainability topics, including climate change.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

In 2022, for the first time AEO leveraged a third-party consulting firm to conduct a high-level climate-related risk assessment in alignment with the Taskforce for Climate-related Financial Disclosures (TCFD) framework. This assessment evaluated our global operations, including our value chain, to identify potential climate-related physical and transition risks and opportunities that could have a substantive financial or strategic impact. An increased understanding of these factors will support policy and framework development, site engagement, capacity building, strategic investments, risk management, reporting, and continuous improvement.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & Inclusion	Please explain
Current regulation	Relevant, always included	AEO monitors regulation in all markets we operate in. As our main operations are located in the United States there are no current regulations though we are keeping a close eye on the development of new regulation, like the potential SEC disclosure requirements.
Emerging regulation	Relevant, always included	AEO is expected to comply with several environmental laws and regulations, such as waste and water management, across its global sites and operations. Moreover, AEO's worldwide operations face the possibility of forthcoming carbon regulations, which may result in increased operational expenses owing to carbon taxes and regulations. AEO will also have to adhere to the potential SEC disclosure requirements and comply with the EU's green deal. Various governments across the globe have also placed a significant emphasis on reporting obligations; failing to comply with these upcoming regulatory compliance requirements poses an increasingly significant risk. We also expect new legislation and higher energy and water use prices in certain regions, which may impact production and logistics costs. If AEO fails to meet the newly introduced requirements by governments such as the US and EU, the organization could face litigation. It may be subject to fines, ultimately leading to financial loss.
Technology	Relevant, always included	If AEO must achieve its climate and sustainability-related goals, we will have to swiftly incorporate low-carbon production, materials, and/or low-emission technologies. Failure to adapt to these changes may prevent us from achieving our climate and sustainability goals, which in turn impact our market reputation leading to declining market demand for the company's products or services. Implementation of new technologies will require a significant increase in investments to replace existing assets with lower-emission technologies. The cost of implementing low-carbon technologies may be significant, and failure to do so could result in reputational damage and regulatory penalties.
Legal	Relevant, always included	AEO is expected to comply with several environmental laws and regulations, such as waste and water management, across its global sites and operations. Moreover, AEO's worldwide operations face the possibility of forthcoming carbon regulations, which may result in increased operational expenses owing to carbon taxes and regulations. AEO will also have to adhere to the potential SEC disclosure requirements and comply with the EU's green deal. Various governments across the globe have also placed a significant emphasis on reporting obligations; failing to comply with these upcoming regulatory compliance requirements poses an increasingly significant risk. We also expect new legislation and higher energy and water use prices in certain regions, which may impact production and logistics costs. If AEO fails to meet the newly introduced requirements by governments such as the US and EU, the organization could face litigation. It may be subject to fines, ultimately leading to financial loss. AEO may also face legal risk in on-product sustainability claims. Litigation around "greenwashing" is increasing and AEO is at risk of litigation in this area if we are not clear and accurate in our sustainability claims and the environmental impact of our products. We have internal processes set up to ensure that our claims are accurate, including third party certification for materials, such as recycled and organic, and referencing the US Federal Trade Commission's "Green Guides". We have not currently experienced any legal risk directly related to climate change.
Market	Relevant, always included	If AEO is perceived as being "out of touch" with consumer values or "lagging behind" competitors regarding sustainability or ethical business practices, it could suffer significant reputational harm. However, AEO has been able to respond effectively to changing consumer preferences. Due to our proactivity, we have differentiated ourselves from competitors and gained a competitive advantage in the marketplace. The effects of climate change and extreme weather events may have an impact on the availability of natural raw materials, such as cotton, which is a significant percentage of the materials used for AEO products. This could lead to challenges in procuring necessary raw materials for AEO's operations, potentially increasing operational costs and threatening business continuity. Currently, AEO is taking measures to diversify its supply chain, reduce dependence on any one raw material, and identify alternative, more sustainable sources of raw materials. If continued, we may be better positioned to weather these risks and ensure long-term sustainability. Any difficulties in finding sustainable raw materials could cause a high dependence on a small number of suppliers, decreasing AEO's bargaining power and leading to potentially higher production costs. Price volatility or supply disruptions could result in increased production costs, reduced profit margins, or product shortages. Operational disruptions pose significant transitional risks for AEO and the global supply chain. If the company experiences disruptions, such as natural disasters, or any other climate-related event, we could face significant operational and financial impacts. AEO has begun implementing robust risk management and business continuity plans. These will mitigate the effects of potential disruptions and enable AEO to quickly recover from associated operational setbacks. These financial risks could include production delays, supply chain disruptions, loss of revenue, reputational damage, and increased costs associated with recovery and remediation efforts.
Reputation	Relevant, always included	There has been a discernible rise in customer preference for sustainably produced apparel. This presents a significant risk to AEO and could potentially result in decreased revenues if the company does not adapt accordingly. By increasing the number of sustainable products we offer through our "Real Good" program we can show current and new customers that we take seriously our commitments to reduce our climate impacts. AEO has been able to adapt to evolving consumer preferences. Not aligning with shifting customer preferences may result in significant financial losses. Moreover, the costs of repairing damage to brand image and competing with industry leaders in sustainability will only escalate exponentially if left unaddressed. There is an increasing demand from investors, partners, consumers, and other stakeholders for disclosures on AEO's climate-related performance. Failure to achieve our GHG targets and demonstrate concrete actions towards achieving our climate goals, or a perception that our targets lack ambition, could adversely affect our reputation and ability to attract capital and talent. A shift in consumer and customer preferences to more sustainable brands and suppliers may also lead to reduced growth or market share for AEO. Loss of reputation will have financial implications in the form of a decrease in the market share, leading to a loss of revenue due to lower sales. Additionally, failing to meet the expectations of investors, customers, and employees can result in missed investment opportunities, loss of talented individuals, and decreased revenue potential from selling AEO products. AEO is committed to increasing the percentage of sustainable raw materials used in its products, and AEO must perform proper and comprehensive due diligence to investigate the sustainability benefits of these alternative raw materials. If AEO fails to properly source sustainable raw materials, there is a risk of greenwashing. This means that the replacement of traditional raw materials with more sustainable alternatives could not actually be better for the environment in terms of factors like energy consumption, water usage, biodiversity, and climate change. Loss of reputation could cause a reduction in capital availability from investors, stakeholders, and customers. Reduced revenue from decreased demand for goods/services may reduce market share and increase financial losses.
Acute physical	Relevant, always included	Acute physical risks refer to those that are event-driven including increased severity or frequency of hazards and storms. AEO is a global organization with a large and diverse value chain including offices, stores, distribution centers, data centers, fabric mills, and raw and finished goods sourcing. Therefore, we are susceptible to a wide range of acute physical risks that could adversely impact any of those business activities and create a cascading impact to the entire organization. For example, if a fire, flood, or severe storm were to occur and damage an AEO facility, or any sites providing goods/services to AEO, this could cause disruptions in AEO operations and cause delays in delivering products to clients. Other potential impacts include access to AEO facilities, customer reach, employee health and welfare, increasing demand of cooling and heating at our global facilities, raw material sourcing, logistics and distribution disruptions and delays in the manufacturing process. Further, many of the countries we source materials from and produce goods in are high risk to water-related climate variables such as water shortages, storms and flooding which could have significant impacts on our ability to procure goods and distribute our product to customers. To mitigate these risks, we have diversified our supply chain in regard to the production and finishing of our products as well as focusing on circularity to reduce the frequency of sourcing raw materials from regions exposed to the effects of climate change. We conduct scenario analysis to determine the areas within our value chain that could be affected by a change in mean average precipitation and other weather-related events.
Chronic physical	Relevant, always included	Chronic physical risks are considered slow-onset risks or longer-term changes in climate patterns. As a global business, we are exposed to the physical risks associated with a changing climate. Effects of changing temperature and precipitation can impact the growth of raw materials such as cotton production which is one of the major raw materials used in our products. Raw materials will likely become scarce and lead to increased competition for resources with competitors and increased costs. Additionally, many of the countries throughout our supply chain, including the US, are vulnerable to increase in average temperatures resulting in prolonged droughts, water scarcity, and reducing working days. The US, Canada, Hong Kong, Bangladesh, India and many others are among the countries exposed to sea level rise which may result in the closing of stores and other business operations in those regions. We could be exposed to potential supply chain disruptions and increased cost due to resource scarcity if any of these climate variables were to occur and increase over time. We conduct scenario analysis to determine the areas within our value chain that could be affected by a change in mean average temperature and other long-term climatic conditions.

C2.3

(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

(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?

Upstream

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
--------	---------------------------------

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

As an Apparel brand, we are heavily reliant on cotton and other raw materials to produce our garments. Growth of cotton and the fiber manufacturing process require significant water accessibility. AEO operates and sources in regions that are susceptible to water scarcity and drought which could adversely impact or ability to procure goods due to competition, decreases in crop yields and production, and ultimately increase costs. Cotton is currently grown in some of the most arid regions of the world, and climate change can significantly impact the quality, availability and pricing of cotton.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cotton is a key component of our manufacturing process and garment material makeup. If climate change were to create conditions that were unsuitable for the production of cotton in any of the regions we currently source from, this would significantly impact or ability to source this material and produce our products. Cotton costs may increase as a result of changing climatic conditions and in turn increase our own production costs. If there was a decrease in availability, this could impact customer spending and negative point-of-sale trends for our merchandise

Cost of response to risk**Description of response and explanation of cost calculation**

AEO is focused on implementing circularity initiatives to reduce the reliance on raw materials such as cotton. AEO has a goal to source 100% sustainable cotton which includes recycled, organic and sustainably sourced cotton through Better Cotton – by 2023. In 2022, we sourced 62% of cotton from more sustainable sources. Currently, AEO is taking measures to diversify its supply chain, reduce dependence on any one raw material, and identify alternative, more sustainable sources of raw materials. If continued, we may be better positioned to weather these risks and ensure long-term sustainability.

