

## AEO Inc. Releases Inaugural “Building a Better World” ESG Report Prepared in Alignment with the Sustainability Accounting Standards Board (SASB)

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- Raises and Expands Environmental Targets After Exceeding Several Goals
- Renames Social Justice Scholarship in Honor of Late Board Member Steven A. Davis
- Broadens Real Good Product Line Criteria

PITTSBURGH--(BUSINESS WIRE)-- American Eagle Outfitters, Inc. (NYSE: AEO) today releases its first annual environmental, social and governance (ESG) report detailing its Building a Better World strategy and progress. AEO also announces updated sustainability goals and renames the REAL Change Scholarship to the Steven A. Davis Scholarship for Social Justice in honor of AEO's late board member.

The report outlines two decades of ESG achievements through the company's Planet, People and Practices initiatives. Notably, AEO reduced its water use per pair of jeans produced by 36%, exceeding a major water reduction goal two years early. Additionally, 95% of American Eagle (AE) jeans and more than 50% of AE and Aerie brand styles made in 2021 were produced under the Real Good label, which signifies products made using the company's highest environmental standards.

“AEO's inaugural ESG report underscores our commitment to building a better world, ensuring greater transparency, communication, standardized reporting and, most importantly, outlining our goals for ongoing improvement,” said Jay Schottenstein, AEO's Executive Chairman of the Board and Chief Executive Officer. “We are taking purposeful actions to protect our planet, care for our people and operate with the highest level of integrity through the very best practices. In working toward our goals, every milestone achieved presents new opportunities to do more. We will continue to raise the bar and build a more sustainable, equitable future for our associates,

customers and communities.”

After several years of environmental action, AEO established comprehensive climate goals in 2019. In 2021, the company formalized its ESG strategy and established a cross-functional ESG working group and steering committee overseen by the board of directors. AEO has now updated its sustainability goals to include:

- Committing to set a long-term net-zero target by 2024;
- Reducing water use per jean by 50% by 2025;
- Sourcing 100% renewable energy for all owned and operated facilities by 2030;
- By 2023, 100% of cotton, 50% of polyester and 100% of man-made cellulosic (MMC) fibers to be sourced more sustainably;
- Through the Real Good product label, the AE brand will also require that jeans are made with a majority of sustainable fibers, such as recycled or sustainably sourced cotton beginning with back-to-school 2023. This is in addition to jeans being made in factories that meet AEO's water standards.

AEO is also proud to announce that it has renamed its REAL Change Scholarship to the Steven A. Davis Scholarship for Social Justice in honor of late AEO board member Steven Davis, who unexpectedly passed away in July of 2022. Mr. Davis was an esteemed advisor to the company's leadership team with a passion for building strong communities through inclusion, diversity, equity and access. Introduced in 2020, the scholarship is a \$5 million commitment to advancing educational opportunities for AEO associates who are driving anti-racism, equality and social justice initiatives. In 2022, the second class of 15 recipients was named, marking a total of 30 scholars who are each eligible for up to \$40,000 toward secondary education.

Other key achievements highlighted in AEO's Building a Better World 2021 ESG Report include:

- Saved 3.5 billion gallons of water across jeans factories since the launch of the Water Leadership Program in 2017;
- Saved an estimated 5.1 billion gallons of water due to the sourcing of Better Cotton;
- Sustainably sourced 59% of cotton and 16% of polyester used across portfolio of brands;
- Aerie used the equivalent of 10.9 million plastic bottles in recycled polyester;
- Increased the use of renewable energy in operations to 26% through the procurement of green energy;
- Corporate board of directors comprising 50% diverse members, as defined by gender and/or ethnicity;
- Achieved near gender parity in executive leadership, with 47% of executive leaders identifying as female;
- Donated 40 million meals to Feeding America over the past two years;
- Donated more than \$46 million to charitable organizations championing mental health, youth empowerment, education and the environment since 2012.

AEO's Building a Better World 2021 ESG performance reporting aligns with the Sustainability Accounting Standards

Board (SASB) Apparel, Accessories & Footwear Standard. To view the full report and learn more about AEO's Planet, People and Practices initiatives, please visit [aio-inc.com](http://aio-inc.com) or click **here**.

## About American Eagle Outfitters, Inc.

American Eagle Outfitters, Inc. (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. Our purpose is to show the world that there's REAL power in the optimism of youth. The company operates stores in the United States, Canada, Mexico, and Hong Kong, and ships to 81 countries worldwide through its websites. American Eagle and Aerie merchandise also is available at more than 270 international locations operated by licensees in 25 countries. For more information, please visit [www.aio-inc.com](http://www.aio-inc.com).

Olivia Messina

412-432-3300

**LineMedia@ae.com**

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