



**AEO** BUILDING  
A BETTER  
**WORLD**™

**2024  
PROGRESS  
REPORT**





## INTRODUCTION



The **2024 Building a Better World ESG** update highlights our continued commitment to our Planet initiatives, as well as the progress made toward meeting our goals.

AEO's key areas of focus are prioritized by what matters most to our business and our stakeholders, including customers, associates, vendors investors and regulators.



Additional information can be found at [aeo-inc.com](https://www.aeo-inc.com).



# BUILDING A BETTER PLANET - GOALS

| FOCUS AREA                                                                                            | GOAL                                                                                                                   | ESTABLISHED | STATUS                | PROGRESS + ACHIEVEMENTS                                                                               |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------|-------------------------------------------------------------------------------------------------------|
| <br><b>WATER</b>     | Reduce water use per jean by 30% by 2023 from a 2017 baseline year                                                     | 2019        | ★★<br><b>EXCEEDED</b> | Reduced water usage per jean by 36% in 2021, meeting goal two years early                             |
|                                                                                                       | Reduce water use per jean by 50% by 2025 from a 2017 baseline year                                                     | 2022        | <b>ON TRACK</b>       | Reduced water usage by 48% in 2024. Target increased, after meeting our initial goal                  |
|                                                                                                       | Recycle 50% of total water used in denim laundries by 2023                                                             | 2019        | ★★<br><b>EXCEEDED</b> | Reached an overall recycling rate of 64% in 2022, exceeding goal one year early                       |
|                                                                                                       | Recycle 70% of total water used in denim laundries by 2025                                                             | 2022        | ★★<br><b>EXCEEDED</b> | Reached an overall recycling rate of 76%, meeting goal two years early                                |
|                                                                                                       | Apply AEO Wastewater Management Standard to 100% of strategic water-intensive factories, mills and laundries by 2023   | 2019        | ★<br><b>ACHIEVED</b>  | As of 2021, 100% of strategic water-intensive factories conduct wastewater testing annually           |
|                                                                                                       | Reduce water footprint by 30% by 2028 across own operations and strategic factories and mills for all product types    | 2022        | <b>ON TRACK</b>       | Reduction work launched, discussions underway with suppliers                                          |
| <br><b>CLIMATE</b> | AEO commits to securing renewable energy for 100% of electrical power demand for owned and operated facilities by 2030 | 2019        | <b>ON TRACK</b>       | AEO reached 24% renewable energy in 2024                                                              |
|                                                                                                       | Reduce scope 1 & 2 emissions 80% by 2030 from a 2018 base year                                                         | 2019        | <b>ON TRACK</b>       | Emissions decreased 56% from our baseline in 2024                                                     |
|                                                                                                       | Reduce carbon emissions 40% by 2030 and 60% by 2040 in AEO's manufacturing from a 2018 base year                       | 2019        | <b>ON TRACK</b>       | Total emissions from tier 1 factories reduced 11% from 2023 to 2024; procurement volume increased 1%. |
|                                                                                                       | Phase out coal-fired boilers in our supply chain by 2030; no new factories with coal-fired boilers after 2025          | 2022        | <b>ON TRACK</b>       | 16 suppliers phased out coal in 2024, more are underway                                               |