Comment**Identifier**

Risk 2

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
--------	----------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The apparel retail industry is increasingly competitive and has been undergoing large shifts in format to digital, accelerated by the Covid 19 pandemic. Customers are increasingly aware of and focused on climate change and other negative environmental impacts from apparel manufacturing. Along with this comes an increased preference from consumers to purchase their clothing from brands and retailers who are actively and effectively addressing their own climate impacts. If we do not shift our manufacturing to address our climate risks consumers may choose to purchase their apparel from brands who do.

If AEO is perceived as being "out of touch" with consumer values or "lagging behind" competitors regarding sustainability or ethical business practices, it could suffer significant reputational harm. However, AEO has been able to respond effectively to changing consumer preferences. Due to our proactivity, we have differentiated ourselves from competitors and gained a competitive advantage in the marketplace.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

AEO has been able to adapt to evolving consumer preferences. This has prevented declining demand for our products and services, resulting in the avoidance of lost market share and decreased revenue.

Cost of response to risk

Description of response and explanation of cost calculation

AEO has set ambitious climate goals, approved by the Science-based Targets Initiative in order to address our emissions in line with climate science. We are also transitioning to more sustainable materials through our Real Good program. The "REAL Good" badge was developed to identify AE and Aerie products made from more sustainable raw materials, like recycled fibers, or products that were manufactured using more sustainable techniques, such as in a factory that meet expectations for AEO's Water and Carbon Leadership Program. REAL Good styles include lots of feel-good, good-for-the-planet materials that have been sustainably produced and/or sourced, such as: recycled polyester, recycled nylon, and cotton that's recycled, organic, and/or sourced as Better Cotton. AEO production teams are continually working to expand "Real Good" product offerings across our assortment to offer to our consumers.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Downstream

Risk type & Primary climate-related risk driver

Reputation	Stigmatization of sector
------------	--------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The apparel retail industry is increasingly competitive and has been undergoing large shifts in format to digital, accelerated by the Covid 19 pandemic. Customers are increasingly aware of and focused on climate change and other negative environmental impacts from apparel manufacturing. Along with this comes an increased preference from consumers to purchase their clothing from brands and retailers who are actively and effectively addressing their own climate impacts. This includes an increased demand for purchase of apparel in different formats, i.e. resale. If we do not shift our manufacturing to address our climate risks the negative perception of the industry may push consumers away from purchasing from brands like ours and towards vintage and second-hand retailers.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

It is hard to anticipate the impact of potential loss of revenue due to a shift away from buying new apparel items from brands but these shifting attitudes could cut into our brands' revenue without appropriate action. Not aligning with shifting customer preferences may result in significant financial losses. Moreover, the costs of repairing damage to brand image and competing with industry leaders in sustainability will only escalate exponentially if left unaddressed.

Cost of response to risk

Description of response and explanation of cost calculation

AEO has set ambitious climate goals, approved by the Science-based Targets Initiative in order to address our emissions in line with climate science. We are also transitioning to more sustainable materials through our Real Good program. The "REAL Good" badge was developed to identify AE and Aerie products made from more sustainable raw materials, like recycled fibers, or products that were manufactured using more sustainable techniques, such as in a factory that meet expectations for AEO's Water and Carbon Leadership Program. REAL Good styles include lots of feel-good, good-for-the-planet materials that have been sustainably produced and/or sourced, such as: recycled polyester, recycled nylon, and cotton that's recycled, organic, and/or sourced as Better Cotton. AEO production teams are continually working to expand "Real Good" product offerings across our assortment to offer to our consumers.

Comment

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Cyclone, hurricane, typhoon
----------------	-----------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

AEO has offices, distribution centers and company owned stores in regions that are exposed to extreme weather such as hurricanes. AEO also has supplier, customers, manufacturer, and material sourcing in regions that are exposed to extreme weather conditions. These storms can damage facilities, block roadways, or interrupt utilities that would ultimately prevent workers, associates and customers from accessing the buildings for prolonged periods of time. If a storm was strong enough, it could completely devastate communities and potentially force operations to permanently close in those areas. A severe weather event could significantly impact the logistics process or damage our inventory and our ability to receive our products and distribute them to customers which could have adverse impacts on customer spending and negative point-of-sale trends for our merchandise. Climate change is expected to increase the frequency and severity of weather events which would impact AEO or AEO's vendors operations specifically in regions that are vulnerable to these conditions already.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Increased storms could impact operations and lead to store closures that could result in a loss of revenue. These storms could also affect business operations, operating results, and this the ultimate financial condition of the company.

Cost of response to risk

Description of response and explanation of cost calculation

Now that AEO has identified the regions that are exposed to potential climate-related physical risks, we can implement safeguards to better address these risks. That could include the development of a storm safe to store valuable content in the event of a storm and/or retrofitting buildings to withstand strong storms and prevent flooding. AEO has a diverse value chain where we and our vendors operate around the world reducing our risk of significant financial impacts if one area was to be impacted, that along with our business continuity planning and disaster recovery position us well.

Comment

C2.4

(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

(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?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

AEO is committed to achieving carbon neutrality across all our owned and operated facilities and associated business travel by 2030 by sourcing 100% renewable energy. To achieve this goal AEO should prioritize investing in generating renewable energy at our own operating centers to generate and use renewable sources across all its global operations and facilities. This is not only important for our climate strategy, it is also an opportunity to reduce AEO's direct energy costs.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Investing in renewable energy will not only help us achieve our 2030 goals but also help us hedge against energy cost volatility and provide financial savings by shifting towards renewable energy sources.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

AEO has completed its renewable energy roadmap in which we have laid out how will we prioritize and implement the transition to renewable energy. This includes investigating on-site solar where feasible, investing in a virtual power purchase agreement (VPPA) and purchasing renewable energy certificates (REC) through our utility suppliers. The cost to implement this plan could include an initial capital expenditure for on-site solar or signing a long-term contract for a VPPA with a fixed cost of electricity.

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

We have surveyed our consumers and found that they are very passionate about sustainability and human rights. As awareness among our key demographic rises on issues such as climate change we have an opportunity to capitalize on the desire of our current and potential new customers to purchase their clothing from a company who is taking action on climate change and environmental stewardship. One way to enhance sustainability in sourcing raw materials is by utilizing certified and low-impact materials. This can be done by reducing the procurement of virgin and uncertified priority materials and increasing the use of certified recycled materials like textile recycling-sourced recycled polyester rather than just relying on PET bottle waste. The majority of GHG emissions when it comes to AEO products come from synthetic fibers and plastics. Reductions of these two materials would see a major decrease in GHG pollutants. AEO is taking initiatives to incorporate recycled polyester, nylon fabric, and sustainably sourced cotton. AEO could increase the scale of its circular business models by supporting innovation and incorporating fabric recycling technology in its supply chain. Transitioning towards a more circular fashion future can help AEO not only with extending the lifecycle of products while making our business more resilient but will also improve the affordability and accessibility of our products, thus helping AEO strengthen its market reputation and relationships with customers and expand its customer base.

Time horizon

Medium-term

Likelihood

More likely than not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The financial gain from organic materials could increase sales through sustainable marketing. It would also separate AEO from fellow companies in the industry whose vast majority of products include synthetic fibers or plastics. Sustainable products could attract new customers and revenue opportunities by appealing to sustainably minded consumers. Adopting the circular economy principles across the business model could help reduce the amount of raw materials used to manufacture AEO products. Incorporating more recycled (or even reusable or easily transformed) raw materials would leave AEO less dependent on the volatility of raw material costs, providing some cost savings.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

The "REAL Good" badge was developed to identify AE and Aerie products made from more sustainable raw materials, like recycled fibers, or products that were manufactured in a factory that meet expectations for AEO's Water and Carbon Leadership Program. REAL Good styles include lots of feel-good, good-for-the-planet materials that have been sustainably produced and/or sourced, such as: recycled polyester, recycled nylon, and cotton that's recycled, organic, and/or sourced as Better Cotton. AEO production teams are continually working to expand "Real Good" product offerings across our assortment to offer to our consumers.

Comment**Identifier**

Opp3

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient modes of transport

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Upstream transportation costs (factory to transloader to distribution center) are highly dependent on the mode and speed of transportation and have increased due to the Covid 19 pandemic. Downstream shipment costs (distribution centers to consumers) in part rely on the number of shipments.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

While we do not have an exact cost figure, the faster the transport (i.e. air) the more expensive. Ocean freight is a much more cost effective transportation method.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

Over the past few years we have worked to transition more of our inbound transportation to ocean freight. In 2022 we saw a 61% decrease in emissions from upstream transportation due to a decrease in air travel from vendor to transloader and a decrease in average distance from vendor to transloader due to the addition of US based transloader facilities.

AEO acquired Quiet Logistics in 2021, adding nine regional distribution centers throughout the US, reducing the average distance for shipments from our distribution centers to the products' final destination. In addition, we have been working to reduce split shipments, where multiple items from one order are shipped separately, reducing the number of downstream shipments to consumers, which has led to a reduction in emissions and costs. Downstream transportation emissions decreased 6% from the previous year.

Comment**Identifier**

Opp4

Where in the value chain does the opportunity occur?

Upstream

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Reduced water usage and consumption

Primary potential financial impact

Reduced direct costs

Company-specific description

Manufacturing costs influence the overall cost of each garment. Being able to help our suppliers reduce water consumption will reduce their costs and therefore the final cost for AEO to purchase the garment. AEO is already working with critical laundries to implement new technologies and equipment that dramatically decrease the overall water needs by incorporating resource-efficient technology such as water-efficient garment finishing and washing processes and wastewater treatment methods in our jeans manufacturing process. Expanding these efforts across all our products and business units would help us in achieving our water use targets.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Reductions in water use and wastewater would not only help us achieve our sustainability goals. They would also help lower or reduce our utility costs associated with water use, thus supporting us in preventing higher manufacturing costs of our products. We have seen a 39% decrease in water usage in our product line from the suppliers participating in our Water Leadership program, which has immediate savings for sourcing from countries with high water costs.

