

**May 28, 2024**

Mr. Dominic A. LeBlanc  
Minister of Public Safety  
Public Safety of Canada  
269 Laurier Avenue West  
Ottawa ON K1A 0P8

**RE: Fighting Against Forced Labour and Child Labour in Supply Chains Act Annual Report Filed by American Eagle Outfitters Canada Corporation and AE North Holdings Co.**

Dear Minister LeBlanc:

In accordance with Canada's Forced and Child Labour in Supply Chains Act ("Act"), American Eagle Outfitters Canada Corporation ("AEO Canada Corp") and AE North Holdings Co. ("AE North") hereby submit a joint annual report ("Report") on steps taken during its fiscal year 2023 ("FY 2023") to prevent and reduce the risk that forced labour or child labour is used in the production of goods imported into or sold in Canada. AEO Canada Corp and AE North are collectively referred to herein as the "Company".

By way of background, American Eagle Outfitters, Inc. ("AEO Inc.") is a leading American clothing and apparel retailer, headquartered in Pittsburgh, Pennsylvania, USA. AEO Canada Corp and AE North operate the Canadian business of AEO Inc. Specifically, AEO Canada Corp houses all Canadian retail stores, Canadian e-commerce platforms, and Canadian logistics services relating to the sale of AEO branded products in Canada. AE North is a Canadian holding company, and it owns 100% of AEO Canada Corp. AE North, and therefore AE Canada Corp, are indirectly wholly-owned by AEO Inc.

In accordance with Section 2 of the Act, AEO Canada Corp satisfies the definition of a covered "entity" and is required to submit this Report. Out of an abundance of caution, and although it is a mere Canadian holding company that does not have activities of its own, AE North is included as a joint submitter of this Report. Because AEO Inc. is a non-resident of Canada that does not itself have a place of business in Canada, does not do business in Canada, and does not have assets in Canada, it does not satisfy the definition of a covered "entity". Further, as AEO Inc. does not otherwise trigger any conditions under the Act that require the submission of an annual report, AEO Inc. is not included as a submitter of this Report.

The Company has successfully completed the online questionnaire required by the Act. Additionally, the Company has attached the information required by Section 11 of the Act as **Exhibit A**. Finally, the Company has received appropriate approval to file this Report.

Thank you for your consideration.

Respectfully Submitted,

DocuSigned by:  
  
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James Keeler  
Director

American Eagle Outfitters Canada Corporation  
AE North Holdings Co.

Enclosures

**Exhibit A**  
**Information Required by Section 11 of the Act**

**Section A: Its structure, activities and supply chains**

**AEO Response:**

- **Structure:** The Company operates the Canadian business of AEO Inc. Specifically, AEO Canada Corp houses all Canadian retail stores, Canadian e-commerce platforms, and Canadian logistics services. AEO Canada Corp is also the importer of record for merchandise imported into Canada. AE North is a Canadian holding company and it owns 100% of AEO Canada Corp.
- **Activities:** Regarding its activities, the Company is a specialty apparel retailer, selling various imported merchandise (including jeans, shirts, outerwear, swimsuits, leggings, and intimates) to Canadian customers via Canadian retail store locations and e-commerce platforms. The Company operates a distribution center located in Mississauga, Ontario.

Please note, AEO Inc., and certain of its US-based subsidiaries, conduct various activities and support functions for and on behalf of its wholly-owned subsidiaries (including its Canadian entities, AEO Canada Corp and AE North). These activities and functions include: production and sourcing activities, supply chain functionality, the provision of legal services and support; social responsibility support and functionality; ethics and compliance support and functionality; and finance, accounting, and tax support. To this end, the responses provided in this Report (as well as the corresponding references to the “Company”) include the activities and support functions that AEO Canada Corp and AE North have retained AEO Inc. to provide to them, on their behalf.

- **Supply Chain:** The Company enters contractual relationships with various first-tier vendors and factories (collectively, “Vendor” or “Vendors”) for the production of its merchandise (i.e. the Company produces its merchandise via contract manufacturing). The Vendors: (a) source the materials (both raw and otherwise) required for the production of the Company's merchandise from various suppliers (e.g., cotton, trim, buttons, zippers); and (b) utilize various secondary and tertiary suppliers in the production of the merchandise for the Company (e.g., mills, yarn spinners, etc.). For clarification purposes, the Vendors contract with all additional suppliers directly (i.e., the Company does not have a contractual relationship with suppliers below the Vendor level). Upon completion of the finished merchandise by the Vendors, the merchandise is exported to Canada to the Company for sale via the Company's Canadian retail stores and e-commerce platforms.