# BUILDING A BETTER PLANET - GOALS

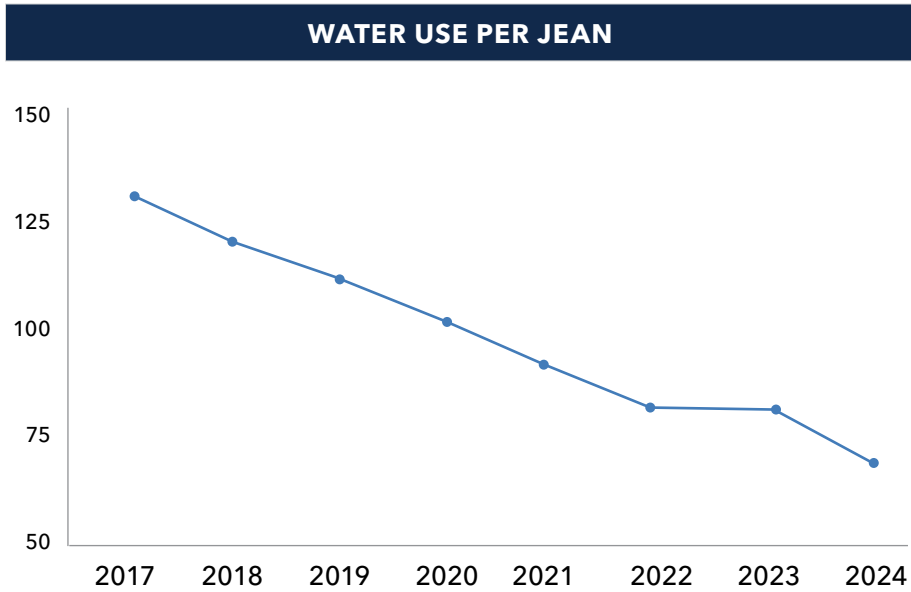
| FOCUS AREA                                                                                                      | GOAL                                                                                                    | ESTABLISHED | STATUS            | PROGRESS + ACHIEVEMENTS                                                                                  |
|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------|-------------------|----------------------------------------------------------------------------------------------------------|
|  <b>WASTE REDUCTION</b>        | Collect post-consumer apparel, diverting waste from landfills with a goal to increase volume every year | 2019        | <b>ON TRACK</b>   | Consumer take back programs include Blue Jeans Go Green (American Eagle) and I Support the Girls (Aerie) |
|                                                                                                                 | Convert all labels to sustainably sourced materials                                                     | 2019        | <b>★ ACHIEVED</b> | All hangtags and product labels are sustainably sourced and will continue to be                          |
|                                                                                                                 | Recycle 100% of pre-consumer apparel waste at factories by 2028                                         | 2022        | <b>ON TRACK</b>   | Waste assessment at factories underway                                                                   |
|                                                                                                                 | Keep unsellable garments (returns and QA issues, product safety issues) from landfills by 2028          | 2022        | <b>ON TRACK</b>   | Partnered with a network of nonprofits to reuse + recycle unsellable garments                            |
|                                                                                                                 | Reduce virgin plastic by 50% and reduce total plastic footprint by 30% by 2028                          | 2022        | <b>ON TRACK</b>   | Initial work underway                                                                                    |
|  <b>SUSTAINABLE MATERIALS</b> | Use sustainable sources for 75% of all fibers by 2028                                                   | 2022        | <b>ON TRACK</b>   | 62% of all fibers are sustainably sourced                                                                |
|                                                                                                                 | • 100% of cotton fiber                                                                                  | 2019        | <b>ON TRACK</b>   | 67% of cotton was sustainably sourced                                                                    |
|                                                                                                                 | • 100% of man-made cellulose fibers                                                                     | 2019        | <b>ON TRACK</b>   | 92% of cellulosics were sustainably sourced                                                              |
|                                                                                                                 | • 20% of all-natural fiber volume will come from recycled materials                                     | 2022        | <b>ON TRACK</b>   | 6% of all-natural fiber volume will come from recycled materials                                         |
|                                                                                                                 | • 50% of nylon fiber                                                                                    | 2022        | <b>ON TRACK</b>   | 44% of nylon was sustainably sourced                                                                     |
|                                                                                                                 | • 100% of polyester fiber                                                                               | 2022        | <b>ON TRACK</b>   | Goal was set at 50% in 2019 and updated in 2022; 63% of polyester was sustainably sourced                |