Cost to realize opportunity**Strategy to realize opportunity and explanation of cost calculation**

Apparel production involves a large quantity of water and needs to be treated properly. In 2013, we launched the AEO Wastewater Management Standard to provide factories with guidance on how to properly manage water and make sure that water is safe before it is discharged. In 2017 we launched the Water Leadership Program with our denim factories. This program sets expectations for our factories on wastewater, water reduction, and water recycling. Our expectations are building each year as we work with our factories toward meeting our overall water goals. Factories that meet our requirements receive higher scores on our vendor scorecard and are prioritized for receiving business.

Through this program, we have decreased the water used per jean by 39%, and increased the amount of water recycling to 64%. With these efforts, our factories have saved over one billion gallons of fresh water a year.

Comment**C3. Business Strategy****C3.1**

(C3.1) Does your organization’s strategy include a climate transition plan that aligns with a 1.5°C world?

Row 1

Climate transition plan

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a climate transition plan within two years

Publicly available climate transition plan

<Not Applicable>

Mechanism by which feedback is collected from shareholders on your climate transition plan

<Not Applicable>

Description of feedback mechanism

<Not Applicable>

Frequency of feedback collection

<Not Applicable>

Attach any relevant documents which detail your climate transition plan (optional)

<Not Applicable>

Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world and any plans to develop one in the future

Now that AEO has completed climate related scenario analysis at the end of FY22 we plan to incorporate those results and the rest of AEO's climate strategies and programs into a formal transition plan in FY23.

Explain why climate-related risks and opportunities have not influenced your strategy

<Not Applicable>

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

	Use of climate-related scenario analysis to inform strategy	Primary reason why your organization does not use climate-related scenario analysis to inform its strategy	Explain why your organization does not use climate-related scenario analysis to inform its strategy and any plans to use it in the future
Row 1	Yes, qualitative and quantitative	<Not Applicable>	<Not Applicable>

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Physical climate scenarios RCP 2.6	Company-wide	<Not Applicable>	Boundaries and time horizons used include RCP2.6, RCP4.5, RCP8.5, and time horizons of 2030, 2050 and 2070. As part of our identification process and following the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework, we monitor physical risks related to climate change as well as risks and opportunities resulting from the transition to a low-carbon economy.
Physical climate scenarios RCP 4.5	Company-wide	<Not Applicable>	Boundaries and time horizons used include RCP2.6, RCP4.5, RCP8.5, and time horizons of 2030, 2050 and 2070. As part of our identification process and following the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework, we monitor physical risks related to climate change as well as risks and opportunities resulting from the transition to a low-carbon economy.
Physical climate scenarios RCP 8.5	Company-wide	<Not Applicable>	Boundaries and time horizons used include RCP2.6, RCP4.5, RCP8.5, and time horizons of 2030, 2050 and 2070. As part of our identification process and following the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework, we monitor physical risks related to climate change as well as risks and opportunities resulting from the transition to a low-carbon economy.

C3.2b

(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.

Row 1

Focal questions

How can AEO reduce its value chain GHG emissions in alignment with the Paris Agreement to limit global temperatures to 1.5 degree C? What changes are needed by AEO to address the potential transition and physical risks identified through our climate risks analysis? How will the apparel industry react to shortages of cotton and other raw materials?

Results of the climate-related scenario analysis with respect to the focal questions

AEO completed the climate risk scenario at the end of the 2022 and plans to implement changes from the results of the analysis in 2023.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	In completing our scope 3 baseline and setting emissions reduction targets, we identified that our purchased goods and services, including raw materials, have a significant impact on our overall GHG footprint. We recognize the importance on lowering our GHG emissions in order to combat climate change and one key way we plan to accomplish this is by switching to more sustainable and lower-carbon raw materials. Switching to more sustainable raw materials (i.e. recycled or responsibly grown) will help insulate us from being reliant on dwindling virgin raw materials as climate change affects growing conditions for cotton and other fibers. Switching to more sustainable raw materials also allows us to take advantage of new, innovative materials and meet a consumer demand for more sustainable products.
Supply chain and/or value chain	Yes	In completing our scope 3 baseline and setting emissions reduction targets, we identified that our purchased good and services have a significant impact on our overall GHG footprint. We recognize the importance on lowering our GHG emissions in order to combat climate change and one key way we plan to accomplish this is by engaging our supply chain to lower GHG emissions in manufacturing. We have begun this journey by collecting metrics on supplier energy performance via the SAC's Higg Facility Environmental Module (FEM). We are currently piloting mill improvement programs, such as the Apparel Impact Institute (AII) Clean By Design program, as a way to help our manufacturing partners improve the efficiency of their operations and reduce their environmental impact, including GHG emissions. This helps build strategic relationships with suppliers and provides benefits to both parties. In the next few years, climate change performance and metrics will be factored into vendor scorecards to incentivize our suppliers to do their part to reduce GHG emissions, which will factor into sourcing decisions.
Investment in R&D	Yes	In completing our scope 3 baseline and setting emissions reduction targets, we identified that our purchased good and services have a significant impact on our overall GHG footprint. We recognize the importance on lowering our GHG emissions in order to combat climate change and one key way we plan to accomplish this is by transitioning to sustainable materials that have lower associated GHG emissions. In order to do this it is essential to explore and develop new sustainable materials. Designers are actively seeking out sustainable materials, such as organic fibers, recycled fabrics, and innovative alternatives like bio-based materials. An example of design teams incorporating sustainability into product innovation is the use of recycled ocean plastic to create textiles. By partnering with First Mile, an organization that collects and recycles ocean plastic, design has transformed the waste into high volume polyester activewear fabric. We collaborate with industry experts and innovative start-ups, this allows us to actively participate in the creation of new solutions. Our denim cross functional teams participate in Ellen MacArthur Foundation's Jeans Redesign program to embrace a more holistic approach of jeans manufacturing. In doing so we have collaborated with yarn spinners to incorporate recycled fibers without reducing performance. As well as trim suppliers to embrace circular design principles like disassembly, and recyclability to maximize resource efficiency and minimize waste generation. Development teams are also exploring ways to reduce water usage, and minimize energy and emissions-intensive processes. One example is using solution dye, a low-impact dyeing methods where a permanent, colorfast dye is an integral part of the fiber. Solution dyeing uses less water, energy, and chemicals than traditional dyeing methods. By aligning ourselves with suppliers who share our sustainability goals, we have been able to strengthen our supply chain resilience while reducing our reliance on non-renewable resources.
Operations	Yes	While the majority of our GHG footprint comes from our supply chain, our operations still play an important role in our impact on the climate and are an area we can more easily control so we have taken a number of steps to address climate-related risks and opportunities in our operations. These include increasing energy efficiency by retrofitting our entire fleet of stores with LED lighting, installing energy management systems in stores, certifying our Hazleton Distribution Center to LEED Silver and our Mexico corporate office to LEED Platinum. In addition, we have set a goal to be 100% powered by renewable energy by 2030 to reduce our dependence on fossil fuels and insulate the business from potential rising costs associated with fossil fuels. All of these steps help us reduce our risk of being dependent on fossil fuels and allow us to take advantage of the opportunity to create savings while saving energy.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Capital allocation	When the board approved the AEO climate goals in 2019 they approved a budget to cover emission reduction activities through 2030 to meet those reduction goals. For example, AEO has contracted with our energy suppliers in deregulated markets in the US to purchase renewable energy for our facilities at a premium compared to brown energy. We have also financially sponsored suppliers to join the Apparel Impact Institute (AII) Clean By Design program, a program designed to help facilities improve their energy and water efficiency. Lastly, we are investigating a virtual power purchase agreement to source renewable energy. While all of the decisions come with some degree of additional cost, they will help us manage our climate-related risks by more efficiently using resources and transitioning away from fossil fuels towards renewable energy.

C3.5

(C3.5) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition	Indicate the level at which you identify the alignment of your spending/revenue with a sustainable finance taxonomy
Row 1	No, but we plan to in the next two years	<Not Applicable>

C4. Targets and performance

C4.1

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

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

11537

Base year Scope 2 emissions covered by target (metric tons CO2e)

71930

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

83467

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

Target year

2030

Targeted reduction from base year (%)

80

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

16693.4

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

12343

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

45476

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

57819

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

38.4103897348653

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

To calculate these targets, we relied on SBT's guidance and tools, and reviewed the IPCC's 1.5 degree special report, to determine the appropriate level of ambition. With annual ambition of 3.3% (2030 target) and 2.7% (2040 target), both targets are aligned with 1.5 degree scenario, and adhere to criteria C19 of SBT's April 2019 guidance (V4). This target covers all of our scope 1&2 emissions, main sources which include natural gas and electricity for our owned and operated facilities as well as refrigerants and mobile consumption from company vehicles.

Plan for achieving target, and progress made to the end of the reporting year

We plan to accomplish our target through energy efficiency measures and by sourcing renewable energy for our owned and operated facilities. Energy efficiency measures in 2022 include using LED lighting in new and existing stores, and upgrading our Energy Management System (EMS) in stores to allow us to make sure lights and

heating/cooling systems are turned off when no one is in the store. We have also sourced 23% of our electricity as renewable energy from our energy suppliers in a handful of states for our stores, offices and distribution centers in 2022.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

927000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

7600

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

934600

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

934600

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

40

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

560760

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1134000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

10000

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1144000

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1144000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-56.0132677081104

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

To calculate these targets, we relied on SBTi's guidance and tools, and reviewed the IPCC's 1.5 degree special report, to determine the appropriate level of ambition. With annual ambition of 3.3% (2030 target) and 2.7% (2040 target), both targets are aligned with 1.5 degree scenario, and adhere to criteria C19 of SBTi's April 2019 guidance (V4). This company-wide target covered 84% of all our Scope 3 emissions at the time of setting, focusing on the categories most relevant to our business activities, purchased goods and services (raw material sourcing and manufacturing) and capital goods.