**Section B: Its policies and its due diligence processes in relation to forced labour and child labour**

**AEO Response:** The Company, as part of AEO Inc., is dedicated to the highest level of social responsibility. The Company operates and maintains a comprehensive social compliance program. As a foundational component of this program, the Company maintains various policies and conducts meaningful cross-functional due diligence (including auditing) in relation to forced labour and child labour.

- **Policies:** First, the Company's **Code of Conduct (“Code of Conduct”)**, which is based on internationally accepted standards, including the International Labour Organization (“ILO”)’s core conventions and the Universal Declaration of Human Rights, outlines the minimum standards that the Company requires of its Vendors and suppliers. These standards include explicit prohibitions against both the use of forced labour and/or the use of child labour by the Company's Vendors and suppliers.

In addition to the Company's Code of Conduct, and as a part of its robust social compliance program, the Company maintains a **Prohibited Sourcing Regions Policy ("Prohibited Sourcing Policy")**. The Prohibited Sourcing Policy prohibits the use of materials (including cotton and/or finished goods) by Vendors and suppliers from the following areas (which have been designated by the Company as at risk of forced labour): (a) Turkmenistan; (b) Uzbekistan; and (c) the Xinjiang Uyghur Autonomous Region ("XUAR") in China. Additionally, the Prohibited Sourcing Regions Policy requires the Company's Vendors to maintain an accurate mapping of their supply chains, regarding the source of cotton, cotton products, and other materials purchased for use in the Company's merchandise, in order to ensure compliance by the Vendors' additional suppliers. For avoidance of doubt, the Company maintains a mandatory certification process whereby Vendors are required to certify compliance with the Prohibited Sourcing Regions Policy.

Additionally, in 2019, the Company issued a **Forced Labor and Migrant Worker Policy ("Migrant Worker Policy")** to ensure that all Vendors maintain adequate recruitment and employment practices to protect employees (including local hires and domestic or foreign migrant workers) from potential labor vulnerabilities. Similar to the Company's management of its Prohibited Sourcing Policy, the Company maintains a mandatory certification process whereby First Tier Suppliers are required to certify compliance with the Company's Forced Labor and Migrant Worker Policy.

Finally, the Company maintains a **Subcontracting Policy ("Subcontracting Policy")**. The Subcontracting Policy prohibits the use of unauthorized subcontracting by the Company's Vendors, and it requires Vendors to secure the Company's approval prior to outsourcing or subcontracting orders.

- **Due Diligence Processes:** The Company operates and maintains a comprehensive social compliance program. As a part of this social compliance program, the Company conducts both robust up-front and meaningful on-going due diligence in relation to forced labour and child labour.

First, the Company's Responsible Sourcing team requires the completion of a social compliance audit, by Vendors, prior to any orders being placed by the Company (with such Vendors). This social compliance audit includes, amongst other things, forced labour-related and child labour-related due diligence. Additionally, the Company's Compliance team utilizes an industry-leading software solution to conduct comprehensive third-party screening of the Company's Vendors, prior to any orders being placed. If issues arise with a Vendor during either the Company's social compliance audit or the Company's third-party due diligence screening, the Company has the ability to not place any orders with (and/or not work with) the Vendor at issue.

Next, the Company periodically performs audits and conducts other due diligence efforts (including the exchange of questionnaires, physical site inspections, and virtual and in-person meetings) on Vendors to ensure labor conditions and standards set forth in the Company's policies are met. Specifically, the Company's Responsible Sourcing team conducts various on-going auditing of Vendors' labor practices and workplace environments. This auditing includes on-site visits, and interviews with workers, and meetings with Vendor management. Additionally, the Compliance team manages a risk-based quarterly compliance auditing program. Under this program, the Compliance team issues ethics and compliance questionnaires to certain of the Company's Vendors, on a quarterly basis. The questionnaires assess a broad range of ethics and compliance issues, including the identification of forced labor in the Vendors' supply chains.

Moreover, the Company's Compliance team operates a global ethics/reporting hotline ("Hotline"). The Hotline is available twenty-four (24) hours a day, seven (7) days a week (with translation available), and it enables employees and others to confidentially alert the Company about suspicions

of misconduct, including those related to the Company's Code of Conduct and other policies (and potential issues and allegations of non-compliance thereunder). The Company frequently communicates (and provides training on) the existence and operation of the Hotline.

Finally, many of the Company's teams (including the Company's Legal, Supply Chain, Production, Human Resources, Trade & Regulatory, and Internal Audit teams) actively monitor the Company's supply chain for compliance and workplace-related issues, including in relation to forced labour and child labour. The processes utilized by these teams include due diligence through various training, the mandatory completion and review of informational questionnaires, physical site-inspections, virtual and in-person meetings, certifications, and periodic audits, reviews, and investigations.

**Section C: The parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk**

**AEO Response:** The Company utilizes government and industry resources (including ILO resources, publications, and reports; the U.S. Department of Labor's List of Goods Produced by Child Labor or Forced Labor; the U.S. Department of Labor's Findings on the Worst Forms of Child Labor; the U.S. Department of Homeland Security's UFLPA Entity List; and OECD Guidelines and due diligence) to assist in the identification of the parts of its business and supply chain that carry a risk of forced labour or child labour.

The Company has taken many steps to assess the labor-related risks in its supply chain, manage the corresponding risk, and bolster its commitment to the prohibition of forced labor and child labor. These steps include the following:

- The Company initiated a comprehensive mapping initiative for its supply chain (the "Mapping Initiative"). The objectives of the Mapping Initiative were to: (a) strengthen the Company's ability to trace the sourcing of materials and production utilized in the Company's supply chain beyond its Vendors; and (b) assess its overall labor-related and traceability-related risks.
- The Company issued due diligence questionnaires to its Vendors. The purpose of the questionnaires was to assess its Vendors' potential supply chain connections to forced labour.
- The Company's Responsible Sourcing team engaged a third-party labor specialist to conduct risk-based self-assessments on the Company's First Tier Suppliers.
- The Company expanded its Prohibited Sourcing Regions Policy to include a prohibition on the use of cotton or other material/finished goods from the XUAR region in China in any of the Company's products.
- On a periodic basis, the Company's Legal team spearheads reviews of the Company's standard Master Purchase Agreement ("MPA"). During these reviews, the Company's Legal team revises and bolsters the terms of the MPA to manage and mitigate certain risks identified in the Company's practices and business. In 2020, the Company revised its Master Purchase Agreement ("MPA") with Vendors to: (a) clarify that no merchandise supplied under the MPA is to be produced in violation of the U.S. Uyghur Human Rights Policy Act of 2020, or any or all other laws related to or in connection with rights abuses in the XUAR); (b) require Vendors to conduct reasonable investigations into all manufacturers/sellers which they utilize in the production of Company's merchandise (including the sourcing of raw materials) to confirm there is no reason to believe forced labor was utilized; and (c) require Vendors to retain records and results related to the reasonable investigations and provide such records and results to the Company upon its request.

- Various of the Company's teams (including the Company's Responsible Sourcing team, Compliance team, Production teams, and Internal Audit team) conduct in-person interviews and on-site inspections of Vendors and Vendors' factories. These interviews and site inspections include assessments of labor-related and workplace-related standards and assessments of the Vendors' compliance with the Company's standards and policies (including compliance with the Company's Code of Conduct, Prohibited Sourcing Policy, Migrant Worker Policy, and Subcontracting Policy).
- The Company also manages the risk of forced labour and child labour in its products by explicitly prohibiting the use of any materials (including cotton and/or finished goods) by Vendors and suppliers in the production of the Company's merchandise that are sourced in full or in part from Turkmenistan, Uzbekistan, and the UXAR (as these are the countries where the Company currently believes there is the highest risk of forced labour or child labour, and as indicated in the Company's response to Section B, these prohibitions are contained in the Company's Prohibited Sourcing Policy).
- As indicated in the Company's response to Section B, the Company (including the Company's Responsible Sourcing team and the Company's Compliance team) conducts various on-going compliance (including social compliance) auditing of its Vendors, during the Company's engagement of, and relationship with, such Vendors. The purpose of these audits is to: (a) assess compliance and compliance-related risks; and (b) manage and mitigate the corresponding risks assessed.
- As indicated in the Company's response to Section B, the Company operates and maintains its global ethics/reporting Hotline. The Hotline is accessible to, and utilized by, Vendors and Vendor employees. The Hotline provides the Company the visibility needed to assess, manage, and mitigate identified risks.

**Section D: Any measures taken to remediate any forced labour or child labour**

**AEO Response:** As evidenced by this Report, and the information contained within, the Company takes issues of forced labor and child labor seriously. The Company has not identified forced labour or child labour in the production of its merchandise.

As indicated in the Company's response to Section A, the Company utilizes third-party contract manufacturers for the production of its merchandise (i.e., the Company neither produces its own merchandise nor has any owned-operations that are utilized in the production of its merchandise). To the extent the Company identifies potential forced labour or child labour in its third party contract manufacturers' production of its merchandise, each such incident is to be evaluated and managed on a case-by-case basis, dependent on the facts at hand. This includes partnering to investigate the issue, consulting with third-party experts (where needed), communicating with the parties at issue, and considering responsibly terminating the relationships with the parties at issue (including stopping production and requiring appropriate remediation).

**Section E: Any measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains**

**AEO Response:** The Company takes issues of forced labor and child labor seriously. As indicated in its response to Section D, the Company has not identified forced labour or child labour in the production of its merchandise. Therefore, the Company has not had to consider appropriate measures to remediate the loss of income.

As indicated in the Company's response to Section A (and above in Section D), the Company utilizes third-party contract manufacturers for the production of its merchandise (i.e., the Company neither produces

its own merchandise nor has any owned-operations that are utilized in the production of its merchandise). To the extent the Company identifies potential forced labour or child labour in its third party contract manufacturers' production of its merchandise, each such incident is to be evaluated and managed on a case-by-case basis, dependent on the facts at hand. This includes partnering to investigate the issue, consulting with third-party experts (where needed), communicating with the parties at issue, and considering responsibly terminating the relationships with the parties at issue (including stopping production and requiring appropriate remediation).

#### **Section F: The training provided to employees on forced labour and child labour**

**AEO Response:** The Company maintains a robust education and training program. As a part of this program the Company provides various training to its employees, including ethics and compliance training and social compliance training.

The Company's Compliance team conducts ethics and compliance training, which includes the communication of concepts addressed in the Company's Code of Conduct (including forced labour and child labour), to employees on an annual basis. The Company's employees are required to certify compliance with, and completion of, this annual ethics training.

Additionally, the Company's Responsible Sourcing team conducts periodic social compliance program meetings, which include the communication and training of concepts addressed in the Company's Code of Conduct (including forced labour and child labour), with employees responsible for interactions with Vendors (e.g., the Production team). The Company's Code of Conduct is made available to employees via: (a) the Company's internal policy database; and (b) the Company's corporate website ([www.aeo-inc.com](http://www.aeo-inc.com)).

#### **Section G: How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains**

**AEO Response:** The Company utilizes a cross-functional approach to assess its effectiveness in ensuring that forced labour and child labour are not used in its business and supply chains.

As indicated throughout this Response, various internal teams (including the Company's Responsible Sourcing, Legal, Compliance, Transportation, Trade & Regulatory, and Internal Audit teams) actively monitor and assess the Company's business and supply chains (including in relation to forced labour and child labour risks).

The Company's Responsible Sourcing team and the Company's Compliance team play a central role in the ownership and management of the Company's compliance efforts and activities in this space. To evaluate the effectiveness of the Company's efforts, the Company's Responsible Sourcing team and the Company's Compliance team hold quarterly ethics and compliance review meetings (which include certain of the Company's larger Production teams) ("Quarterly Reviews"). The purpose of these Quarterly Reviews includes coordination of Vendor reviews, allocation of resources for monitoring and auditing efforts, discussion of compliance-related concerns and risks, and assessment of the Company's controls in mitigating compliance-related concerns and risks (including controls related to ensuring forced labour and child labor are not being used).

In addition to internal cross-functional efforts, the Company is an active participant in the broader clothing and apparel industry and retail industry efforts (including benchmarking with brands, participating in industry meetings, and holding leadership positions on industry association committees and boards). Through these efforts, the Company is able to have reliable and consistent access to industry best practices, assess the

effectiveness of its controls, discuss evolving industry risks, and benchmark on process and program improvements.

**Attestation**  
**American Eagle Outfitters Canada Corporation**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. For clarity, I am providing this attestation in my capacity as a director and officer of American Eagle Outfitters Canada Corporation, and not in my personal capacity.

Name: James Keefer

Title: Director  
5/28/2024 | 6:33 PM EDT

Date:

Signature:

DocuSigned by:  
James Keefer

I have the authority to bind American Eagle Outfitters Canada Corporation

Name: Michael Mathias

Title: Director  
5/28/2024 | 12:13 PM EDT

Date:

Signature:

DocuSigned by:  
Michael Mathias

I have the authority to bind American Eagle Outfitters Canada Corporation



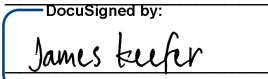
**Attestation**  
**AE North Holdings Co.**

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above. For clarity, I am providing this attestation in my capacity as a director and officer of AE North Holdings Co., and not in my personal capacity.

Name: James Keefer

Title: Director  
5/28/2024 | 6:33 PM EDT


Date:

Signature:   
I have the authority to bind AE North Holdings Co.

Name: Michael Mathias

Title: Director  
5/28/2024 | 12:13 PM EDT

Date:

Signature:   
I have the authority to bind AE North Holdings Co.