

American Eagle Outfitters Inc.

Banners: American Eagle Outfitters Type of company: Public, NASDAQ: AEOS Notes: 846 Stores in the US and Canada



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Notes on Findings	Notes on Findings	omp Scol	Question Weighting (% of section

1. Governance and Risk Management

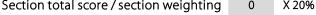
1.1 Board level responsibility for ethical issues in the supply chain -Reported evidence of a "Nominating and Corporate Governance committee" that has explicit responsibility for ethical issues in supply chain	100	40
1.2 Reporting of labour standards issues in the supply chain as a risk factor -Compliance violations and social responsibility standards are specifically addressed in 10-Q filing dated Sept 7, 2005. However, there is no evidence of a systematic analysis of labour rights issues as a risk factor in the annual report	33.3	30
 1.3 Risk analysis of labour standards issues in the company's existing supply chain 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" Website: Corporate Social Responsibility 		30
Section total score / section weighting	49.99	X 10%

2. Code for Labour Standards in the Supply Chain

p. 4, 2004 Annual Report Section total score / section weighting	48.34	X 15%]
2.3 Application of the code for supply chain labour standards -Code applies to entire breadth of production (but not their own procurement) -"contractually requires all suppliers to meet our global workplace standardsas set forth in our Code of Conduct"	66.7	20	
2.2 Publication and availability of the code for labour standards in the supply chain -It is published on their website http://phx.corporate-ir.net/phoenix.zhtml?c=81256&p=irol-SocialResponsibility	100	20	
 2.1 Quality and scope of the code for labour standards in the supply chain -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 without unlawful interference." -It does not meet the hours of work standards -It does not include living wage requirements 	25	60	

3. Stakeholder Engagement

3.1 Membership of multi-stakeholder processes -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	50	
3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chain -No reported evidence	0	50	
Section total score / section weighting	0	X 20%	





4. Management

4.1 Resource Commitment -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	30
4.2 Training for buying agents -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>	50	25
4.3 Training for factory management personnel and workers -No reported evidence	0	25
4.4 Rewards and Incentives -No reported evidence	0	20
Section total score / section weighting	42.5	X 20%

5. Supply Chain Auditing and Reporting

5.1 Commitment to Auditing Labour Standards in the Supply Chain -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, 2004 Annual Report</i>	100	15
5.2 Status of the Audit Schedule -No reported evidence	0	5
5.3 Public Disclosure of Manufacturing Sites -No reported evidence	0	10
5.4 Transparency of the Labour Standards Auditing Methodology -The auditing methodology is not publicly available	0	15
 5.5 External Verification of Labour Standard Audits There is mention of third party involvement in the verification of audits, but the identity of the auditing organization is not reported "this program utilizes third party inspectors to audit compliance" There is no reported evidence of input from NGOs or labour in the country of supply p. 4, 2004 Annual Report 	33.3	20
5.6 Reporting the Results of Audits of Labour Standards in the Supply Chain -No reported evidence	0	20
5.7 Dealing with Non-Compliance -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
Section total score / section weighting	36.66	X 35%

Total Score 34 /100