Plan for achieving target, and progress made to the end of the reporting year

The growth in our purchased goods & services has mainly come from an increase in corporate spend. We are starting to see progress in emission reductions, and plan to see continued progress through two main drivers, 1) switching to more sustainable raw materials which have lower associated emission factors and 2) reducing emissions in our manufacturing partners through energy efficiency measures, phasing out coal, and a transition to renewable energy for those facilities. Even though overall emissions have increased, we have seen a 3% decrease in emission from raw material due to the increase in recycled polyester and nylon fabrics. Additionally, we have seen emission from product manufacturing (T1) decrease ~1%. This progress has come from the AEO Carbon Leadership (CLP) Program, launched in 2021, for our strategic factories that represent approximately 80% of our procurement volume. The CLP program encourages suppliers to develop their own GHG inventory, commit to reduction targets and long-term climate-mitigation plans. This includes energy efficiency improvement, renewable energy use and phasing out coal powered processes and equipment. Factories that meet our requirements receive higher scores on our vendor scorecard and are prioritized for receiving business.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 3

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

927000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

7600

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

934600

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

934600

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2040

Targeted reduction from base year (%)

60

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

373840

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

1134000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

10000

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

1144000

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1144000

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-37.3421784720736

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

To calculate these targets, we relied on SBTi's guidance and tools, and reviewed the IPCC's 1.5 degree special report, to determine the appropriate level of ambition. With annual ambition of 3.3% (2030 target) and 2.7% (2040 target), both targets are aligned with 1.5 degree scenario, and adhere to criteria C19 of SBTi's April 2019 guidance (V4). This company-wide target covered 84% of all our Scope 3 emissions at the time of setting, focusing on the categories most relevant to our business activities, purchased goods and services (raw material sourcing and manufacturing) and capital goods.

Plan for achieving target, and progress made to the end of the reporting year

The growth in our purchased goods & services has mainly come from an increase in corporate spend. We are starting to see progress in emission reductions, and plan to see continued progress through two main drivers, 1) switching to more sustainable raw materials which have lower associated emission factors and 2) reducing emissions in our manufacturing partners through energy efficiency measures, phasing out coal, and a transition to renewable energy for those facilities. Even though overall emissions have increased, we have seen a 3% decrease in emission from raw material due to the increase in recycled polyester and nylon fabrics. Additionally, we have seen emission from product manufacturing (T1) decrease ~1%. This progress has come from the AEO Carbon Leadership (CLP) Program, launched in 2021, for our strategic factories that represent approximately 80% of our procurement volume. The CLP program encourages suppliers to develop their own GHG inventory, commit to reduction targets and long-term climate-mitigation plans. This includes energy efficiency improvement, renewable energy use and phasing out coal powered processes and equipment. Factories that meet our requirements receive higher scores on our vendor scorecard and are prioritized for receiving business.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 5

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO2e)

71930

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

71930

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

100

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

0

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

45476

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

45476

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

36.7774224940915

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

AEO joined RE100 in 2019, committing to achieving carbon neutrality across all of our owned and operated facilities (offices, stores, distribution centers) and employee business travel by 2030. This includes sourcing 100% renewable electricity.

Plan for achieving target, and progress made to the end of the reporting year

To date we have reached 23% renewable energy by sourcing from our energy suppliers in deregulated markets in the US including, Pennsylvania, Ohio, New York, Texas, Connecticut, Illinois, Massachusetts, Maryland and New Jersey. In 2022 we have also been further defining our plans to meet this target, including making the decision to pursue a Virtual Power Purchase (VPPA) agreement to cover the bulk on our remaining disparate load in the US & Canada. We plan to put of an RFP for the virtual power purchase agreement (VPPA) project in 2023. We will most likely need to purchase some RECs at the end of the goal period to cover small load international countries and any remaining balance in the US & Canada.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 4

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Year target was set

2019

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 3

Scope 2 accounting method

Market-based

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Category 11: Use of sold products

Category 12: End-of-life treatment of sold products

Category 14: Franchises

Base year

2018

Base year Scope 1 emissions covered by target (metric tons CO2e)

11537

Base year Scope 2 emissions covered by target (metric tons CO2e)

71930

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

927000

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

7600

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

9000

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

131200

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

51000

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

6000

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

14500

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

2900

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

2005000

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

89000

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

13000

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

3143763

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3143763

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

100

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

100

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

100

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

100

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

100

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

100

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

100

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

100

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

100

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

100

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

50

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

1571881.5

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

12343

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

45476

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)
1134000

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)
10000

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)
11000

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
58700

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)
29000

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)
5000

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)
29800

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)
2900

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)
2172000

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)
38000

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)
20000

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)
<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)
3510658

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)
3510658

Does this target cover any land-related emissions?
No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]
-23.3411360843677

Target status in reporting year
Underway

Please explain target coverage and identify any exclusions

AEO is a signatory the United Nations Framework Convention on Climate Change's (UNFCCC) Fashion Industry Charter for Climate Action, adopting their overarching goal of achieving a 50% reduction across all scopes by 2030 or setting an SBT, which we have done.

The base year for categories 3, 7, and 12 is 2020 as this was the first year those categories were calculated. The base year for the rest of the categories is 2018.

Plan for achieving target, and progress made to the end of the reporting year

To date we have reached 23% renewable energy by sourcing from our energy suppliers in deregulated markets in the US including, Pennsylvania, Ohio, New York, Texas, Connecticut, Illinois, Massachusetts, Maryland and New Jersey. In 2022 we have also been further defining our plans to meet this target, including making the decision to pursue a Virtual Power Purchase (VPPA) agreement to cover the bulk of our remaining disparate load in the US & Canada. We plan to put out an RFP for the VPPA project in 2023. We will most likely need to purchase some RECs at the end of the goal period to cover small load international countries and any remaining balance in the US & Canada.

The growth in our purchased goods & services has mainly come from an increase in corporate spend. We are starting to see progress in emission reductions, and plan to see continued progress through two main drivers, 1) switching to more sustainable raw materials which have lower associated emission factors and 2) reducing emissions in our manufacturing partners through energy efficiency measures, phasing out coal, and a transition to renewable energy for those facilities. Even though overall emissions have increased, we have seen a 3% decrease in emission from raw material due to the increase in recycled polyester and nylon fabrics. Additionally, we have seen emission from product manufacturing (T1) decrease ~1%. This progress has come from the AEO Carbon Leadership (CLP) Program, launched in 2021, for our strategic factories that represent approximately 80% of our procurement volume. The CLP program encourages suppliers to develop their own GHG inventory, commit to reduction targets and long-term climate-mitigation plans. This includes energy efficiency improvement, renewable energy use and phasing out coal powered processes and equipment. Factories that meet our requirements receive higher scores on our vendor scorecard and are prioritized for receiving business.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Base year

2018

Consumption or production of selected energy carrier in base year (MWh)

160097543

% share of low-carbon or renewable energy in base year

2

Target year

2030

% share of low-carbon or renewable energy in target year

100

% share of low-carbon or renewable energy in reporting year

23

% of target achieved relative to base year [auto-calculated]

21.4285714285714

Target status in reporting year

Underway

Is this target part of an emissions target?

AEO joined RE100 in 2019 and incorporated the goal of 100% renewable electricity into our science-based target referenced above (Abs 1).

Is this target part of an overarching initiative?

RE100

Please explain target coverage and identify any exclusions

AEO joined RE100 in 2019, committing to achieving carbon neutrality across all of our owned and operated facilities (offices, stores, distribution centers) and employee business travel by 2030. This includes sourcing 100% renewable electricity.

Plan for achieving target, and progress made to the end of the reporting year

To date we have reached 23% renewable energy by sourcing from our energy suppliers in deregulated markets in the US including, Pennsylvania, Ohio, New York, Texas, Connecticut, Illinois, Massachusetts, Maryland and New Jersey. In 2022 we have also been further defining our plans to meet this target, including making the decision to pursue a Virtual Power Purchase (VPPA) agreement to cover the bulk on our remaining disparate load in the US & Canada. We plan to put out an RFP for the VPPA project in 2023. We will most likely need to purchase some RECs at the end of the goal period to cover small load international countries and any remaining balance in the US & Canada.

List the actions which contributed most to achieving this target

<Not Applicable>

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 initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	3	15774
Not to be implemented	0	0

C4.3b

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

Initiative category & Initiative type

Low-carbon energy consumption	Wind
-------------------------------	------

Estimated annual CO2e savings (metric tonnes CO2e)

12783

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

140000

Payback period

No payback

Estimated lifetime of the initiative

1-2 years

Comment

AEO is purchasing green energy in the form of renewable energy credits through utility suppliers in deregulated states where we have electricity load.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)
--------------------------------	-------------------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

2295

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

300000

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

3-5 years

Comment

In 2022 we completed upgrading our Energy Management System (EMS) in stores to allow us to make sure lights and heating/cooling systems are turned off when no one is in the store.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

696

Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

319379

Investment required (unit currency – as specified in C0.4)

1364095

Payback period

4-10 years

Estimated lifetime of the initiative

6-10 years

Comment

Lighting retrofit at our distribution center in Ottawa, the installation has been delayed but is in progress. All of the interior LED fixtures were replaced in Ottawa 1 in 2022, including pick mods, open area, office space, etc. In 2023 some exterior fixtures are being replacing this year on both buildings, as well as approximately 45% of the interior LED in Ottawa 2. The remaining 55% of Ottawa 2 would be planned for 2024.