# WATER GOALS

**Current Goal:** Reduce water use per jean by **50% by 2025**

**Previous Goal:** 30% reduction (surpassed in 2021)

Includes fabric and garment production (mill & laundry)



| Year | Reduction | Gallons of Water | Billion Gallons of Water |
|------|-----------|------------------|--------------------------|
| 2017 | Baseline  | -                | -                        |
| 2018 | -10%      | 3                | 0.7                      |
| 2019 | -16%      | 5                | 1.2                      |
| 2020 | -23%      | 8                | 2.0                      |
| 2021 | -36%      | 12               | 3.5                      |
| 2022 | -38%      | 13               | 4.1                      |
| 2023 | -40%      | 14               | 4.4                      |
| 2024 | -48%      | 16               | 5.6                      |

\*Supplier data currently under third party verification.

**Current Goal:** Recycle 70% of total water in denim laundries by 2025

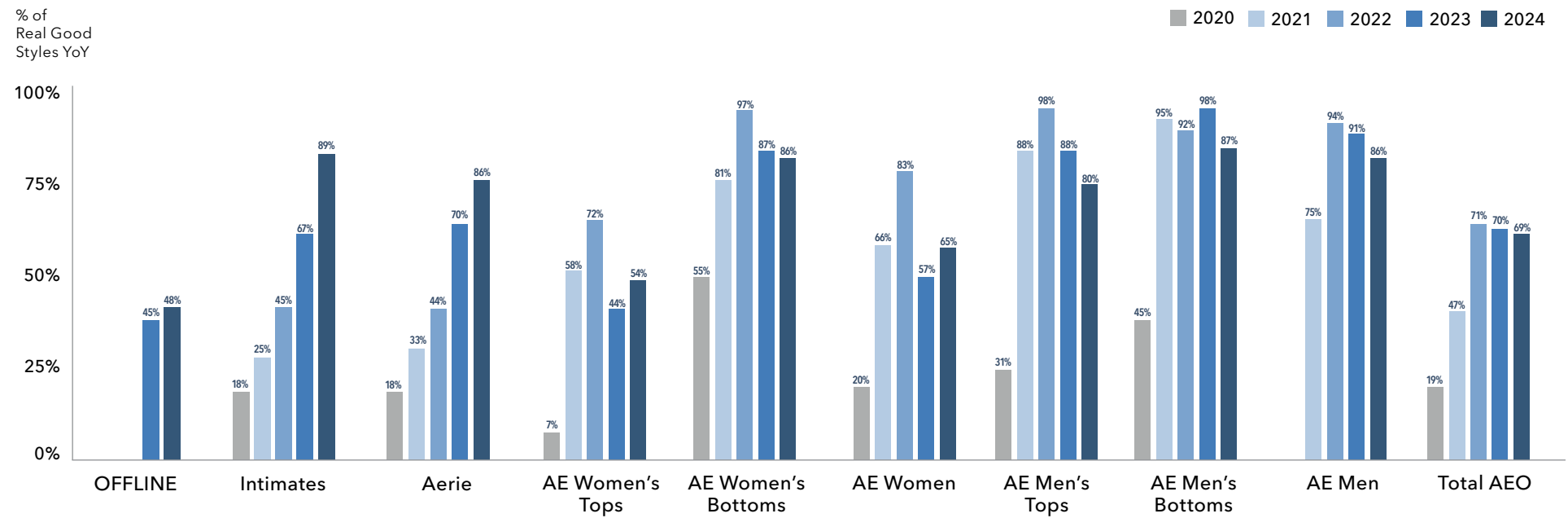
**Previous Goal:** Recycle 50% by 2023 (surpassed in 2022)

