



## American Eagle Outfitters Inc.

**Banners:** American Eagle Outfitters  
**Type of company:** Public, NASDAQ: AEOS  
**Notes:** 869 Stores in the US and Canada

Notes on Findings	Company Score	Question Weighting (% of section)
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### 1. Governance and Risk Management

<b>1.1 Board level responsibility for ethical issues in the supply chain</b> -Reported evidence of a "Nominating and Corporate Governance committee" that has explicit responsibility for CSR issues but not clear if this includes responsibility for ethical issues in the supply chain. <i>(http://phx.corporate-ir.net/phoenix.zhtml?c=81256&amp;p=irol-SocialResponsibility)</i>	33	40
<b>1.2 Reporting of labour standards issues in the supply chain as a risk factor</b> -reputational and operational risks from failure to comply with labour standards are specifically addressed in 10-K filing dated April 5, 2006.	100	30
<b>1.3 Risk analysis of labour standards issues in the company's existing supply chain</b> - No mention of comprehensive risk analysis of labour standards issues in the company's supply chain - "Factories are selected for inspection based on a combination of volume and risk factors" - No disclosure of specifics as to what constitutes "risk factors" <i>Website: Corporate Social Responsibility</i>	50	30
<b>Section total score / section weighting</b>		58.2 X 10%

### 2. Code for Labour Standards in the Supply Chain

<b>2.1 Quality and scope of the code for labour standards in the supply chain</b> -There is a "Vendor Code of Conduct" -It covers the core ILO conventions but limits the company's commitment to: -Freedom of association: "Vendors and contractors must respect the rights of employees to associate freely, join organizations of their choice and bargain collectively <i>without unlawful interference.</i> " -It does not meet the hours of work standards -It does not include living wage requirements	25	60
<b>2.2 Publication and availability of the code for labour standards in the supply chain</b> -It is published on their website <i>http://phx.corporate-ir.net/phoenix.zhtml?c=81256&amp;p=irol-SocialResponsibility</i>	100	20
<b>2.3 Application of the code for supply chain labour standards</b> -Code applies to entire breadth of production -"contractually requires all suppliers to meet our global workplace standards...as set forth in our Code of Conduct" <i>p. 4, 10-K filing dated April 5, 2006</i>	100	20
<b>Section total score / section weighting</b>		55 X 15%

### 3. Stakeholder Engagement

<b>3.1 Membership of multi-stakeholder processes</b> -No reported evidence of involvement in a multi-stakeholder initiative that includes representation from both NGOs and labour. -Member of Business for Social Responsibility (BSR) which does not qualify as a MSI	0	30
<b>3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chain</b> -Participated in joint open letters regarding labour and human rights issues in Mexico and Philippines <i>http://www.maquilasolidarity.org/alerts/Letter%20to%20Governor%20Marin%20Torres%20Mar%202006.pdf</i>	25	30
<b>3.3 Worker and third party complaints</b> - No reported evidence	0	40
<b>Section total score / section weighting</b>		7.5 X 20%

## 4. Management

<b>4.1 Resource Commitment</b> -There is a VP of Corporate Responsibility and Customs Compliance Officer -This VP is two or fewer reporting levels from the board <i>Corporate Social Responsibility Page, see above link</i>	100	25
<b>4.2 Training for buying agents</b> -There are reports of training programs for buying and production teams -There are no reports, however, of whether this is ongoing and scheduled or carried out on an ad-hoc basis <i>Corporate Social Responsibility Page, see above link</i>	100	25
<b>4.3 Training for factory management personnel and workers</b> -"A majority of our suppliers also conduct in-country training at the manufacturing facilities. This includes, but is not limited to, training on labor standards and security." <i>Corporate Social Responsibility Page, see above link</i>	33.3	25
<b>4.4 Rewards and Incentives</b> -No reported evidence	0	25
<b>Section total score / section weighting</b>	<b>58.3</b>	<b>X 20%</b>

## 5. Supply Chain Auditing and Reporting

<b>5.1 Commitment to Auditing Labour Standards in the Supply Chain</b> -There is an internal auditing program that applies to all factories in supply chain -"policy for the inspection of factories throughout the world where goods are produced to our order" <i>p. 4, 2005 Annual Report</i>	100	15
<b>5.2 Status of the Audit Schedule</b> -No reported evidence	0	5
<b>5.3 Public Disclosure of Manufacturing Sites</b> -No reported evidence	0	10
<b>5.4 Transparency of the Labour Standards Auditing Methodology</b> -The auditing methodology is not publicly available	0	15
<b>5.5 External Verification of Labour Standard Audits</b> -There is mention of third party involvement in the verification of audits, but the identity of the auditing organization is not reported -There is no reported evidence of input from NGOs or labour in the country of supply <i>Corporate Social Responsibility Page, see above link</i>	33.3	20
<b>5.6 Reporting the Results of Audits of Labour Standards in the Supply Chain</b> -No reported evidence	0	20
<b>5.7 Dealing with Non-Compliance</b> -There is a publicly available policy for handling instances of non-compliance and it includes a staged approach to dealing with violations (it could be more detailed). <i>Corporate Social Responsibility Page, see above link</i>	100	15
<b>Section total score / section weighting</b>	<b>36.7</b>	<b>X 35%</b>

**Total Score** **40** /100