C4.3c

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

Method	Comment
Dedicated budget for other emissions reduction activities	When the board approved the AEO climate goals in 2019 they approved a budget to cover emission reduction activities through 2030 to meet those reduction goals. For example, AEO has contracted with our energy suppliers in deregulated markets in the US to purchase renewable energy for our facilities. We have also sponsored suppliers to join the Apparel Impact Institute (All) Clean By Design program, a program designed to help suppliers improve energy and water efficiency in factories.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?

No

C5. Emissions methodology

C5.1

(C5.1) Is this your first year of reporting emissions data to CDP?

No

C5.1a

(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

Row 1

Has there been a structural change?

Yes, an acquisition

Name of organization(s) acquired, divested from, or merged with

Acquisition of Quiet Logistics, a logistics provider.

Details of structural change(s), including completion dates

The acquisition of Quiet Logistics was completed on 12/29/21, at the end of the fiscal year, so we will incorporated this organization into our footprint in this fiscal year.

C5.1b

(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?	Details of methodology, boundary, and/or reporting year definition change(s)
Row 1	Yes, a change in methodology	For the reporting year, we updated the process that we use to calculate transportation emissions. Previously, we had used Well-to-Tank emission factors from the EPA to calculate upstream and downstream transportation emissions as well as employee commuting emissions. We are now using Well-to-Wheel emission factors from GLEC for upstream and downstream transportation and Well-to Wheel emission factors from DEFRA for employee commuting. Well-to-Wheel encompasses all emissions associated with the transportation process and the transportation industry is moving towards aligning with the GLEC framework.

C5.1c

(C5.1c) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in C5.1a and/or C5.1b?

	Base year recalculation	Scope(s) recalculated	Base year emissions recalculation policy, including significance threshold	Past years' recalculation
Row 1	Yes	Scope 1 Scope 2, location-based Scope 2, market-based Scope 3	Prior inventories back to the base year will be adjusted if the resulting adjustment, from any individual change or collectively from multiple changes, is more than 1% of Scope 1 and 2 base year emissions. For scope 3 restating, the threshold is 1% per scope 3 category. Adjustments less than this threshold are considered insignificant and will not warrant rebaselining.	No

C5.2

(C5.2) Provide your base year and base year emissions.

Scope 1

Base year start
February 1 2018

Base year end
January 31 2019

Base year emissions (metric tons CO2e)
11537

Comment

Scope 2 (location-based)

Base year start
February 1 2018

Base year end
January 31 2019

Base year emissions (metric tons CO2e)
73167

Comment

Scope 2 (market-based)

Base year start
February 1 2018

Base year end
January 31 2019

Base year emissions (metric tons CO2e)
71930

Comment

Scope 3 category 1: Purchased goods and services

Base year start
February 1 2018

Base year end
January 31 2019

Base year emissions (metric tons CO2e)
927000

Comment

Scope 3 category 2: Capital goods

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

7600

Comment

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

Base year start

February 1 2020

Base year end

January 31 2021

Base year emissions (metric tons CO2e)

9000

Comment

Determined to be relevant in the baseline year of 2018 but was calculated for the first time in 2020 once data and resources were available.

Scope 3 category 4: Upstream transportation and distribution

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

131200

Comment

Scope 3 category 5: Waste generated in operations

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

51000

Comment

Scope 3 category 6: Business travel

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

6000

Comment

Scope 3 category 7: Employee commuting

Base year start

February 1 2020

Base year end

January 31 2021

Base year emissions (metric tons CO2e)

14500

Comment

Determined to be relevant in the baseline year of 2018 but was calculated for the first time in 2020 once data and resources were available.

Scope 3 category 8: Upstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 9: Downstream transportation and distribution

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

2900

Comment

Scope 3 category 10: Processing of sold products

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 11: Use of sold products

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

2005000

Comment

Scope 3 category 12: End of life treatment of sold products

Base year start

February 1 2020

Base year end

January 31 2021

Base year emissions (metric tons CO2e)

89000

Comment

Determined to be relevant in the baseline year of 2018 but was calculated for the first time in 2020 once data and resources were available.

Scope 3 category 13: Downstream leased assets

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3 category 14: Franchises

Base year start

February 1 2018

Base year end

January 31 2019

Base year emissions (metric tons CO2e)

13000

Comment

Scope 3 category 15: Investments

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (upstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

Scope 3: Other (downstream)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.3

(C5.3) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate 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?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

12343

Start date

February 1 2022

End date

January 31 2023

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

11803

Start date

February 1 2021

End date

January 31 2022

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 are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

58259

Scope 2, market-based (if applicable)

45476

Start date

February 1 2022

End date

January 31 2023

Comment

Past year 1

Scope 2, location-based

56996

Scope 2, market-based (if applicable)

43205

Start date

February 1 2021

End date

January 31 2022

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 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 gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

1134000

Emissions calculation methodology

Hybrid method

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

10

Please explain

Cradle-to-gate emissions from AEO purchased goods and services are calculated using four methods:

1. For purchased goods and services related to AEO apparel fabrics, the weight (kg) of material purchased by fiber type (e.g., cotton, polyester) is obtained from AEO. Cradle to gate emissions factors per weight are taken from the Higg Material Sustainability Index (MSI) and multiplied by the weight of material purchased.
2. For purchased goods and services related to AEO product assembly, factory data was collected from Higg FEM and allocated to AEO.
3. For purchased goods and services related to AEO footwear products, the number of units produced is obtained from AEO. Cradle to gate emissions factors (materials processing and manufacturing) are taken from MIT's 2013 footwear LCA and multiplied by the number of footwear units produced.
4. For all other purchased goods and services, annual spend associated with these products is obtained from AEO. The spend for these products is multiplied by relevant sector-specific cradle-to-gate emission factors. Emissions factors are sourced from the US Environmentally-Extended Input-Output (EEIO) cradle-to-gate emission factors were used instead of DEFRA, as the US EEIO factors are more recent and US-based. These factors are the baseline emission factors for scope 3, categories 1 and 2. The FY21 inventory uses the most recent update of the USEEIO databased from January 2022. This dataset is based on 2016 data and put into 2018 USD dollars.

Capital goods

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

10000

Emissions calculation methodology

Spend-based method

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

0

Please explain

Cradle-to-gate emissions from AEO purchased capital goods are calculated by aggregating spend into standard product categories. The spend in each category is multiplied by sector-specific cradle-to-gate emission factors. Emission factors are sourced from the US Environmentally-Extended Input-Output (EEIO) cradle-to-gate emission factors were used instead of DEFRA, as the US EEIO factors are more recent and US-based. These factors are the baseline emission factors for scope 3, categories 1 and 2. The FY21 inventory uses the most recent update of the USEEIO databased from January 2022. This dataset is based on 2016 data and put into 2018 USD dollars.

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

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

11000

Emissions calculation methodology

Average data method

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

0

Please explain

The activity data used to quantify emissions from upstream fuel-and-energy-related activities (FERA) are the quantity consumed of each energy type, such as electricity or natural gas. Consumption by fuel type is then multiplied by emission factors for each of the three activities included in this category. Emission factors for upstream emissions of purchased fuels are based on life-cycle analysis software. Emission factors for upstream emissions of purchased electricity are based on life-cycle analysis software for the U.S., and on U.K. Defra Guidelines for other countries. Emission factors for transmission and distribution losses are location-based and taken from EPA's eGRID database for the U.S., and on U.K. Defra Guidelines for other countries. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

58700

Emissions calculation methodology

Distance-based method

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

100

Please explain

This figure encompasses emissions from inbound transportation of goods purchased by AEO. Shipments of purchased goods and sold products by origin-destination, mode of transport, and mass are used to calculate emissions. Activity data for this category are obtained from AEO's transportation logistics teams and cover two legs of transportation and distribution:

1. Factory to transloader - for this leg of transportation and distribution, number of shipments, weight and volume of shipments are provided by transportation mode. Distance is estimated by calculating the average distance from cities providing the greatest weight of product (>1,000,000 kg) to each of the transloader. These distances are then weighted by weight of product shipped to calculate an estimate for average distance per shipment. It is assumed that this distance is representative for all shipment modes.
2. Transloader to distribution center - for this leg of transportation and distribution, origin-destination, transportation mode, number of shipments, average weight of shipments, and distance of shipments are provided. This data is then used to calculate total ton miles.

Emissions are calculated using EPA Emission Factors for Greenhouse Gas Inventories for product transport.

Waste generated in operations

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

29000

Emissions calculation methodology

Waste-type-specific method

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

0.1

Please explain

This figure represents emissions associated with waste disposed via landfilling, recycling and compost. Data on waste quantity, composition, and disposal method are obtained from several AEO facilities. For the remaining sites, waste is estimated using assumptions for waste generation per ft2 based on average factors by facility type obtained from CalRecycle. Emissions from waste are calculated using methodologies and emission factors from the EPA's Waste Reduction Model (WARM). This model calculates emissions based on a life-cycle analysis, including emissions from the long-term decomposition of waste in a landfill or from upstream sources/sinks.

Business travel

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

5000

Emissions calculation methodology

Distance-based method

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

100

Please explain

Business travel includes business air, rail and rental car travel and hotel stays by AEO employees. All travel activity are obtained from AEO's travel department. Only number of rental car days are provided for rental cars and miles per day is estimated based on data from AAA on average daily driving distances in the United States. Emissions are calculated using emission factors and methodologies from the 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting. GWPs are IPCC Second Assessment Report (SAR - 100 year).

Note: emissions from lease/charter jets is no longer included in Scope 3 Business Travel emissions. It has been reallocated to Scope 1 emissions based on the assumption that AEO has control over the lease/charter.

Employee commuting

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

29800

Emissions calculation methodology

Average data method

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

0

Please explain

Category 7 includes emission from two sources: Work from Home and Employee Commuting.