Water recycling rate: recycled amount / fresh water amount

| Year | % Recycled In Production | Eligible Jean Laundries | Million gallons of water |
|------|--------------------------|-------------------------|--------------------------|
| 2017 | 12%                      | 24%                     | 2                        |
| 2018 | 14%                      | 27%                     | 2                        |
| 2019 | 25%                      | 68%                     | 4                        |
| 2020 | 27%                      | 78%                     | 4                        |
| 2021 | 45%                      | 100%                    | 7                        |
| 2022 | 64%                      | 100%                    | 9                        |
| 2023 | 73%                      | 100%                    | 9                        |
| 2024 | 76%                      | 97%                     | 10                       |



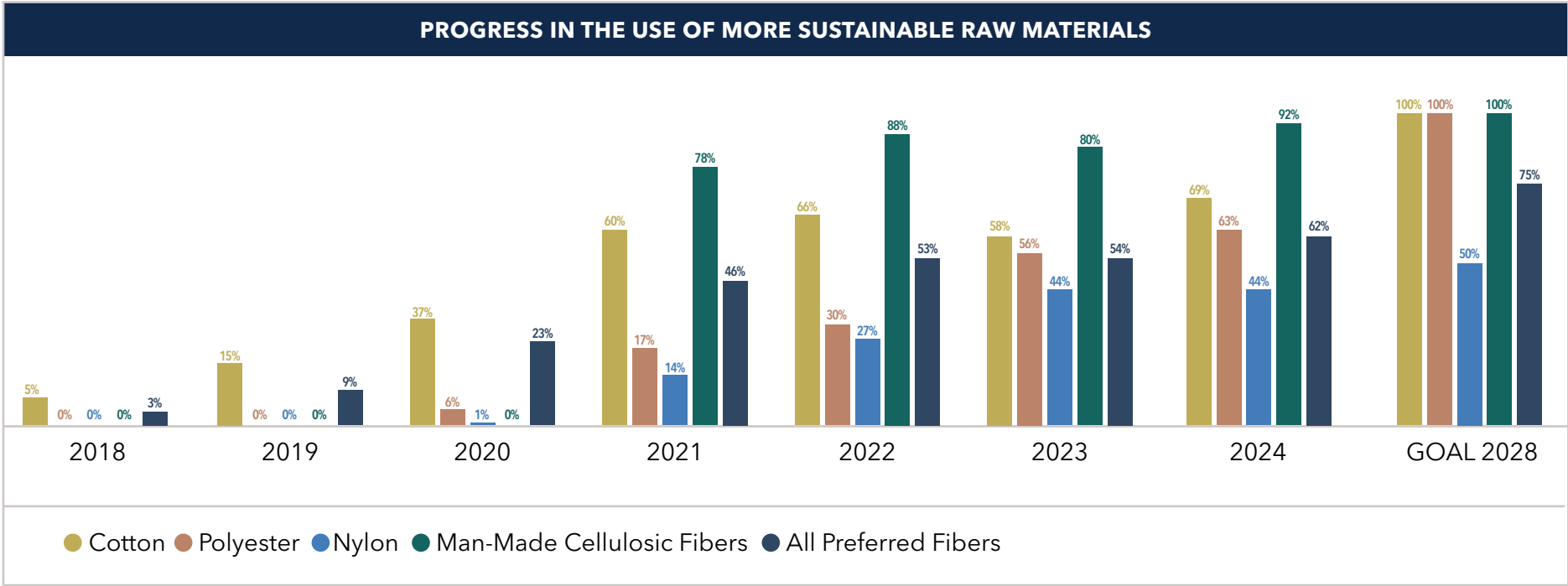
# 2024 REAL GOOD BY THE NUMBERS



| BRAND / CATEGORY         | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------|------|------|------|------|------|
| Total OFFLINE            |      |      |      | 45%  | 48%  |
| Total Intimates          | 18%  | 25%  | 45%  | 67%  | 89%  |
| Total Aerie              | 18%  | 34%  | 44%  | 70%  | 86%  |
| Total AE Women's Tops    | 7%   | 66%  | 72%  | 44%  | 54%  |
| Total AE Women's Bottoms | 55%  | 81%  | 97%  | 87%  | 86%  |
| Total AE Women           | 20%  | 58%  | 83%  | 57%  | 65%  |
| Total AE Men's Tops      | 31%  | 88%  | 98%  | 88%  | 80%  |
| Total AE Men's Bottoms   | 45%  | 95%  | 92%  | 98%  | 87%  |
| Total AE Men             |      | 75%  | 94%  | 91%  | 86%  |
| Total AEO                | 19%  | 47%  | 71%  | 70%  | 69%  |



# CONTINUED INCREASE IN THE USE OF SUSTAINABLE RAW MATERIALS



| Raw Material         | 2028 Goal | Progress |
|----------------------|-----------|----------|
| Nylon                | 50%       | 44%      |
| Polyester            | 100%      | 63%      |
| Cotton               | 100%      | 67%      |
| Man-Made Cellulosics | 100%      | 92%      |



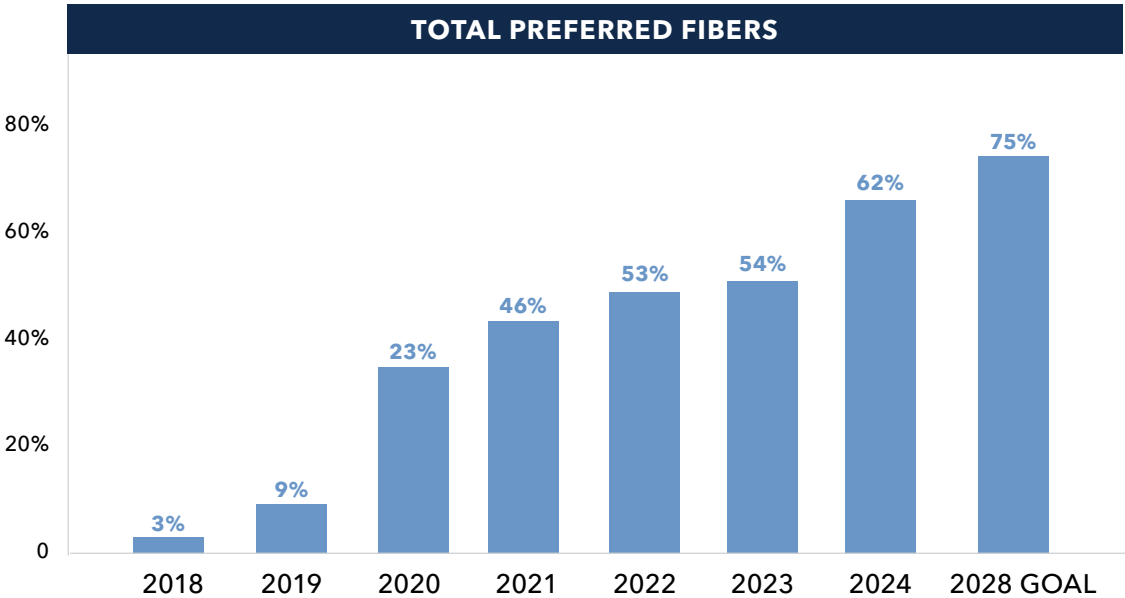


# CONTINUED INCREASE IN USE OF SUSTAINABLE RAW MATERIALS

## 2024 PROGRESS

**2024 ACHIEVED:**  
62% of total fibers were from sustainable sources

**2028 GOAL:**  
Use sustainable sources for 75% of all fibers by 2028





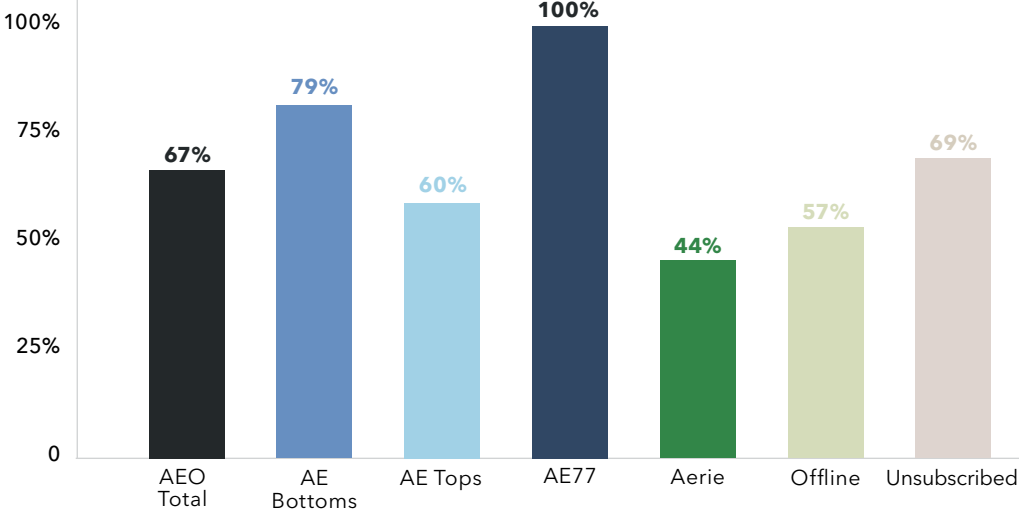
# 2023 SUSTAINABLE COTTON BREAKDOWN

## 2024 PROGRESS

**2024 ACHIEVED:**  
67% of total cotton used is sourced through a recycled, organic or better cotton program

**2028 GOAL:**  
100% sustainable cotton

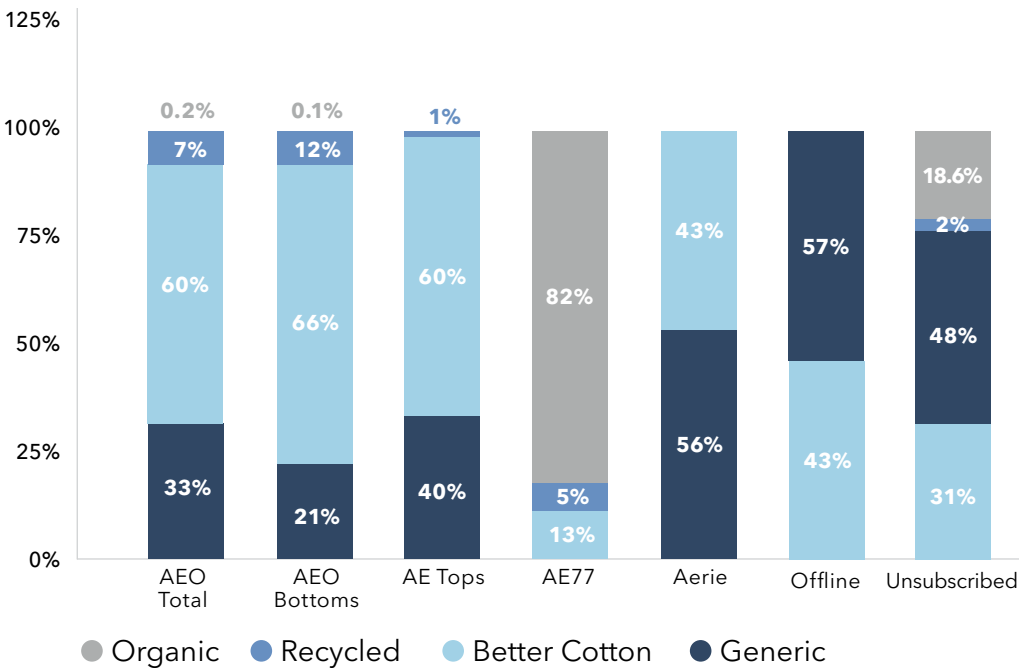
## SUSTAINABLY SOURCED COTTON



## COTTON BREAKDOWN FOR AEO

|                       |               |                 |                |
|-----------------------|---------------|-----------------|----------------|
| 33%                   | 60%           | 7%              | 0.2%           |
| Generic Virgin Cotton | Better Cotton | Recycled Cotton | Organic Cotton |

Beginning in 2023 seasons, all **Real Good** products made with cotton use **100% sustainable cotton** options.



# 2024 SUSTAINABLE POLYESTER BREAKDOWN

## 2024 PROGRESS

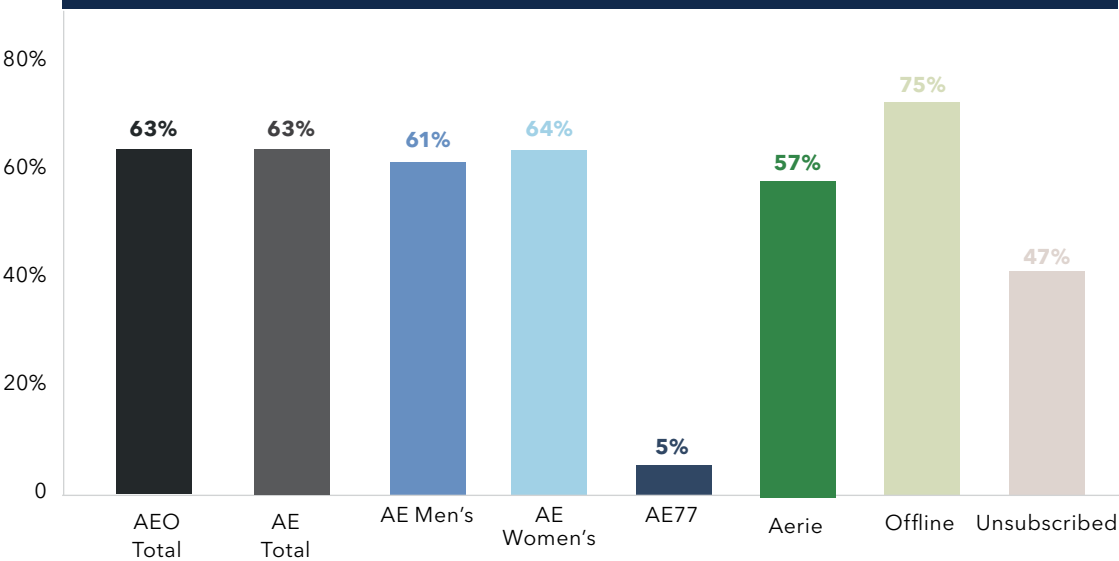
**2024 ACHIEVED:**  
63% of total polyester recycled

**2028 GOAL:**  
100% sustainable polyester

### PLASTIC BOTTLES:

- AEO used the equivalent of more than **634 million plastic bottles** in recycled polyester.
- American Eagle used the equivalent of more than **425 million plastic bottles** in recycled polyester.
- Aerie used the equivalent of nearly **136 million plastic bottles** in recycled polyester.

RECYCLED POYLESTER BY BRAND



| Brand          | Total Recycled (kg) | Total Recycled (lbs) | Water Bottles |
|----------------|---------------------|----------------------|---------------|
| ● AEO Total    | 10,658,238          | 23,497,392           | 634,429,572   |
| ● AE Total     | 7,146,432           | 15,755,186           | 425,390,013   |
| ● AE Men's     | 2,370,804           | 5,226,728            | 141,121,660   |
| ● AE Women's   | 4,775,628           | 10,528,458           | 284,268,353   |
| ● AE77         | 239                 | 527                  | 14,226        |
| ● Aerie        | 2,277,640           | 5,021,337            | 135,576,090   |
| ● OFFLINE      | 1,232,086           | 2,716,285            | 73,339,686    |
| ● Unsubscribed | 105                 | 231                  | 6,250         |