Work from Home Emissions figure represents emissions from energy consumed by HVAC, lighting, and workstation plugload used by remote employees. HVAC energy consumption is calculated using composite regional averages of energy used to heat and cool homes. Lighting and workstation plugload energy consumption are calculated using an average device wattage. Total energy consumed by remote workers for the fiscal year is calculated by multiplying the HVAC, lighting, and workstation plugloads by the percent of the year employees worked remotely (based on assumption) and the headcount of remote workers for each office. Final CO2e calculations use the total energy consumed by remote workers and the emission factor of the eGrid subregion of the office each worker is tied to.

Commuting emissions represent fuel combustion emissions from office and retail employees commuting to and from AEO facilities by vehicle or public transportation. Distance travelled and mode of transportation are estimated based on US commuter patterns. Emissions per passenger mile from the EPA's Emission Factor Hub are applied to the distance estimates to calculate emissions.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

AEO does not have any upstream leased assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2900

Emissions calculation methodology

Distance-based method

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

100

Please explain

This figure encompasses emissions from outbound transportation of products sold by AEO. Downstream transportation and distribution encompasses emissions from outbound transportation of products sold by AEO. Activity data for this category are obtained from AEO's transportation logistics teams and cover two legs of transportation and distribution:

1. Direct to consumer/retail - for this leg of transportation and distribution, carrier, number of packages, average distance and average weight are provided. Carrier is used to determine shipping mode (air or ground). Number of packages, average distance and average weight are used to calculated ton miles.

Transportation and distribution emissions are calculated using EPA Emission Factors for Greenhouse Gas Inventories for product transport multiplied by ton miles.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

There is no processing of AEO sold products.

Use of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

2172000

Emissions calculation methodology

Average product method

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

0

Please explain

This figure represents indirect emissions associated with washing, drying, and ironing of clothes during the customer use phase. The amount of knit and denim products produced by weight (kg) is obtained from AEO's product and sales team. Use phase emissions factors per weight are taken from the previously conducted Life Cycle Assessment (LCA) and multiplied by the weight of units produced.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

38000

Emissions calculation methodology

Average product method

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

0

Please explain

Emissions from end of life treatment of sold products were estimated by applying emission factors from the EPA's Waste Reduction Model (WARM) to the weight of materials by product category.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

AEO does not have any downstream leased assets not included in the Scope 1 and 2 inventory.

Franchises

Evaluation status

Relevant, calculated

Emissions in reporting year (metric tons CO2e)

20000

Emissions calculation methodology

Average data method

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

0

Please explain

This figure includes emissions from purchased electricity and natural gas in AEO's franchise stores worldwide. Number of franchise stores by country is obtained from AEO. Square footage is estimated as the average square footage of AEO owned and operated store and outlet retail locations. Electricity and natural gas consumption are estimated by multiplying square footage by average store and outlet specific electric and natural gas intensities used in the Scope 1 and 2 inventory. Emissions are calculated by multiplying electricity consumption and natural gas by grid average emissions factors from the EPA and the International Energy Agency. GWPs are IPCC Fourth Assessment Report (AR4 - 100 year).

Investments**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

AEO does not have any investments where AEO ownership exceeds 1% of that company's value.

Other (upstream)**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

AEO does not have any upstream emissions not captured by the categories above.

Other (downstream)**Evaluation status**

Not relevant, explanation provided

Emissions in reporting year (metric tons CO2e)

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

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

<Not Applicable>

Please explain

AEO does not have any downstream emissions not captured by the categories above.

C6.5a

(C6.5a) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

Start date

February 1 2021

End date

January 31 2022

Scope 3: Purchased goods and services (metric tons CO2e)

1122000

Scope 3: Capital goods (metric tons CO2e)

9800

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

12000

Scope 3: Upstream transportation and distribution (metric tons CO2e)

150400

Scope 3: Waste generated in operations (metric tons CO2e)

30000

Scope 3: Business travel (metric tons CO2e)

2000

Scope 3: Employee commuting (metric tons CO2e)

23600

Scope 3: Upstream leased assets (metric tons CO2e)

Scope 3: Downstream transportation and distribution (metric tons CO2e)

3200

Scope 3: Processing of sold products (metric tons CO2e)

Scope 3: Use of sold products (metric tons CO2e)

2171000

Scope 3: End of life treatment of sold products (metric tons CO2e)

38000

Scope 3: Downstream leased assets (metric tons CO2e)

Scope 3: Franchises (metric tons CO2e)

19000

Scope 3: Investments (metric tons CO2e)

Scope 3: Other (upstream) (metric tons CO2e)

Scope 3: Other (downstream) (metric tons CO2e)

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000012

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

57819

Metric denominator

unit total revenue

Metric denominator: Unit total

4989833000

Scope 2 figure used

Market-based

% change from previous year

16

Direction of change

Increased

Reason(s) for change

Change in renewable energy consumption

Change in revenue

Please explain

Increased emissions intensity resulting from increased emissions and decreased total revenue.

Intensity figure

0.00439

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

57819

Metric denominator

square foot

Metric denominator: Unit total

13171752

Scope 2 figure used

Market-based

% change from previous year

13

Direction of change

Decreased

Reason(s) for change

Other, please specify (Increase in total square footage)

Please explain

Decreased emissions intensity resulting from increase in total square footage.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

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 CO2e)	GWP Reference
CO2	10887	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	4	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	27	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	1425	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

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

Country/area/region	Scope 1 emissions (metric tons CO2e)
United States of America	11744
Canada	450
Mexico	79
Hong Kong SAR, China	56
Puerto Rico	5
China	2
Japan	8

C7.3

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

- By business division
- By facility
- By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Quiet	2450
AEO	9893

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Stores	2275		
Warehouse	5608		
Outlets	835		
Office	3610		
Data Center	16		

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	7849
Mobile Combustion	3069
Refrigerants	1425

C7.5

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

Country/area/region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	54085	41302
Canada	1304	1304
Mexico	1192	1192
Hong Kong SAR, China	1035	1035
Puerto Rico	485	485
China	12	12
Japan	147	147

C7.6

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

- By business division
- By facility
- By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Quiet	3068	3068
AEO	55191	42407

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Store	30121	26403
Warehouse	14989	11155
Outlet	8429	7498
Office	3286	420
Data Center	1434	0

C7.6c

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

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Electricity	58220	45436
Chilled Water	39	39

C7.7

(C7.7) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Not relevant as we do not have any subsidiaries

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?

Increased

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 in emissions	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	519	Increased	1	The total electricity consumed by AEO increased from 2021 to 2022 while the percent of AEO's portfolio covered by renewable electricity decreased. The result is that the total emission decrease from renewable electricity in 2022 is less than it was in 2021.
Other emissions reduction activities	0	No change	0	No other emission reduction activities were implemented during the reporting year.
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	7821	Increased	16	AEO added 95 new stores in FY22
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?

Market-based

C8. Energy

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 undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

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 (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	55343	55343
Consumption of purchased or acquired electricity	<Not Applicable>	37502	126017	163519
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	0	104	104
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Total energy consumption	<Not Applicable>	37502	181464	218966

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	No
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

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

Sustainable biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other biomass

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other renewable fuels (e.g. renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Coal

Heating value

HHV

Total fuel MWh consumed by the organization

0

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Oil

Heating value

HHV

Total fuel MWh consumed by the organization

882

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Gas

Heating value

HHV

Total fuel MWh consumed by the organization

42066

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Other non-renewable fuels (e.g. non-renewable hydrogen)

Heating value

HHV

Total fuel MWh consumed by the organization

12395

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

Total fuel

Heating value

HHV

Total fuel MWh consumed by the organization

55343

MWh fuel consumed for self-generation of electricity

<Not Applicable>

MWh fuel consumed for self-generation of heat

<Not Applicable>

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self- cogeneration or self-trigeneration

<Not Applicable>

Comment

C8.2g

(C8.2g) Provide a breakdown by country/area of your non-fuel energy consumption in the reporting year.

Country/area

United States of America

Consumption of purchased electricity (MWh)

146631

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

104

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

146735

Country/area

Canada

Consumption of purchased electricity (MWh)

11821

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

11821

Country/area

Puerto Rico

Consumption of purchased electricity (MWh)

778

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

778

Country/area

China

Consumption of purchased electricity (MWh)

15

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

15

Country/area

Hong Kong SAR, China

Consumption of purchased electricity (MWh)

1337

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

1337

Country/area

Mexico

Consumption of purchased electricity (MWh)

2642

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

2642

Country/area

Japan

Consumption of purchased electricity (MWh)

295

Consumption of self-generated electricity (MWh)

0

Is this electricity consumption excluded from your RE100 commitment?

No

Consumption of purchased heat, steam, and cooling (MWh)

0

Consumption of self-generated heat, steam, and cooling (MWh)

0

Total non-fuel energy consumption (MWh) [Auto-calculated]

295

C8.2h

(C8.2h) Provide details of your organization's renewable electricity purchases in the reporting year by country/area.

Country/area of consumption of purchased renewable electricity

United States of America

Sourcing method

Retail supply contract with an electricity supplier (retail green electricity)

Renewable electricity technology type

Wind

Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

37502

Tracking instrument used

US-REC

Country/area of origin (generation) of purchased renewable electricity

United States of America

Are you able to report the commissioning or re-powering year of the energy generation facility?

No

Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

<Not Applicable>

Vintage of the renewable energy/attribute (i.e. year of generation)

Please select

Supply arrangement start year

2018

Additional, voluntary label associated with purchased renewable electricity

Green-e

Comment

C8.2i

(C8.2i) Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area..

Sourcing method

None (no purchases of low-carbon heat, steam, or cooling)

Country/area of consumption of low-carbon heat, steam or cooling

<Not Applicable>

Energy carrier

<Not Applicable>

Low-carbon technology type

<Not Applicable>

Low-carbon heat, steam, or cooling consumed (MWh)

<Not Applicable>

Comment

C8.2j

(C8.2j) Provide details of your organization’s renewable electricity generation by country/area in the reporting year.

C8.2k

(C8.2k) Describe how your organization’s renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

AEO has not contributed to adding new renewable energy to the grid in 2022 but is evaluating plans to do so as part of meeting our RE100 goal in the future.

C8.2l

(C8.2l) In the reporting year, has your organization faced any challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity	Challenges faced by your organization which were not country/area-specific
Row 1	No	<Not Applicable>

C9. Additional metrics

C9.1

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

C10. Verification

C10.1

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

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

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Verification Opinion AEO 2022 Data.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Verification Opinion AEO 2022 Data.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Verification Opinion AEO 2022 Data.pdf

Page/ section reference

Entire document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

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?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard ISO 14064-3	We verify Scope 1 and 2 energy consumption in kWh. Energy Consumption: 206,570,708 kWh (includes 37,502,300 kWh hours onsite and offsite renewable energy)
C4. Targets and performance	Renewable energy products	Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard ISO 14064-3	Renewable energy purchase and certifications have been third party verified.

C11. Carbon pricing

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)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization canceled any project-based carbon credits within the reporting year?

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

C12.1

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

Yes, our suppliers

Yes, our customers/clients

Yes, other partners in the value chain

C12.1a

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

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Run an engagement campaign to educate suppliers about climate change

Provide training, support, and best practices on how to set science-based targets

% of suppliers by number

22

% total procurement spend (direct and indirect)

38

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We launched the AEO Water and Carbon Leadership Program to our strategic Tier 1 and 2 suppliers to drive improvement on their carbon management system. Every year, we set KPIs around carbon management system and best practices for suppliers and conduct evaluation with each supplier. Examples of KPIs: energy data tracking, energy / carbon baseline and reduction target setting, energy efficient lighting system, heat recovery from steam system, conducting feasibility studies and developing implementation plans for carbon phase out and application of renewable energy, etc.

Impact of engagement, including measures of success

Every year, we set KPIs around carbon management system and best practices for suppliers and conduct evaluation with each supplier. Examples of KPIs: energy data tracking, energy / carbon baseline and reduction target setting, energy efficient lighting system, heat recovery from steam system, conducting feasibility studies and developing implementation plans for carbon phase out and application of renewable energy and etc.

In 2022, we have also asked all suppliers in this program to complete the Climate Action Training program which is designed to help brands and manufacturers to meet the goals of the UN Fashion Industry Charter for Climate Action from 2022. As an introductory training, it aims to enable suppliers to get started to achieve science based reduction target by 2030 and net zero emissions by 2050. The training is developed by a collaboration of brands (including AEO), manufacturers, UNFCCC and GIZ.

We have also provided suppliers with online training workshops for different regions and invited suppliers to share their best practices around onsite solar rooftop systems and coal fired boiler phase out status. In addition, we have invited experts to explain Energy Attribute Certificates in order to upskill suppliers on how to scale up renewable energy use in the future.

Comment

In 2022, suppliers in the program have covered 80% of our direct procurement from Tier 1 and at least 30% from our Tier 2 fabric mills. We plan to keep expanding the program to engage more suppliers.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Offer financial incentives for suppliers who reduce your operational emissions (Scopes 1 & 2)

Other, please specify

% of suppliers by number

8

% total procurement spend (direct and indirect)

16

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

We are currently collaborating with the Apparel Impact Institute (AII) to pilot improvement programs at fabric mills as a way to help our manufacturing partners improve the efficiency of their operations and reduce their environmental impact, including GHG emissions. Impact of engagement, including measures of success

Impact of engagement, including measures of success

1) Aii – Carbon Tech Assessment (CTA) / Carbon Leadership Program (CLP): We have nominated 60 T1 and T2 suppliers to join the Aii CTA and 3 fabric mills and laundries to join Aii CLP program in 2022. During CLP, an onsite or online assessments are conducted by third parties to identify the carbon reduction opportunities at the facility and develop a reduction roadmap. Based on the CTA and CLP results, we can see the facilities have on average the opportunity to reduce carbon emissions by 20%.

Comment

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify (Coal Phase Out)

% of suppliers by number

5

% total procurement spend (direct and indirect)

5

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

All AEO suppliers are required to phase out coal-fired boilers by 2030. AEO is also committed to stop having new suppliers with coal-fired boilers on board from 2025. In 2022, we joined industry collaborative initiatives including USAID – MSMA and Coal Phase-out Technology Feasibility Assessment Pilot Project to conduct feasibility studies at some related suppliers to find other thermal solutions. In addition, we have started engaging directly with our suppliers in order to develop a coal phase out plan by 2030.

Impact of engagement, including measures of success

In 2022 we piloted a Technology Feasibility Assessment with four Vietnam suppliers to provide solutions for coal-fired boilers for our suppliers. We participated in the USAID on Mekong Sustainable Manufacturing Alliance (MSMA) program to conduct coal phase out feasibility studies and biomass mapping exercise to help two Vietnam fabric mills to accelerate the coal phase out process. The MSMA program has helped one of the fabric mills to conduct a feasibility study on rooftop solar system installation to assess the structural safety and provide suggestions / recommendations on the tendering / contracting process.

In 2022, we worked with Resetcarbon together with several brands to pilot a Coal Phase-out Technology Feasibility Assessment Pilot Project with four Vietnam suppliers to provide solutions for coal-fired boilers for our suppliers. We have also joined the USAID - Mekong Sustainable Manufacturing Alliance (MSMA) program to conduct coal phase out feasibility studies and biomass mapping exercise to help two Vietnam fabric mills to accelerate the coal phase out process.

Based on FEM2021 data, we have found 32 strategic T1 and T2 suppliers burning coal onsite. Through our communication with each of these suppliers, we found that three of them have already phased out coal boilers in 2022 and 18 of them have set a timeline to phase out coal-fired boilers by 2025. The rest of suppliers did not have any plans on how to phase out coal fired boilers yet, mainly because of insufficient alternative energy source in the local community.

We will continue engaging these suppliers to understand the updated status and develop a clear roadmap for replacing coal.

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect GHG emissions data at least annually from suppliers
Collect targets information at least annually from suppliers
Collect other climate related information at least annually from suppliers

% of suppliers by number

53

% total procurement spend (direct and indirect)

60

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

As a member of Sustainable Apparel Coalition (SAC), we are always promoting the use of Higg Index Facility Environmental Module (FEM) in the industry and using it to drive environmental improvement at our supply chain. In 2022 we had over 300 Tier 1 and Tier 2 suppliers completed the Higg (FEM), which covers 98% of our procurement from Tier 1 and at least 60% from our Tier 2 fabric mills.

Impact of engagement, including measures of success

The environmental data we are capturing from suppliers via the SAC's Higg Facility Environmental Model (FEM) includes energy and water consumption, production processes involved, total production volume, etc. This data is used for us to calculate the environmental footprint for product manufacturing (e.g. water consumption for denim laundries and fabric mills and Scope 3 GHG emissions). We also use the other FEM data to conduct annual evaluation of some strategic Tier 1 and Tier 2 suppliers to drive improvement on their carbon management system and water/carbon footprint via the AEO Water and Carbon Leadership Program. Furthermore, we have used this information to develop our roadmap to achieving our scope 3 reductions goals. Measures of success about the impact of engagement include: 1) Higg FEM self-assessment adoption rate by our Tier 1 and Tier 2 suppliers; 2) Third party verification rate of Higg FEM; 3) Percentage of data exclusion for GHG calculation; 4) Improvements on environmental performance reflected by the FEM results; and 5) Percentage of suppliers we are following up closely via AEO Water and Carbon Leadership Program using FEM as part of the requirements.

Comment

We assume the number of Tier 2 suppliers are the same as Tier 1 suppliers as we are still working on Tier 2 mapping and assume Tier 2 fabric mills covering 60% of procurement volume have submitted FEM data to AEO. In the future we will continue to expand data collection from our supply chain, including further mapping our Tier 2 suppliers and requesting trims suppliers to submit FEM data.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement & Details of engagement

Education/information sharing	Share information about your products and relevant certification schemes (i.e. Energy STAR)
-------------------------------	---------------------------------------------------------------------------------------------

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

Please explain the rationale for selecting this group of customers and scope of engagement

When shopping on AE.com all customers can enter our REAL GOOD™: Planet in Mind shop, finding all of our Real Good product. From this page customers can also easily learn more about our Real Good program, which encompasses products made from a majority of sustainable materials or produced in factories that meet expectations for our Water Leadership Program. We aim for all customers to be aware of and engage with the Real Good program so they can understand how these products are helping AEO reach its climate, raw materials, and water goals.

Impact of engagement, including measures of success

We measure the success of our information sharing engagement through recognition of the Real Good program by our shoppers. We see this metric increasing over time, specifically when looking at recent shoppers, suggesting that our increased information sharing on our Real Good program is having the desired effect. We engage customers via survey and they have a high favorability towards and recognition of the Real Good program. From a national sample study of both shoppers and non-shoppers, 57% of AE shoppers were familiar with Real Good. That percentage jumps up to 64% when looking at recent shoppers. Additionally, 50% of those surveyed and 73% of recent shoppers were aware of sustainable practices at Aerie. An additional survey showed that 73% of AE customers who have made a purchase in the past 12 months report seeing the Real Good logo while shopping AE and 72% of respondents reported a positive perception of us after viewing the Real Good campaign. These metrics show the impact of our Real Good messaging, and that our education campaign is reaching our customers.

C12.1d

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

We engage our employees on climate-related topics in a variety of ways:

- We have a number of internal working groups aligned with our corporate environmental goals that employees throughout the business participate in based on their job duties or personal interest. These working groups help drive action towards our goals, including our climate goals. In particular, the AEO Green Team hosts guest speakers to teach employees about varying sustainability and climate topics.
- The VP - Responsible Sourcing & Sustainability, who oversees all sustainability goals, hosts semi-regular updates for the company at large to update employees on our sustainability and climate programs and progress towards goals.
- We survey employees as part of our materiality process, collecting and incorporating their feedback on topics material to AEO to ensure that we are continuing to focus on the key environmental, social, and governance topics relevant to our employees.
- We provide training materials to our store associates on the sustainability impacts of our Real Good products.
- Even though our scope 3 goal does not include transportation we engage with our logistics teams to educate them on our climate goals and how we can work together to reduce transportation emissions.

Additionally, we engage with our membership partners to help support, engage with and amplify their work stream dedicated to climate. Some of the membership organizations we engage with that help further our climate programs are the Better Cotton Initiative, Textile Exchange (TE), the Sustainable Apparel Coalition (SAC), and the Apparel Impact Institute (Aii). Better Cotton, TE and the SAC all have organizational goals focused around reducing climate emissions in their respective scopes of work. We engage closely with and leverage the tools available from these partners to help manage, measure and report on our annual greenhouse gas emissions. We also engage closely with Better Cotton on a number of topics, including encouraging them to better understand the emissions of their cotton via traceability efforts.

C12.2

(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization's purchasing process?

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

C12.2a

(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization's purchasing process and the compliance mechanisms in place.

Climate-related requirement

Climate-related disclosure through a non-public platform

Description of this climate related requirement

Denim and Woven Bottom fabric mills and laundries that participate in the Real Good program have to meet Stage 2 of the AEO Carbon Leadership Program in 2022. Suppliers were required to comply with KPIs such as energy data tracking, energy / carbon baseline and reduction target setting, energy efficient lighting system, heat recovery from steam system, conducting feasibility studies and developing implementation plans for carbon phase out and application of renewable energy, etc. We are planning to expand the Real Good program to reflect the non-denim suppliers' performance in the AEO Carbon Leadership Program in the next two years.

% suppliers by procurement spend that have to comply with this climate-related requirement

28

% suppliers by procurement spend in compliance with this climate-related requirement

28

Mechanisms for monitoring compliance with this climate-related requirement

Supplier self-assessment
On-site third-party verification
Supplier scorecard or rating

Response to supplier non-compliance with this climate-related requirement

Retain and engage

C12.3

(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?

Row 1

External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

Yes, our membership of/engagement with trade associations could influence policy, law, or regulation that may impact the climate
Yes, we fund organizations or individuals whose activities could influence policy, law, or regulation that may impact the climate

Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?

Yes

Attach commitment or position statement(s)

AEO's Climate Policy referencing the Paris Agreement is attached. We are also signatories of the United Nations Framework Convention on Climate Change's (UNFCCC) Fashion Industry Charter for Climate Action, which aligns with the goals of the Paris Agreement.
AEO-Climate-Policy_11.2022.pdf

Describe the process(es) your organization has in place to ensure that your external engagement activities are consistent with your climate commitments and/or climate transition plan

AEO does not currently have a process in place.

Primary reason for not engaging in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

Explain why your organization does not engage in activities that could directly or indirectly influence policy, law, or regulation that may impact the climate

<Not Applicable>

C12.3b

(C12.3b) Provide details of the trade associations your organization is a member of, or engages with, which are likely to take a position on any policy, law or regulation that may impact the climate.

Trade association

Other, please specify (American Apparel and Footwear Association)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

American Apparel and Footwear Association (AAFA) is the national trade association representing apparel, footwear and other sewn products companies, and their suppliers, which compete in the global market. Members include manufacturers and retailers to textile suppliers, testing labs, and more. AEO sits on both the environmental and responsible sourcing steering committees at AAFA.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify (Retail Industry Leaders Association)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

The Retail Industry Leaders Association (RILA) is the US trade association for retailers that have earned leadership status by virtue of their sales volume, innovation or aspiration. We convene decision-makers to collaborate and gain from each other's experience. We advance the industry through public-policy advocacy and promote operational excellence and innovation. And through research and thought leadership, we propel developments that foster both economic growth and sustainability. The key environmental impact areas across RILA's membership align around waste and energy, and the key responsible sourcing social impact areas focus on ethical working conditions in owned and contracted supplier facilities. These areas translate into action through our five committees: Sustainability (environmental), Responsible Sourcing, Environmental Compliance, Energy Management, and Zero Waste. For environmental sustainability, our priorities are increasing efficiency and waste diversion and exploring circular economy innovations for waste – and increasing efficiency and reducing greenhouse gas (GHG) emissions for energy. AEO sits on both the environmental sustainability and responsible sourcing committees at RILA.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

Trade association

Other, please specify (United States Fashion Industry Association)

Is your organization's position on climate change policy consistent with theirs?

Consistent

Has your organization attempted to influence their position in the reporting year?

No, we did not attempt to influence their position

Describe how your organization's position is consistent with or differs from the trade association's position, and any actions taken to influence their position

United States Fashion Industry Association (USFIA) is committed to sharing its member's commitments to sourcing and manufacturing at the highest standards. They are industry leaders in terms of developing and maintaining business operations that are not only compliant with global standards, but also ethical—from the cotton field, to the textile mill, to the apparel factory, to the retail store. USFIA shares this story with the Administration, Congress, media, and consumers, educating stakeholders about how fashion brands and retailers are creating change on key issues including factory safety and compliance, environmental sustainability and stewardship, global worker wellbeing and human rights, elimination of forced and child labor, conflict minerals compliance, and chemical management. Through the USFIA Social Compliance & Sustainability Committee, we provide education and training to companies on how to source in a cost-effective, efficient, and ethical way. AEO's Director & Associate General Counsel sits on the USFIA board.

Funding figure your organization provided to this trade association in the reporting year (currency as selected in C0.4)

Describe the aim of your organization's funding

<Not Applicable>

Have you evaluated whether your organization's engagement with this trade association is aligned with the goals of the Paris Agreement?

No, we have not evaluated

C12.3c

(C12.3c) Provide details of the funding you provided to other organizations or individuals in the reporting year whose activities could influence policy, law, or regulation that may impact the climate.

Type of organization or individual

Non-Governmental Organization (NGO) or charitable organization

State the organization or individual to which you provided funding

Fashion Industry Charter for Climate Action (UNFCCC)

Funding figure your organization provided to this organization or individual in the reporting year (currency as selected in C0.4)

25000

Describe the aim of this funding and how it could influence policy, law or regulation that may impact the climate

This is our membership fee. The organization is founded around reducing greenhouse gas emissions in line with the Paris Agreement and has a policy engagement working group that aims to help push legislation in that direction.

Have you evaluated whether this funding is aligned with the goals of the Paris Agreement?

Yes, we have evaluated, and it is aligned

C12.4

(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).

Publication

In voluntary sustainability report

Status

Underway – previous year attached

Attach the document

2021_AEO_ESG_Report (1).pdf

Page/Section reference

Page 23 and 53-56

Content elements

- Governance
- Strategy
- Emissions figures
- Emission targets
- Other metrics

Comment

Publication

In voluntary communications

Status

Complete

Attach the document

AEO-Climate-Policy_11.2022.pdf

Page/Section reference

All pages

Content elements

- Governance
- Strategy
- Emission targets

Comment

AEO Climate Policy

Publication

In voluntary communications

Status

Complete

Attach the document

Page/Section reference

<https://www.aeo-inc.com/sustainability-goals/#save-energy> - Save Energy section

Content elements

- Governance
- Strategy
- Emissions figures
- Emission targets
- Other metrics

Comment

No document attached. See link in "Page/Section Reference".

C12.5

(C12.5) Indicate the collaborative frameworks, initiatives and/or commitments related to environmental issues for which you are a signatory/member.

	Environmental collaborative framework, initiative and/or commitment	Describe your organization’s role within each framework, initiative and/or commitment
Row 1	Fashion Charter for Climate Action RE100 Science Based Targets Network (SBTN) Task Force on Climate-related Financial Disclosures (TCFD) We Mean Business	AEO has an approved science-based target and has committed to set a net-zero target through the SBTi. AEO has also been a member of RE100 with a 100% renewable energy target since 2020. As part of the SBTN we are also a member of the We Mean Business coalition. AEO has been a Fashion Charter for Climate Action signatory since 2019 and has participated in various working groups, included the working groups on Scope 1&2 emissions, manufacturing, and the 1.5 alignment task team. In 2022 AEO completed its first climate-scenario analysis in line with the TCFD principles.

C15. Biodiversity

C15.1

(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?

	Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	Description of oversight and objectives relating to biodiversity	Scope of board-level oversight
Row 1	No, but we plan to have both within the next two years	<Not Applicable>	<Not Applicable>

C15.2

(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Biodiversity-related public commitments	Initiatives endorsed
Row 1	No, but we plan to do so within the next 2 years	<Not Applicable>	<Not Applicable>

C15.3

(C15.3) Does your organization assess the impacts and dependencies of its value chain on biodiversity?

Impacts on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

Dependencies on biodiversity

Indicate whether your organization undertakes this type of assessment

No, but we plan to within the next two years

Value chain stage(s) covered

<Not Applicable>

Portfolio activity

<Not Applicable>

Tools and methods to assess impacts and/or dependencies on biodiversity

<Not Applicable>

Please explain how the tools and methods are implemented and provide an indication of the associated outcome(s)

<Not Applicable>

C15.4

(C15.4) Does your organization have activities located in or near to biodiversity- sensitive areas in the reporting year?

Not assessed

C15.5

(C15.5) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity- related commitments
Row 1	No, we are not taking any actions to progress our biodiversity-related commitments, but we plan to within the next two years	<Not Applicable>

C15.6

(C15.6) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
Row 1	No, we do not use indicators, but plan to within the next two years	Please select

C15.7

(C15.7) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications	<Not Applicable>	<Not Applicable>

C16. Signoff

C-FI

(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.

C16.1

(C16.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	EVP - Chief Operations Officer	Chief Operating Officer (COO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
-----------------------	--------------------------------------------------------------

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms