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2021–2022 Impact Report

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This report covers information and data from October 1, 2021 through September 30, 2022. URBN plans to release Impact Reports on a biannual cadence and release updates on key metrics annually.

ABOUT URBN

Urban Outfitters, Inc. (URBN) is a portfolio of global consumer brands comprised of Anthropologie, BHLDN, Free People, FP Movement, Terrain, Urban Outfitters, Nuuly and Menus & Venues. Over the last 50 years, we have inspired our customers through our creative and entrepreneurial approach to products, services and experiences. We look forward to continuing this journey for another 50 years and beyond.











UR BN









LEAD WITH CREATIVITY... TO MAKE AN IMPACT

At URBN, we **Lead With Creativity...** Creativity guides our approach to product, environment, experience, and community. It drives our vision, strategy, and decision-making. It touches every job at URBN and it has shaped the creation of this report.

Lead With Creativity... to Make an Impact highlights our ambitious plans to apply our creative thinking and entrepreneurial mindset to our industry's challenges in environmental and social responsibility.

We are proud of everything we have accomplished but we recognize that this is just the beginning. We are committed to responsible business practices that benefit our employees, shareholders, customers, and the planet.



OUR VALUES

in communicating and collaborating with integrity

RESPECT

our planet, our world, and each other

BUILD

our future through creative entrepreneurship

NURTURE meaningful con

meaningful connections with customers and employees

These values are the foundation of our Lead with Creativity... to Make an Impact platform, with Respect as the cornerstone of this report – Respect our Planet and Respect our People. We work every day to uphold these values and to be held accountable to them by our community.





URBN 2021–2022 HIGHLIGHTS





a Resale Marketplace

Launched **Employee Resource Groups** at Home Office

Funded FabScrap's mid-Atlantic Expansion





free prople

Has contributed more than \$1.5M to **girls** since 2015

ANTHROPOLOGIE

Pledges \$1M

to Support Arts Education



URBAN OUTFITTERS

Has recirculated **8M Garments**

via

🕺 URBAN RENEWAL

since 1983

through their Reusable Shipping Totes



Commits \$10M

to Build Nonprofit Partnerships

nuuly Avoided 1.15M **Cardboard Boxes**

Created the URBN Summer Class for Diversity in Fashion



Entered into a Partnership with SUPPLY**SHIFT***

Tapped into New Technology

to Minimize Sample Waste





*See Glossary



Our Pillars

Governance

URBN 2021–2022 Highlights

CEO Letter COO Letter Meet Our Brands



"We started as a small store in West Philadelphia. It was a new kind of general store, where customers could find unique items curated by their peers."

Dick Hayne Founder and Chief Executive Officer, URBN

FROM OUR CEO

Our Heritage & Foundations

The concept of 're-use' has been a cornerstone of our Company from its inception in 1970 - be it the 'Free Bin' in the original store where customers would leave old clothes for others to use, to the décor in that first store that was comprised mostly of 'found objects', to our Urban Renewal line that has offered used and reworked items for over 50 years. As we expanded and added locations, we maintained this core sensibility by opening stores in renovated old warehouses, movie theaters, stock markets, banks, and even churches.

The culmination of this 'adaptive re-use' aesthetic came with the opening of our current Home Office campus at the Philadelphia Navy Yard in 2006. Here we renovated more than a half-million square feet across 10 historic buildings built between 1900 and the Second World War. Most of the demolition debris was then reused in finishing the renovations. The result was several awards including the Urban Land Institute Global Award for Excellence, the Honor Award from the National Trust for Historic Preservation, and the Honor Award for Architecture from the American Institute of Architects. Our campus was also included in books and articles highlighting the most creative workspaces. But most importantly, our campus has served as a vibrant, inspiring workspace for our teams and further emphasizes our long-standing commitment to creativity, community and minimizing our impact on the environment.



urban renewal





Clockwise from top left: Dick Hayne in 1970 at the first store. Urban Renewal signage 1990. Free People's Home Office foyer (photo: Lara Swimmer). UO's downtown LA store in the historic Rialto theater.

In 2019, we made our biggest investment in circularity and reuse by launching the Nuuly brand. Nuuly Rent allows subscribers to continuously try new-to-them styles while we clean and recirculate garments they return. Today, Nuuly Rent boasts over 100,000 subscribers, and we believe that number could double by the end of 2023. Last year we increased our investment in fashion circularity by launching Nuuly Thrift, a peer-to-peer resale platform.

Reuse is just one way our Company continues to make a difference for our customers and our communities. Each of our iconic brands is also highly committed to reducing waste (especially, packaging waste), using production methods that minimize the use of water, while avoiding harmful chemicals, and utilizing materials that are better for the environment. It's our way of expressing respect for our planet and each other. I'm proud of the progress we've made. These efforts are ongoing, and I look forward to working with our talented teams to drive this important work forward in the future.

Dick Hayne





"I am very excited and proud to be a part of publishing our first CSR Report. We have always been focused on doing our part to support our community, including our employees, our customers, our shareholders, and our planet."

Frank Conforti Co-President & Chief Operating Officer, URBN

FROM OUR CO-PRESIDENT & COO

We recently celebrated URBN's 50th anniversary and the incredible growth we have experienced since Dick opened our first store. We have laid a strong foundation on which to build our next 50 years, and releasing this report is an integral part of our future growth strategy. Through this report, we are sharing our achievements to date and our plans for the future. We have been making progress in corporate social responsibility behind the scenes for years, but we recognize there is much more to be done. I am proud to say we are committed to doing that work, and I want to thank the exceptional team that is dedicated to driving us forward. I am looking forward to continuing to learn, adapt, and develop in this space and, more importantly, make an impact.



At URBN, we have three priority areas: **Growth**, Culture and Impact. This trifecta helps us to deliver maximum value for all our stakeholders.

Growth

- · Consistently excel in our core business, exceeding our customers' expectations and driving loyalty
- Develop new and innovative offerings that cater to our customers' evolving interests

Impact

• Commit to responsible business practices that benefit our customers, shareholders, employees, and our planet

Culture

- Foster an inclusive work environment that provides inspiration, unity, & value
- Establish opportunities for growth, development, and longevity across our community

The last two years have been incredibly challenging while we navigated through a global pandemic, but thanks to the dedication and creativity of our teams, we have still made incredible strides across these three priority areas. The release of this report represents a major milestone under our Impact pillar.

URBN Home Office

As I think about what this report means for our company, I think of our mantra, Lead With Creativity... When we Lead With Creativity... to Make an Impact, we are channeling our creative energy into practices that put us on a journey to a more sustainable and responsible future.

In the short term, we are focusing our efforts around six ambitions where we believe we will have the most significant positive impact for all of our stakeholders. As we continue to progress and innovate, I know these ambitions will also continue to grow and evolve. I feel confident in our ability to make progress thanks to our passionate and hard-working teams. I look forward to continuing our journey and seeing the positive impact our efforts will have for years to come.

Frank Conforti



Our work is organized into six ambitions across two pillars:

RESPECT OUR PLANET

Invest in Circularity

- Continue Investments in More Circular Business Models
- Pilot & Test Circularity Programs
- Extend the Life of URBN Garments through Recycling & Recirculating
- Increase Circular Education Initiatives

Reduce Waste

- Increase Reuse & Recyclability of Retail Packaging
- Utilize Design Technology that Minimize Waste
- Reduce Virgin Plastic Use Globally
- Create Recycling Opportunities at Retail

Utilize Better Materials

- Source More Responsibly
- Minimize Hazardous Chemicals & Microfibers
- Use More Sustainable Fibers

Increase Cleaner Energy

• Set Science-Based Targets by 2025

RESPECT OUR PEOPLE

Cultivate Community

- Foster a Respectful, Inclusive Culture
- Build a Talented & United Workforce
- Nurture Long-Term Connections with our External
 Community

Improve Supply Chain Transparency

- Complete Mapping Tier 1 & Map Tier 2 of our Ownbrand* Apparel Supply Chain by 2025
- Implement a Supplier Risk Scoring Program to Inform
 our Purchasing Decisions
- Deliver Sourcing Training to our Suppliers on an Annual Basis, Beginning in 2023
- Conduct Annual Audits to Ensure Suppliers Meet and Exceed our Standards

URBN 2021–2022 Highlights CEO Letter COO Letter Meet Our Brands

















A greater GOOD

ANTHROPOLOGIE

Anthropologie Group is a unique, full-lifestyle shopping destination with a curated assortment of clothing, shoes, accessories, beauty, furniture, home décor, garden (via Terrain), bridal (via BHLDN), and more.

At Anthropologie, we believe that a focus on sustainability, inclusivity, and philanthropy can be thoughtfully integrated with our growth mindset and business-forward mentality and can be activated across our 200+ global stores.

ANTHROPOLOGIE HIGHLIGHTS

$\underline{\textbf{A}}$ Greater Good

Through <u>A</u> Greater Good, Anthropologie positions its priority to better serve our planet, its people, and our products and to incite meaningful change in our journey to become environmentally sustainable and socially conscious. The program has three imperatives: (1) to conserve, in mindful consideration of our business operations' environmental impact; (2) to partner, using our platform to support and celebrate our diverse community of artisans, people, and employees; and (3) to source, ensuring our products are created, sourced, and curated with care.

Supporting Our LGBTQIA+ Community

Morris Home is the first and only program in the country to offer residential services for mental, physical, and social well-being specifically for transgender and gender-nonconforming community members. Anthropologie has donated cash and products to Morris Home in support of their life-changing and life-saving services.

\$1M to Support Education in the Arts

Anthropologie recently announced the launch of their most significant philanthropic activation to date - a signature charitable cause that will focus on education in the arts. Together with BHLDN and Terrain, Anthropologie pledges to donate \$1 million over the next four years to nurture and support artists. To kick-off their efforts they will partner with YoungArts, an organization that identifies exceptional young artists, amplifies their potential and invests in their lifelong creative freedom. Leveraging the two organizations' shared superpower of creativity, they will inspire the artist in each of us, and encourage us all to envision a better world.

Collaborative programming and activations will soon follow as the organizations build ongoing relationships with a handful of young artists over time, showcasing their work across a variety of artistic disciplines. Artists will receive unrestricted grants and opportunities to engage with Anthropologie creatives on collaborative projects for years to come.



Making Pilcro More Responsible

Anthropologie's Pilcro line represents the brand's most significant investment in sustainability and features premiumquality denim crafted using more responsible practices and materials. The Pilcro design process utilizes green mills and fabrications, sustainable laundry and washing techniques, natural and environmentally responsible dyeing methods, and the use of environmentally responsible fibers. Pilcro will continue to strive for sustainable excellence through evolution, experimentation, and implementation of cutting-edge sustainable techniques.

Highlighting Earth Month with The Nature Conservancy

In honor of Earth Month 2022, Anthropologie partnered with The Nature Conservancy (TNC) to bring attention to the critical work that pollinators play in our natural ecosystems. TNC is a global organization dedicated to conserving the lands and waters on which all life depends. Anthropologie's store windows featured handcrafted sunflowers made from sustainable materials, including naturally dyed seed paper that were upcycled and used to plant pollinator gardens across the US. Anthropologie also made a financial donation to TNC's environmental and sustainability efforts and invited customers to donate as well.

Celebrating International Women's Day

Anthropologie supports and celebrates a diverse community of artists. For IWD 2022 we partnered with Nest, a nonprofit that advances gender equity globally. Anthropologie made a financial donation and provided customers with the opportunity to shop a curated selection of Nest artisan pieces online and in select stores.



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CARE FP: Introducing

Gather

For Good

Each PRODUCT in our curated COLLECTION is carefully chosen to align with our Care FP STANDARDS.



FREE PEOPLE

Free People is a specialty lifestyle brand founded on the principles of creativity, inclusivity, honor, and adventure. We aim to ignite these principles in our customer through our contemporary, one-of-a-kind collections, and community connections.

In 2019, we created Care FP to formalize our commitments to environmental sustainability and community-focused social impact. We believe it's our responsibility to reduce our environmental footprint and leave a positive imprint on our community from the way we make and design our product, to how we package and ship, to how we build our stores, to the artisans we celebrate, to the people, brands, and nonprofit organizations with whom we partner.

Though we have a long way to go, we have already made considerable strides and look forward to taking the customer with us on this journey.



FREE PEOPLE HIGHLIGHTS

Five Years Supporting BIPOC Youth Development with Girls Inc.

Free People supports Girls Inc.'s mission to inspire young girls to be Strong, Smart and Bold through advocacy, program support, and donations. Girls Inc. provides evidence-based programming to hundreds of thousands of young, majority BIPOC, women throughout the US and Canada. Free People's everyday giving program has raised over \$1.5M for Girls Inc. This funding directly supports mental health and wellness programming, career workshops, mentorship programs, and technology for distance learning.

Last year, Free People hosted seven Girls Inc. volunteer days both in person and digitally. Programming supported the Girls Inc. Eureka program, an intensive five-year STEM based program for 10th graders. The days included career mentorship workshops and photoshoots, mental and physical health classes, and sustainability workshops. 60 Free People volunteers across 18 departments activated over 200 community volunteer hours. In the next five years, Free People plans to reach an annual donation of \$1M to Girls Inc.



FREE PEOPLE'S DONATION TO GIRLS INC. HAS NOW SURPASSED \$1.5M

Better Raw Materials with Care FP

Free People developed product standards to reduce their footprint across various categories, all under the Care FP umbrella, including:

- Made with Eco-Conscious Materials: with a reduced impact
- nonprofits
- upcycled
- to help reduce our footprint

Last year, Free People increased the total Care FP offering by 160% and plans to keep growing that assortment.

Products made with at least 50% of a certified fiber

• Artisan Made: Products traceably made by hand by small business partners and certified 501(c)(3)

• Vintage: Previously loved items that support circularity, either as vintage, secondhand, or

• **Reusable:** Products that reduce single use items

OVER A FOUR-YEAR PARTNERSHIP. FP HAS DONATED OVER

\$300,000

TO NATIONAL PARK FOUNDATION

Partnering with National Park Foundation (NPF) for Nature Preservation

Free People has activated its "Skip a Bag" program to support NPF, triggering a donation every time a customer skips or reuses a cloth shopping bag at checkout. To date, over 2 million bags have been saved from circulation. More recently, Free People has focused its financial support on NPF's Inclusive Crews Service Corp, supporting underrepresented communities in public lands. To aid in the effort to preserve nature, this past year Free People began to offset 100% of the carbon impact from our catalogs by switching to certified World Land Trust carbon balanced paper. Through this partnership, Free People has balanced a total of 1.5M+ lbs of CO_2 and enabled the World Land Trust to protect a total of 54 acres of threatened forests in the Khe Nuoc Trong nature reserve in Vietnam.

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Nuuly is URBN's biggest investment in the circular economy – offering a curated destination for anyone who loves fashion and is exploring ways to wear, buy, and sell it that are gentler on the planet – and their wallets.

Launched in 2019, Nuuly Rent is a monthly clothing rental subscription service that offers over 15,000 styles from more than 300 designer and contemporary brands, including Free People, Urban Outfitters, and Anthropologie. Resale and rental go hand-in-hand, so we launched Nuuly Thrift, a peer-to-peer resale platform, in 2021.

With Nuuly, URBN became the first major fashion company to operate retail, rental, resale, and wholesale.



NUULY HIGHLIGHTS

The Nuuly Rent Tote

Garments rented from Nuuly Rent are shipped to & from subscribers in custom totes made of post-consumer plastic. These shipping totes eliminate the need for single-use plastic or cardboard shipping materials, as the rented garments are never packaged in poly bags or on hangers, which would generate unnecessary waste. We have iterated on the design of our packaging multiple times to improve resilience and extend longevity.



WE HAVE AVOIDED THE USE OF OVER

1.15M CARDBOARD BOXES BY SHIPPING **ORDERS IN OUR REUSABLE TOTES**

Carbon Offsetting

In fiscal year 2022, Nuuly partnered with UPS to completely offset the carbon emitted to transport Nuuly Rent shipments to subscribers on an ongoing basis. UPS's offsetting projects include reforestation, landfill gas destruction, wastewater treatment, and methane destruction.

Rental Laundering

Once returned to the distribution center, every rented unit is cleaned according to best practices. Roughly half of Nuuly's clothing is laundered in custom-built energy- and water-efficient wet washing machines. We use non-alkaline and phosphate-free cleaning solutions. The remainder of our styles are dry cleaned in a PERC-free solution. In fiscal year 2022, our team spot treated nearly 233,000 units to restore them back to rentable condition.

After laundering, all rental units are then thoroughly inspected, using a 16-point process digitally documented in our homegrown warehouse management system. Nuuly's repairs specialists determine whether units that have failed their inspections can be repaired. Repairs include shaving, hand repairs (e.g., button, hook, or label replacement), machine sewing, and snag fixes.







Rental Repairs

IN FY22. NUULY REPAIRED APPROXIMATELY **72,000** GARMENTS



Nuuly Thrift App Launch



Nuuly Thrift is a peer-to-peer resale platform for women's, men's and kids' clothing, shoes and accessories. Reselling through Nuuly Thrift is a way to put more life in customers' clothes. In addition to supporting peerto-peer sales, we are selling outof-circulation garments from Nuuly Rent on Nuuly Thrift. By giving customers access to this secondhand product that they can rewear, upcycle, or even resell themselves, we are keeping inventory in circulation for as long as possible.



URBAN OUTFITTERS

Urban Outfitters, URBN's namesake brand, has been a celebration of self-expression, connection, and creativity since the opening of our very first store. We are a brand of brands for a community of individuals, and we're proud to provide an inclusive platform through which our customers, coworkers, partners, and followers can create a better future together — by reducing our footprint on our planet, by amplifying underrepresented voices, and by promoting creativity and entrepreneurship in new generations.

As we continue to grow and evolve, we're committed to promoting transparency and making better decisions. We look forward to growing our impact and sharing our progress.



URBAN OUTFITTERS HIGHLIGHTS

UO Expands the Urban Renewal Line

The Urban Renewal line has been salvaging and extending the life of vintage clothing and fabrics since the brand's inception. Since its start, Urban Renewal has recirculated over 8 million garments, keeping previously loved pieces and fabrics out of the landfill. In denim alone, Urban Renewal has recirculated over 1 million units. In October 2021, Urban Outfitters opened its first Urban Renewal shop in New York's Herald Square, including over 300 individual pieces and exclusive collaborations with local sustainable makers.





UO EU NEARLY DOUBLED THE AMOUNT OF SUSTAINABLE MATERIAL USED IN ITS OWN PRODUCTS FROM THE PREVIOUS YEAR



A New Product Line that is Responsible & Inclusive

Urban Outfitters launched its own responsibly-sourced and inclusive brand, KOTO. The collection features extended sizing and gender fluid pieces and exclusively uses recycled cotton, recycled polyester, and responsibly sourced US cotton. This brand will continue to be a platform for responsibly sourced and sustainable fibers offered to our customers at an accessible price. The collection will grow its offering throughout the coming year.

Accelerating Sustainable Material Use in the EU

Last year, Urban Outfitters EU nearly doubled the amount of sustainable material used in its own product ranges from the previous year, up to 19% from 11%. Organic and recycled materials, plus a commitment to Better Cotton, enabled the EU to reduce its water footprint by 11%* per ton of clothing sold verses baseline year of 2019. UO EU's carbon footprint per ton of clothing was limited to +0.5% despite a 7% growth in material consumption vs baseline year. In partnering with Textiles 2030, an agreement in the UK to which Urban Outfitters EU are signatories, UO EU has committed to reducing its carbon footprint by 50% and water footprint by 30% by the year 2030. UO EU plans to increase sustainable material mix to 40% in the coming year and to 100% by the year 2030.

*Relates to the water footprint from materials and not the full lifecycle of the product

New Programs Supporting LGBTQIA+ Youth Empowerment

Urban Outfitters stands with the LGBTQIA+ community and has actively done so for years. For the past seven years, Urban Outfitters has contributed to the nonprofit GLSEN, an organization that ensures LGBTQ students are able to learn in an environment where they are valued and respected, donating over \$100K to support their important work.

IN 2022, UO BECAME A FOUNDING MEMBER OF THE GET PHLUID COLLECTIVE

The Get Phluid Collective is a group of companies committed to incorporating inclusive practices across their organizations related to transgender, gender non-conforming, gender non-binary, and BIPOC communities. Urban Outfitters is collaborating with the collective to host literacy trainings for all Urban Outfitters employees from Home Office to stores related to LGBTQIA+ topics, as well as consultation to create and support a more inclusive hiring and talent acquisition and retention process.

OUR DILLARS



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RESPECT OUR PLANET

22 acres of solar panels at our Gap, PA Fulfillment Center



RESPECT OUR PEOPLE



RESPECT OUR PLANET

URBN strives to operate in a responsible way, consciously choosing our materials and partners. URBN is establishing and growing new initiatives that support our business and maximize our positive impact on the planet.

- INVEST IN CIRCULARITY
- UTILIZE BETTER MATERIALS
- REDUCE WASTE
- INCREASE CLEANER ENERGY

INVEST IN CIRCULARITY

URBN is incorporating the principles of circular fashion across all elements of its business, designing with renewable materials, extending the life of our products through rental and resale, and constantly innovating.

Continue Investments in More Circular Business Models

- Nuuly Rent and Nuuly Thrift will continue to be core to URBN's circularity* strategy. The development and operation of both platforms have required significant investments in cutting edge technology, operational infrastructure, and people.
- Urban Outfitters plans to expand the Urban Renewal brand in the coming years. Urban Renewal gives customers an alternative to buying newly manufactured clothes and helps divert textiles from landfill.
- Free People has been selling pre-loved vintage items for 11 years and continues to grow and optimize this assortment.

Our Progress

- Nuuly Rent has become a major player in the clothing rental sector with a rapidly growing subscriber base that is outpacing expectations for the current fiscal year.
- Nuuly Rent's inventory consists of approximately 40% URBN Brands, offering our brands the opportunity to participate in the circular economy of our clothing rental division
- The Nuuly Thrift platform was built in-house and has a dedicated team continuously working on optimizations.
- In 2021, the Nuuly team developed a system to list Nuuly Rent products on Nuuly Thrift as a responsible method of recirculating retired or damaged rental inventory.
- In 2021, Urban Outfitters opened its first Urban Renewal shop in New York's Herald Square.
- In 2021, Free People increased its vintage offering by over 275% and supported over 40 small vintage businesses through a partnership with Rose Bowl Vintage.



Evolving our Relationship with Clothes: The Nuuly Story

Nuuly is built around circularity and has developed several creative avenues to increase product longevity and reuse. Through the Re_Nuuly program, small brands, artists, and local manufacturers remix and reimagine retired Nuuly Rent garments and bring them back into the rental assortment. So far, Re_Nuuly has extended the life of previously retired garments by over 5,700 rentals. Most end-of-life Nuuly Rent garments that have not been purchased by subscribers or upcycled through Re_Nuuly are sold in collections of gently worn goods on the Anthropologie, Urban Outfitters, and Free People ecommerce platforms. This has been an effective way to give URBN customers access to a selection of great secondhand clothing alongside the new styles they love. Nuuly also lists retired Nuuly Rent product on Nuuly Thrift, and as the platform grows, we look forward to growing our assortment of former rental inventory on Nuuly Thrift.

Nuuly has also become a valuable partner to the URBN production teams, aiding our understanding of how the clothes we make hold up to everyday life. Nuuly collects extensive data on the impact of wearing and laundering different types of garments. These insights are shared back with URBN designers, helping inform the materials they work with to support URBN's ambition for longevity across all brands and products.



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Respect Our Planet Respect Our People

Pilot & Test Programs Rooted in Circularity

- URBN brands are continuously creating, testing, and iterating on new programs that will allow customers more opportunities to purchase previously-loved, reworked, or vintage pieces.
- The Urban Outfitters EU denim line, BDG, is part of The Jeans Redesign, run by the Ellen Macarthur Foundation. Best practices from this pilot will be shared across URBN brands so all brands can follow the Jeans Redesign principles in their Ownbrand denim lines.
- Urban Outfitters EU is a signatory of the UK's Textiles 2030 agreement, which aims to identify the most impactful solutions to reduce carbon, water, and waste footprints while scaling circular innovations. Urban Outfitters EU will be regularly informationsharing with internal URBN partners to scale best practices globally.

Our Progress

 In 2021 Free People recirculated over 52,000 units of Free People apparel and accessories through need-based donations and a partnership with secondhand marketplaces.

Extend the Life of URBN Garments Through Recycling & Recirculating

- All URBN brands are creating or expanding strategies to keep garments in circulation longer, helping amortize resources utilized for each piece over the longest period possible.
- Urban Outfitters has started research & development with Osomtex, a textile recycling and circular logistics partner, to create its first fully circular collection by reclaiming Urban Outfitters own textile waste to create recycled yarn.
- All brands resell gently worn garments from Nuuly Rent on their ecommerce sites, further promoting the life span of our garments and offering our customers options to participate in circularity

Our Progress

- In 2021, Urban Outfitters' Urban Renewal line salvaged and reworked 120% more units than 2020.
- Over 135,000 garments have been rented from Nuuly Rent 10 or more times. In fiscal year 2022, nearly 72,000 garments were repaired and nearly 233,000 were spot treated and kept in rental circulation.

Increase Circular Education Initiatives

- All URBN Brands and URBN Production & Sourcing teams are pursuing relationships with subject-matter experts and vetted industry-standard educational programs to work towards integrating more circular practices into our business.
- Urban Outfitters EU has introduced a circular design and mentorship program in collaboration with The Centre for Sustainable Fashion. Through this collaboration we are creating tools to help our buyers and designers test and integrate circular techniques into their product ranges.

Our Progress

 Launched a LinkedIn Learning pilot program for all full-time Home Office* and salaried Field* employees, which provides access to 10,000+ courses, including the fundamentals of sustainability, designing for the circular economy, and climate change mitigation.

Infusing Circularity Across URBN

URBN is committed to incorporating the ideals of circularity into our business, from what we offer our customers to how we run our everyday operations.



Urban Outfitter's Urban Renewal line is our longest-standing circular commitment — we create "new to you" products through the purchase of deadstock* inventory or thrifted items and transform them for the Urban customer. By using deadstock fabric, we are creating both of-the-minute and timeless fashions, while further eliminating waste and reducing the amount of materials created.



Through our partnership with FabScrap*, we have found endof-life solutions for the waste generated during our product creation. In fiscal year 2021, URBN sent all our pre-production waste from our in-house design operations at Home Office to FabScrap, totaling 13,698 pounds or 6.2 metric tons of fabric

waste. Just over 45% of the fabric was able to be recycled, a total of 6,206.58 pounds (2.8 metric tons). Another large portion of the scraps, 44%, was reused and can now be transformed into something new by artists, students, or designers. To date, URBN has diverted over 26,000 lbs of fabric scrap from landfill via our FabScrap partnership.

In the latest evolution of our FabScrap partnership, URBN has launched a pilot program to transform our fabric waste into shoddy^{*}, a regenerated fiber that can be spun into yarn. We are working with a US-based factory to funnel our own shoddy into Ownbrand home goods, like cushions and floor pillows. We are excited to continue this pilot project and expand the use of our shoddy to create responsible US-made products.

UTILIZE BETTER MATERIALS

URBN is committed to transitioning to more sustainable materials to reduce our environmental impacts through an emphasis on recycled and responsibly sourced fibers.

Source More Responsibly

• URBN will only make claims regarding the sustainability or environmental impact of products that meet consistent internal standards or align with industry best practices. All sustainability claims are accompanied by relevant thirdparty certification and reviewed by the URBN Sustainability Compliance team to ensure that claims are both accurate and informative to the customer.

Our Progress

• Established URBN-wide standards, reflecting requirements from governing third-party organizations and industry standard practices, to track claim certifications at each phase of the development and production of Ownbrand products.

Minimize Hazardous Chemicals & Microfibers

- By 2025, we anticipate 70% of direct-sourced fabrics will be Bluesign* certified or from Zero Discharge of Hazardous Chemicals* (ZDHC) complaint mills.
- URBN will establish best practices for Tier 2 suppliers and implement a buying strategy to increase chemically compliant fabrics.

Our Progress

- As of March 2022, 30% of direct-sourced fabric is ZDHC or Bluesign certified. Currently, 50% of our direct-sourced fabrics come from mills that abide by the OEKO-Tex 100* standard.
- We developed the URBN Restricted Substances List* (RSL) in partnership with an accredited third-party lab to ensure URBN products do not contain unsafe chemicals. Our RSL is distributed to all vendors at onboarding via the URBN Regulatory Guidelines, and is always accessible on our vendor website. Our preferred testing labs also have access to our RSL so they ensure product testing is conducted appropriately. The RSL will continue to be updated and improved to ensure we are following various global legal chemical bans or restrictions and that we are restricting chemicals we do not believe should be in our products.





Over the last few years, Free People has expanded its line of eco-conscious products, which are made with at least 50% of a certifiable eco-conscious material or process, including GOTS certified organic materials, GRS recycled materials, or traceable euroflax linen and hemp. In April 2021, Free People launched their most ambitious and largest sustainable collection to date with the We The Free x Care FP tee collection in conjunction with Earth Week. The 15-style collection was lovingly created by Free People's design team with sustainable fibers including recycled cotton, organic cotton and organic linen traceable to farms in France. Free People continues to expand the Care FP eco-conscious fiber collection, which now contains 762 unique products and counting.

CARE FP

Use More Sustainable Fibers

- URBN will join the US Cotton Trust Protocol and the Better Cotton Initiative in 2022 to further our commitment to US-sourced cotton.
- By 2027, 60% of URBN total directsourced raw materials will be sourced more responsibly.
- By 2027, 100% of direct-sourced cotton will be sourced responsibly.
- By 2027, 50% of viscose will be sourced responsibly.

Our Progress

- As of February 2022, 10% total directsourced raw material is responsibly sourced.
- As of 2021, 19% of direct-sourced sustainable raw material across Urban Outfitters EU was from a preferred fiber source*.
- As of 2021, 38% of Urban Outfitters EU lines have sustainable attributes (responsible or sustainable fibers and/or low impact washing or dyeing).
- Free People plans to continue increasing use of recycled yarns, like GRS certified polyester, nylon, and cotton. In 2021, Free People increased its usage of recycled yarns in Care FP offerings by 27%.
- The Nuuly buying team has piloted and will soon broadly roll out a process to collect detailed information about the social and environmental initiatives supported by the brands and labels Nuuly Rent buys from, including official sustainable materials and processes certificates.

Cotton

- As of March 2022, 7% of direct-sourced cotton is recycled, or sustainable virgin fiber.
- All direct-sourced denim is made from US cotton and recycled cotton.
- As of June 2022, 30% of Urban Outfitters EU direct-sourced cotton is Better Cotton attributed.

Linen

• In 2021, 100% of direct-sourced linen was from EU Flax sources, certified by Bureau Veritas. EU Flax Linen is organic, non-GMO, and sustainably sourced.

Viscose

• As of March 2022, 79% of our directsourced viscose was from responsible and sustainable sources such as Lenzing and recycled options.

Polyester

• As of February 2022, 5% of direct-sourced polyester is recycled.

More Responsible Products for All URBN Customers

All brands at URBN have made progress in using more responsible materials* in some of their most popular products.



Anthropologie's Pilcro denim line continuously experiments with new processes and materials to make products that are better for the planet, while never sacrificing fit or feel. Anthropologie partners with some of the greenest mills in the world who use water-

styles, offering these as standard. Notably, the Urban Outfitters sweater division has developed a key novelty yarn as a solution to cashmere, made with over 30% recycled polyester, and accounting for 12% of the total UO Womens sweater retail business. As a part of The Ellen MacArthur Foundation's Jeans Redesign (JRD) program, Urban Outfitters EU is working to uphold their commitment to "make jeans that are used more, made to be saving dyeing techniques and remnant cotton to reduce made again, and made from safe and the amount of water, chemicals, energy, and materials recycled or renewable inputs". In 2021, used for each pair of Pilcro jeans. Environmentally-Urban Outfitters EU introduced responsible attributes are embodied throughout all a 100% recycled cotton mom jean materials used in Pilcro denim garments. Pilcro metal as a part of the BDG Denim line, which hardware is made from recycled or recyclable metal met the JRD criteria. Urban Outfitters bases and finished with water-free electroplating, for EU is eager to continue scaling projects such as this to exceptional metal finish colors and reduced environmental make a broader impact and integrate more responsible impact. Further, our labeling and pocketing utilize materials and practices into our everyday work. recycled polyester for a durable, visually compelling, and green branding package - no matter how many times the garment is home-laundered. As the industry and

technologies continue to advance, Pilcro will continue to evolve as well, but our goal will remain the same - to provide our customers with responsibly-made premium denim at an accessible price-point.

In both Free People's and Urban Outfitters' sweaters categories, our teams have been hard at work incorporating sustainable and responsible fibers into our core yarns and



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REDUCE WASTE

URBN is measuring our waste baseline and setting waste reduction targets. URBN is moving away from single-use plastic and continuing packaging innovation, with a focus on using certified recycled and recyclable, biodegradable and/or compostable materials.

Increase Reuse & Recyclability of Retail Packaging

- Transition to 100% recyclable paper gift cards at Urban Outfitters and Free People.
- Develop a global recycled solution for swifttags, the plastic piece attaching price tickets to a garment.
- By Winter 2022, launch 100% Post Consumer Waste* (PCW) shopping bags at UO.

Our Progress

- Anthropologie shopping bags are now comprised of 80% post consumer waste, printed with soy-based ink, and 100% single stream recyclable.
- Anthropologie gift boxes are 100% recycled board and are 100% recyclable. Tissue paper is comprised of 60% PCW content and 100% recyclable, and the quantity used per purchase has been reduced by 50%.
- Free People shopping bags are 100% cotton, fully reusable, recyclable and biodegradable.

Utilize Design Technology that Minimize Waste

 Increase utilization of 3D visualization software sampling technology, across all Ownbrand categories.

Our Progress

 Our 3D visualization technology increases right-first-time product. Use of this technology has saved approximately 8,000 samples, 16,000 yards of fabric waste and, by shipping fewer samples, it significantly reduces the carbon footprint of our finished products.

Reduce Virgin Plastic Use Globally

- By Spring 2024, URBN NA will use 50%
 PCW recycled and recyclable inbound polybags
- By Spring 2023, URBN EU will use 100%
 PCW recycled and recyclable inbound polybags
- As of Fall 2022, 100% of direct-to-consumer flat mailer bags for manual bagging will be made from 100% PCW material
- As of Fall 2022, 100% of direct-to-consumer flat mailer bags for auto-bagging will be made from 50% PCW material
- As of Fall 2022, 100% of direct-to-consumer bubble flat mailer bags will be made from 50% PCW material

Our Progress

• All Fulfillment Centers use auto-bagging technology, which scans and creates a bag around merchandise, using the minimum plastic necessary to get our products to customers. continued on the next page



Making Strides in Recycled Consumer Packaging

URBN is always prioritizing the customer experience, whether that's through a store experience or through the packaging used in our direct-to-consumer (DTC) products. There are many complications with using recyclable materials in our DTC mailers due to the handling processes in our Distribution and Fulfillment Centers (DCFCs). While automation in our DCFCs has helped speed up processing times and can handle high product volumes, recycled substances aren't always able to stand up to the heat necessary to make these machines work. In 2021, the URBN Procurement team made it their mission to find materials and processes that would allow us to transition our mailers from virgin plastic to recycled plastic. After several months of testing, the team found a fit and all URBN brands are now rolling out direct-to-consumer flat mailer bags that are:



*See Glossary

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Our Progress continued

- All Fulfillment and Distribution Centers use Cubiscan* technology to help us eliminate excess space in packages, reducing shipping material waste.
- Since 2019, URBN has partnered with Trex, an eco-friendly composite decking manufacturer. The program diverts 100 tons of plastic from landfills annually.
- All void-fill used in our Fulfillment Centers is 99.7% post-consumer recycled material that is 100% recyclable, replacing the equivalent of 23.7M linear feet of virgin plastic.
- All brands use a 100% post-consumer wastepaper stock for all branded retail price tickets.
- Garments rented from Nuuly Rent are shipped to and from subscribers in custom totes made of post-consumer waste and garments are never packaged in poly bags or on hangers. These totes have replaced the equivalent of over 1.15M cardboard boxes.

Create Recycling Opportunities at Retail

- All brands are in the process of evaluating new programs to empower consumers to recycle, resell, or reimagine pre-worn products and will be rolling out multiple initiatives over the next five years.
- Anthropologie has a history of creatively integrating recycled materials – like Pilcro denim scraps, gathered water bottles, or upcycled newspaper – in store designs and ensuring as many display elements as possible are recycled or donated.

Our Progress

- Urban Outfitters EU is launching an improved takeback scheme this spring, based on learnings from a successful 2020 pilot program.
- Anthropologie recently launched a collaboration with Cotton Inc.'s Blue Jeans Go Green[™]. In August 2022, Anthropologie customers were invited to bring in their preloved denim to any of the brand's 200+ US retail locations to be recycled into insulation materials used in various applications through the Cotton Inc. organization.
- Seed paper from Anthropologie's 2021
 Earth Month window displays have been planted in over 20 pollinator gardens across the US through the Nature Conservancy.

Reducing Polybag Waste with Trex

One of the biggest sustainability hurdles in the fashion industry is single-use plastic. Polybags, the plastic film that wraps most individual garments, ensure products are protected during the shipping and handling process. And as consumers continue to do a significant portion of their shopping online, many companies, including URBN, are relying more and more on plastic mailers and void fill to send our products to customers around the world. As we look towards making greater strides to reduce our waste, we asked the question – how can we innovate and take a more sustainable approach to our plastic use?

In 2019, Urban Outfitters began a partnership with Trex to put our inbound polybag and void fill waste to good use. Trex is a composite decking manufacturer that uses 95% post-consumer plastic film and reclaimed wood. A pilot program by Urban Outfitters diverted over 570,000 polybags from landfill and inspired the URBN teams to expand our relationship with Trex. Free People launched across all US retail locations in 2021 and Anthropologie began a limited test in 2022. Store associates collect inbound polybags and void fill in recycling mailers as they process shipments. The mailers are then shipped back to the closest Fulfillment Center. Once at the Fulfillment Center, the mailers are bailed and loaded into a Trex truck to be processed by Trex.



SINCE THE START OF THE PARTNERSHIP

20M

POLYBAGS HAVE BEEN RECYCLED THROUGH TREX, DIVERTING OVER

150,000 LBS

OF PLASTIC FROM LANDFILL

INCREASE CLEANER ENERGY

URBN is taking an intentional approach to reducing our impact on the planet.

Set Science-Based Targets by 2025 for Scope 1, 2, and 3 Emissions

- To reduce harmful emissions, URBN is committing to setting science-based targets* by 2025. We will be setting targets for scope 1 (direct emissions from owned and operated sources), scope 2 (indirect emissions from purchased electricity), and scope 3 (indirect emissions in our supply chain) in accordance with the Science Based Targets initiative.
- In 2021, we conducted an independent 3rd-party assessment to identify the materially
 relevant sources of emissions to URBN and defined our scope of reporting. We identified
 all key stakeholders and identified all sources of emission that would fall under the purview
 of Scope 1 & 2, as outlined by The GHG Protocol. Over 2023 and 2024, we plan to
 create our scope 1 and 2 measurement and tracking process to benchmark and track our
 GHG emissions year over year. By 2025, we plan to release our commitments on carbon
 footprint management.



RELEVANT EMISSION SOURCES

Stationary Combustion: Generation of electricity, heat, or steam. These emissions result from combustion of fuels in stationary sources, e.g., boilers, furnaces, turbines.

Transportation of materials, products, waste, and employees. These emissions result from the combustion of fuels in company owned/controlled mobile combustion sources (e.g., trucks, trains, ships, airplanes, buses, and cars.

Fugitive Emissions: These emissions result from intentional or unintentional releases, e.g. hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment; and methane leakages from gas transport.

Electricity purchased and used, i.e. emissions created during the production of the energy used by URBN.

Electricity purchased and used, i.e. emissions created during the production of the energy used by URBN.

Purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution (up and down stream), Investments, Leased assets and franchises.

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URBN's Adaptive Reuse Building Strategy

The most sustainable building is one that has already been built. When creating both our global and EU headquarters, the URBN team focused on creatively reimagining existing buildings, infrastructure, and materials - all a part of our adaptive reuse* design strategy. Our Home Office at the Philadelphia Navy Yard is a collection of old US Navy buildings that have been transformed into offices, meeting spaces, photo studios, a café, a coffee shop, gym, and even a dog park. The majority of the demolition debris from our renovation was kept on site and reused in building our campus. Building concrete was broken up to become steppingstones in our cherry tree garden. The railing that hugs our dry dock is comprised of rebuilt and repositioned materials found onsite - what we call "creative relocation." Chunks of concrete, asphalt, and brick became mulch for our hedgerows. Old doors were collaged together to form walls, and timbers found onsite now form a central staircase that connects all three levels of our shared services building.

In 2012, we installed a Bloom Energy system consisting of stacked fuel cells that convert chemical energy from natural gas and water into electricity. As of March 2022, the lifetime energy generated by these fuel cells was 42,309 MWh. Switching to Bloom Energy is the equivalent of removing 2,233 cars from the road for one year, and we have kept nearly 22MM lbs of CO_2 from entering the atmosphere. Equally as impressive is the building of our European HQ in London, UK. A former brewery, our offices on Brick Lane feature original flooring — including an old basketball court.











Urban Land Institute Awards for Excellence (National and Global) **AIA National Honor Award for Architecture** Pennsylvania Historic Preservation Award Preservation Alliance of Greater Philadelphia **Achievement Award**

Awards and Recognition



When we built our Fulfillment Center in Gap, Pennsylvania, we included one of the largest single solar rooftop installations in the US. Installed on October 25, 2014, it has 13,464 modules spanning across a 22-acre roof and is capable of exporting 1.0MW of A/C power. The net effect is just over 22 million kilowatts per hour (kWh) of saved electrical consumption each year. As of March 2022, the lifetime generation of this solar array was 31,076 MWh-

THE EQUIVALENT OF 500,000 TREES PLANTED. 15.000.000 GALLONS OF WATER SAVED. AND 37,000,000 LBS OF CO₂ **KEPT FROM ENTERING OUR ATMOSPHERE.**

We have motion sensing LED lighting in four of our six North American fulfillment centers to improve energy efficiency, with retrofitting projects currently underway for our remaining facilities. Our new Kansas City Omnichannel Fulfillment Center, to be completed in 2023, will feature some of the most advanced infrastructure in our supply chain. In Kansas City, we will leverage several automated processes designed to be more efficient and better for the environment, including Automated Material Handling Equipment that features energy-saving automatic shutdowns for unused components and energy management active recovery systems.

















RESPECT OUR PEOPLE

At URBN, our people are at the heart of what we do. We aim to cultivate a creative entrepreneurial spirit in every employee, empower everyone involved in our supply chain, and always put our customers first.

- CULTIVATE COMMUNITY
- IMPROVE SUPPLY CHAIN TRANSPARENCY

CULTIVATE COMMUNITY

URBN is built on the idea of self-expression and individuality. We are passionate about celebrating everyone for who they are and the unique perspectives they bring to the table. We aim to value diversity and promote inclusion throughout our entire community. Our customers and employees are a multifaceted group; we are listening to their feedback, researching and implementing best practices, and working to ensure everyone feels welcomed and valued in our stores, facilities, and offices.

Our Diversity & Inclusion efforts are aligned under three strategic pillars:

Foster a Respectful, Inclusive Culture

Build a Talented, Diverse, & United Workforce

Nurture Long-Term Connections with our Larger Community

We are increasing our efforts and investments in this space, forging partnerships and launching programs that reinforce our commitment to building a diverse and inclusive community.



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FOSTER A RESPECTFUL. **INCLUSIVE CULTURE**

D&I Training and Resources

Starting in 2020, URBN began requiring a D&I Fundamentals Course for all employees. We continue to offer this course to new employees and have a process to review, update, and refine its contents. In 2022, URBN joined the Open to All initiative, making a commitment to take actions to mitigate racial bias in the shopper experience, foster an inclusive shopping experience across our brands, be held accountable by our customers and employees, and partner across the retail industry to be a part of large-scale change.

D&I Committee

The URBN Diversity & Inclusion Committee, formed in 2020, is made up of highly engaged members across our community. The D&I Committee acts as representatives of URBN's diverse workforce and customers.

Engage@URBN

In 2021, URBN launched a new continuous listening strategy, including an overall employee engagement survey, pulse surveys, and updated new hire and exit surveys. Engage@URBN allows us to better understand the employee experience so we can shape URBN's culture and environment.

Progyny Benefit

In 2022, URBN launched a partnership with Progyny to provide employees with inclusive fertility and family building benefits that support all paths to parenthood. Progyny provides personalized healthcare services including in-vitro fertilization, egg freezing, and sperm freezing.

Medical Travel Benefit

The keystone of an inclusive, healthy culture is the mental and physical wellbeing of our employees. That's why URBN enacted a new medical travel benefit in 2022. This program reimburses certain travel expenses for employees or dependents on URBN's medical plans.

Employee Resource Groups (ERGs)

ERGs are employee-led groups that are a forum to share aspects of identity in a safe space. These groups empower members to share their voices, ideas, and passions with the URBN D&I Committee and URBN community at large, helping us to create a respectful and inclusive culture. These groups are vital to cultivating an even more inclusive culture at URBN. In 2021, URBN launched nine ERGs.

Mentorship Program

The URBN Mentorship pilot program kicked off in mid-2022. The program connect employees across departments & brands to build community, broaden perspectives and sharpen skills.

well-being

Well-Being has a goal to empower the URBN community to take action towards improving mental and physical health



URBN WMN* (Women's Mentor Network) establishes a network for employees who identify as women and their allies



Prism is a safe community for LGBTQIA+ employees and allies to support and celebrate our LGBTQIA+ employees and customers



AAPI supports Asian American and Pacific Islander (AAPI) employees to develop their career paths to their fullest potential



A.d.a.p.t. (Abled & Disabled Advocates Partnering Together) works to ensure an inclusive environment for people with disabilities







URBN'S NINE EMPLOYEE RESOURCE GROUPS



URBNBlack creates a safe, inclusive community and elevates Black employees by celebrating the diversity of Black culture



URBN Jewish Community works to create a network and sense of community for the URBN Jewish population



Parents & Caregivers provides employees with a space to connect and engage through the experience of caregiving



Latinx Roots aims to create a safe space at URBN to celebrate the cultural richness of the Latinx diaspora

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BUILD A TALENTED, DIVERSE, & UNITED WORKFORCE

An Inclusive Approach to Talent Acquisition

The URBN Talent Team works with a broad spectrum of partners and platforms in an effort to attract a comprehensive and diverse slate of candidates for every job. The United Negro College Foundation (UNCF) has been an important recruiting partner for several years and in 2022, URBN began a partnership with TransWork, a networking platform for transgender and non-binary job seekers. The Talent team also partners internally with ERG leaders to identify and utilize resources the drive diversity in the recruiting process.

URBN Summer Class

In 2021 and 2022, URBN piloted a 10-week internship and mentorship program for students at Historically Black Colleges and Universities (HBCUs) recognized for their academic excellence and creative prowess. Spanning production, technical design, and sourcing, the Summer Class program has served as a deep dive in fashion for these highly qualified students. Each Summer Class internship culminated in a special capsule collection sold at URBN brand retail locations and ecommerce sites.



Summer Class '22



Summer Class '21



Rotational Program

URBN Employee Training Programs

URBN Training is designed to support employees in the critical areas of tools & techniques, career growth, compliance, business strategy and leadership. We have several immersion programs designed to support accurate and equitable onboarding into our key business areas and a leadership development academy centered around our core competencies for success.



Field to Home Office Event

Field To Home Office Program

Store associates are at the heart of URBN, which is why URBN's talent team invests heavily in developing a robust Field to Home Office program, which features a number of virtual and in-person events that provide field employees with resume and interviewing workshops and the opportunity to apply to open Home Office roles.

In 2022, URBN piloted a 10-month rotational program aimed at providing field employees with an onramp to full-time employment. The team is working on optimizing this program in the hopes of expanding it in the future.

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NURTURE LONG-TERM CONNECTIONS WITH OUR LARGER COMMUNITY

URBN Will Donate \$10M Over the Next **Five Years to Qualified Nonprofits**

URBN IMPACT is our new charitable giving platform that strategically aligns our giving with our values. Our key impact areas include:

Fostering Creativity in the Next Generation

Creative, entrepreneurial people are at the heart of URBN. That's why URBN is committed to fostering creativity in the next generation through investments in education and specialized training initiatives. We do this through corporate partnerships and direct investments to youth empowerment programs.

Environmental & Social Responsibility

URBN is working to reduce our impact on the planet, including efforts to reduce waste, use more responsible materials, and empower the people in our supply chain. Our goal is to leave the world a bit better than we found it.

Volunteer Paid Time Off

In 2022, URBN launched a Volunteer Paid Time Off (VPTO) program, starting with all full-time Home Office employees. Upon hire, employees receive eight hours of paid time off per fiscal year to volunteer with qualified organizations of their choice. Employees can also participate in one of URBN's Creativity Cares events. These events engage our employees in community-building volunteer opportunities with some of our local nonprofit partners.



Big Brothers Big Sisters



Highlights from URBN's Charitable Portfolio:











Highlights from Brands' Charitable Portfolio:

ANTHROPOLOGIE

Morris Home The Nature Conservancy Nest YoungArts

pecpedple

Americans for the Arts **Best Friends Animal Society** Girls Inc. Mazzoni Center National Park Foundation Philabundance Surfrider Foundation Wild at Heart William Way

URBAN OUTFITTERS

Blackstar Film Festival Blueprint for All End Youth Homelessness GLSEN Hispanic Scholarship Fund I am A Voter

Newlife Shelter S.T.E.P. U.P.

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IMPROVE SUPPLY CHAIN TRANSPARENCY

Even before our product reaches our Distribution Centers or store shelves, it is being carefully crafted and handled by many people. Respecting the human rights of those workers is very important to us and we are continuing to focus on this part of our business. To have the most positive impact on the workers in our supply chain, we must have greater visibility into our suppliers, beyond the final manufacturer. We are working on gaining that visibility, ensuring our products are being manufactured in an responsible manner, and building real connections with those who are integral to bringing our creative ideas to life.

Complete Mapping Tier 1 & Map Tier 2 of our Ownbrand Apparel Supply Chain by 2025

- Engaged third-party transparency and responsibility software to track and trace tier 1 and tier 2 suppliers representing a large majority of Ownbrand product. We are committed to bringing more transparency and traceability to our product procurement process in order to further mitigate risk and make more responsible decisions.
- Regular visits to URBN core mills by URBN fabric, product development, and production teams.

Implement a Supplier Risk Scoring Program to Inform Our Purchasing Decisions

- As we continue to gather important information about our vendors' social responsibility and environmental sustainability performance, we are working to implement our Supplier Risk Scoring program by 2023. This will be used as a valuable tool to allow our Social Responsibility team to better prioritize due diligence and mitigate risk and help inform our Sourcing/Production and Buying teams' purchasing decisions.
- Through our sourcing program, we will provide anonymous benchmark data to our vendors to encourage their growth and continuous improvement.

Deliver Sourcing Training to our Suppliers on an Annual Basis, Beginning in 2023

- Our Responsible Sourcing Training will incorporate preventative practices that our suppliers can incorporate into their business processes to prevent some of the most common issues found during audits, so we are addressing the root cause of potential issues and create a lasting impact.
- Continue to increase our level of engagement with suppliers and build even stronger, long-term relationships centered around trust and respect.

Transparency is essential to addressing the greater issues that plague supply chains in our industry. We want to drive continuous change and improvement, and we want our customers and external stakeholders to hold us accountable. We understand that we have a responsibility to ensure the workers within our supply chain are treated fairly and can enjoy a safe, healthy workplace. We appreciate that our customers want to know where the products they're buying come from and they want to feel good about the purchases they're making. We know that we still have work to do, and we are committed to that work. URBN is involved in the procurement of fabric for over 80% of its Ownbrand product. While we have visibility to much of our tier 2 supplier base, we'd like to learn more about our tier 2 suppliers with which we do not have a direct relationship. Beyond current commitments, we will continue to map the apparel supply chain, as well as our home and accessories supply chains. Transparency will be a key theme in our CSR work going forward, and we are excited about the positive change that will come along with it.

*See Glossary

To further encourage continuous improvement and progress in this space, URBN's executive bonuses are tied to various Sustainability and Social Responsibility goals, including the percentage of our vendors assessed during our annual Social

Social Compliance Audit Program

Compliance Audit program.

We audit the factories that produce our goods on an annual basis to ensure they are meeting or exceeding our standards. These third-party audits help us to ensure workers are being paid fairly, there is no use of forced or child labor, and working conditions are safe and in compliance with local law. The audits

consist of a thorough in-person review of the facility, document review, and worker interviews. We are made aware of any issues that are identified during the audit, and we work closely with the factory and auditing firm to ensure the non-compliances are addressed quickly and appropriately. We ensure that, when necessary, a Corrective Action Plan is developed to help the factory prioritize their efforts and ensure a realistic timeline is followed.

Many of the issues that are found during an audit can be remediated very quickly – some are even addressed while the auditor is still present. Some of the most common issues found during the audits include minor health and safety issues, or voluntary overtime. Our "zero tolerance issues" include any type of forced or involuntary labor, child labor, corporal punishment, and attempted bribery. In the rare instance that one of these critical issues is identified, we take immediate action to stop production at the factory. Depending upon the type of issue found, we may work with the factory to help effectively resolve the issue before further production may begin. Our goal is to partner with our suppliers to ensure they have the best resources available to foster healthy, safe working environments. If we have exhausted our efforts to remediate the issues at hand, and we continue to see no progress, we may responsibly end our business relationship with a factory.

As part of our 2021 Social Compliance Audit program, we reviewed audits from over 300 of our vendors. This includes the vendors who produce over 70% of the volume of URBN's Ownbrand product. While our Ownbrand vendor base is where we can have the most impact and influence, we do not stop there. We also required our key Market* vendors to share social compliance audits to ensure that all our vendors share our values and are continuously upholding their commitment to responsible sourcing.

Conduct Annual Audits to Ensure Suppliers Meet

very seriously, and we insist that our business be conducted

according to the highest ethical standards. Our Vendor Code

of Conduct and Responsible Sourcing Policy, Human Rights

to ensure workers' rights are protected, working conditions

are safe and our products are manufactured in a manner that

ensures our values and our customers' values are respected.

To hold ourselves and our vendors accountable, our Social

Responsibility team regularly engages with suppliers though

our annual Social Compliance Audit Program. This program

allows us to get a closer look at where our products are being

made and understand how we can have a positive impact on

the workers who are creating our products. We accept various

audit frameworks from a list of reputable third-party auditors,

as long as they align with our standards, so that we can avoid

contributing to the widespread issue of audit fatigue.

Policy, and Forced Labor Statement represent these standards

we have set and outline the requirements for all of our suppliers

URBN takes its commitment to Responsible Sourcing*

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New Vendors

In addition to our annual audit program, we incorporate a Social Responsibility review in our onboarding process. Before we will onboard a new Ownbrand vendor, we review a recent third-party audit or conduct a new third-party audit to ensure the factory is aligned with our Social Responsibility standards. We will not begin working with a new supplier until we are confident that they are able to consistently comply with our Vendor Code of Conduct.

Forced Labor

We are very clear with our vendors that we have zero tolerance for forced labor. We regularly communicate these expectations to our vendors and reiterate our policies, to which they've agreed, like our Vendor Code of Conduct and Responsible Sourcing Policy and Forced Labor Statement. We also understand that Human Rights issues, like forced labor, require a collaborative approach to improve, and eventually eradicate. We are active members and serve on the Board of the US Fashion Industry Association (USFIA), which allows us to partner with and learn from our peers and stay abreast of the latest news and the challenges our industry is facing. We are also members of a Forced Labor Working Group, comprised of various retail industry associations, which aims to join forces and share ideas and opportunities to address the issue of Forced Labor.

As stated in our Vendor Code of Conduct and Responsible Sourcing Policy, and in line with the Uyghur Forced Labor Prevention Act passed by the US Government, URBN does not source its own products or materials from Xinjiang Uyghur Autonomous Region (XUAR) nor do we permit our vendors to source from XUAR. We will continue to partner with our vendors and conduct ongoing due diligence to ensure product is not sourced from this region. We stand behind and partner with our industry associations, including the Retail Industry Leaders Association, American Apparel & Footwear Association, National Retail Federation, and United States Fashion Industry Association to encourage further action to stop the perpetuation of forced labor. We regularly meet with the joint industry Forced Labor Working Group to ensure we are collaborating with likeminded peers on the best practices and new approaches to manage human rights and forced labor risk in our supply chain.

Conflict Minerals

URBN vendors are prohibited from using "conflict minerals" in their products, which are defined as minerals that may directly or indirectly finance or benefit conflict in the Democratic Republic of Congo or the adjoining countries. As part of our due diligence process, URBN uses a third party to survey its Ownbrand vendors to determine whether conflict minerals are present in their supply chains. Using this information, we file an annual report to the Securities and Exchange Commission in accordance with the Dodd-Frank Act. URBN's Conflict Mineral Policy is made clear to vendors in our Vendor Code of Conduct and Responsible Sourcing Policy.



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GOVERNANCE

URBN's Board of Directors represents our shareholders and advises our management team on key issues relating to our business, including financials & controls, governance, compliance, business ethics, and strategy. Our Board has 30% female representation and all nonexecutive board members are independent. Our Audit, Compensation & Leadership Development, and Nominating & Governance committees are comprised of all independent board members.

Lead Independent Director

When the Chairman of the Board and the Chief Executive Officer roles are held by the same person, the URBN Board of Directors will annually elect a Lead Independent Director. This Director will coordinate activities of other independent Directors, provide input in the preparation of Board agenda, and perform other duties as determined by the Board.

Impact Committee

URBN maintains an Impact Committee, co-chaired by URBN's Chief Sourcing and Chief Administrative Officers, to set sustainability policies and goals, provide oversight of those policies, and track and report progress towards our goals. The Committee reports to the Board at least annually and maintains a functional Working Group which focuses on three areas: Environmental & Social, Data Privacy & Security, and Governance. The Working Group is comprised of operational management representatives and is responsible for recommending policies and goals to the Committee, implementing policies established by the Committee, and tracking and reporting to

the Committee on progress towards goals falling within the Working Group's remit.

The F*****rum of Executive Women

Urban Outfitters Inc., is named a "Champions of Board Diversity" by the Forum of Executive Women.

RESPONSIBLE BUSINESS AND SOURCING

URBN Code of Conduct and Ethics

TRANSPARENCY	AUTHENTICITY	RESPECTABILITY
All-encompassing policies protecting our employees, our inves- tors, and our consumers	Commitment to cus- tomer privacy, security, product quality, and all areas that impact our reputation	Treating our employees, and our consumers ethically, and creating space to ask questions and comment without fear of retribution

Policies:

- Human Rights Policy
- California Transparency in Supply Chains Act
- US Foreign Corrupt Practices/UK Bribery Act and Global Anti-Corruption
- Vendor Terms of Purchase Agreement
- URBN Forced Labor Statement
- Vendor Code of Conduct and Responsible Sourcing
- Insider Trading Policy

GOVERNANCE continued

DATA PRIVACY & SECURITY

The Data Privacy & Security Working Group has primary responsibility for setting data security and privacy policies, overseeing those policies, and tracking and reporting on data security and privacy performance. The Working Group is comprised of URBN's Global Data Privacy Officer, Global Director of IT Security, and General Counsel. The Working Group reports directly to the Audit Committee of the URBN Board of Directors at least annually.

Data Privacy & Minimization

URBN is subject to varying local, national, and international data privacy laws. URBN intends to comply with those applicable laws and has appointed a Global Data Privacy Officer to oversee those efforts. URBN policy is to minimize retention of personal information to the maximum extent possible consistent with the legitimate and reasonable needs of its business. To this end, URBN employs industry best practices, such as pseudonymization, anonymization, tokenization and encryption, to minimize the personal information in its possession. In addition, URBN employs technical and organizational measures to ensure that unencrypted personal information is accessible only by authorized personnel.

Data Security Procedures & Audits

URBN employs industry best practices to secure customer personal information and URBN sensitive data. In addition to an in-house team of leading data security personnel, URBN employs outside auditors to evaluate its security environment. For example, URBN complies with Payment Card Industry Standards and is audited annually by a third party to confirm compliance with those Standards. In addition, URBN employs third party penetration testers to identify potential security weaknesses for evaluation and remediation. URBN also partners with government organizations and industry associations to share intelligence and quickly respond to emergent threats.

Data Breach Notification

URBN is governed by local, national, and international laws regarding data breach notifications. In the event of a URBN data breach, URBN is committed to notifying impacted customers and/or appropriate government entities in accordance with applicable law without unreasonable delay and in all events within the time period specified by applicable law. URBN plans to use reasonable, cost effective, and secure methods for notifications in the event of a URBN data breach.

ABOUT THIS REPORT

In this report, we provide an overview of URBN's Corporate Social Responsibility (CSR) efforts. We disclose our ambitions, the key actions we are taking to deliver on those ambitions, and our progress to date. While this report will highlight and discuss those steps we've already taken, and the achievements we are proud of, we recognize that we are at the beginning of our journey in environmental sustainability and social responsibility. URBN has always been committed to authenticity in all areas of our business, and we recognize that there is no finish line. This report is our biggest step to date in our journey, providing our customers, employees, and shareholders with details around our commitments for the environment and our people. We will continue to strive for progress, not perfection, in bringing our products to market in the most sustainable and responsible manner possible.

This CSR report contains certain forward-looking statements based on URBN's current assumptions and expectations. Given the inherent uncertainty in predicting and modeling future conditions, caution should be exercised when interpreting the information provided in this report. Given the uncertainty in the global retail environment as well as the global supply chain, future results could differ materially from our goals, current descriptions, estimates and suggestions. Any statements regarding goals or future estimates or suggestions are not intended to constitute any representation, warranty, or other assurance. These statements are typically accompanied by the words "aim," "anticipate," "believe," "commit," "could," "drive," "estimate," "envision," "ensure," "goal," "intend," "may," "might," "mission," "seek," "strategy," "strive," "target," and "will" or similar words and phrases.

All of our forward-looking statements are intended to enjoy the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, as amended. Although we believe there is a reasonable basis for the forward-looking statements, our actual results could differ materially. These forwardlooking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. These risks include, but are not limited to, those identified in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission.

The information contained in this CSR report is also subject to the precision of our data collection and analysis methods, which are subject to future evolution and calibration. Such information is subject to additional uncertainties, as there are limitations inherent in the data collection and analysis methods. While we consider information from external resources and consultants to be reliable, we do not assume responsibility for its accuracy. Additionally, all numbers referenced are subject to the quality and comprehensiveness of the reporting received by the Company from internal and external sources, and therefore, are approximate and/ or estimated values. It is also important to note that the availability of data varies from section to section in this report.

URBN cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in this and other reports carefully in evaluating the forward-looking statements in our reporting. The forward-looking statements in our reporting are made as of the date they are made, and we undertake no obligation to update these forward-looking statements to reflect new information, subsequent events or circumstances or otherwise.

ASSESSMENT & PRIORITIZATION

In 2021, we conducted a broad assessment in partnership with a third-party expert to identify, update, and prioritize sustainability and social impact topics. This assessment was also an integral part in creating a targeted, meaningful strategy and developing forward-facing goals. The process, as described below, was guided by the Global Reporting Initiative (GRI) Reporting Principles. We also considered the relevant SASB Standards in identifying topics for inclusion in the assessment. To identify the key issues at URBN and how we intersect with the industry, we drew on research with fashion sustainability rating organizations, financial institutions, peers, and suppliers. We then engaged with customers, employees, and executive-senior leadership through surveys and interviews.

Through our process, we identified key issues to internal and external stakeholders. Our inaugural strategy and goals have been created to address major priority and significant issues, and we will continue to adapt and evolve our wider corporate strategy to address these areas of significant ESG impact.

RESPECT OUR PLANET	RESPECT OUR PEOPLE	GOVERNANCE*	
Circularity Circular Economy Product Lifecycle Education	Supply Chain Transparency Supplier Audit and Maintenance Working Conditions in the Supply Chain Education & Training	Responsible Sourcing Vendor Code of Conduct Ethical Labor policies	
Material Utilization Sustainable and Responsible Materials Reduction of Chemicals Packaging Waste	Diversity & Inclusion Foster a Respectful & Inclusive Culture Build a Talented, Diverse, and United workforce Training & Development of Staff & Workers	Consumer Trust Privacy & Data Security URBN Code of Conduct & Ethics	
Climate Action Energy & Emissions Sustainable Transport & Logistics	Cultivate Community Staff Well-being Philanthropy Consumer Awareness and Education		

GLOSSARY OF TERMS

Adaptive Reuse: Adaptive reuse refers to the process of reusing an existing building for a purpose other than which it was originally built or designed for.

Bluesign: This is a set of criteria that define requirements for input chemical and output chemical safety for all areas of manufacturing. These criteria specify threshold limits for chemical substances in finished chemical products such as auxiliaries or dyes as well as consumer safety limits for chemical substances in articles. This is a certification given to a product based on the chemicals used in the manufacture of that product, and applies only to the individual products that possess a certificate. This is independently audited and certified (with a certificate) by bluesign technologies.

Circularity: A circular economy keeps materials, products, and services in circulation for as long possible. It is an economy that uses a systems-focused approach and involves industrial processes and economic activities that are restorative or regenerative by design, enables resources used in such processes and activities to maintain their highest value for as long as possible, and aims for the elimination of waste through the superior design of materials, products, and systems (including business models). It is a change to the model in which resources are mined, made into products, and then become waste. A circular economy reduces material use, redesigns materials, products, and services to be less resource intensive, and recaptures "waste" as a resource to manufacture new materials and products.

Cubiscan: An automated dimension scanning and weighing system used to accurately provide 3-dimensional size of a product, used to determine shipping box size and create efficiencies in shipping and storage.

Deadstock: Fabric or manufactured garments that are no-longer sellable such as damaged items, incorrect deliveries, leftover seasonal products, fabric liability, or excess inventory.

FabScrap: FabScrap is a 501(c)(3) nonprofit organization based in New York City, founded in 2016. FabScrap works with over 500 fashion, **Ownbrand:** Product designed, sourced, and manufactured through interior design, and entertainment companies and has diverted over URBN brands. 600,000 pounds of pre-consumer textile waste from landfill. FabScrap collects all excess and unwanted design waste, including headers and **Preferred Fiber Source:** Per the Textile Exchange, preferred fiber swatch cards, cutting room scraps, mock-up garments, mutilated sources have improved environmental and/or social sustainability garments, unsold merchandise, unused trims, button, yarns, zippers, outcomes and impacts compared to conventional counterparts. The materials were assessed for their risks, investments, transparency, patches, and leathers, sample yardage, and rolls of fabric. impact targets and general perceptions.

Field Employee: An employee of URBN Shared Services or Brand who

works in a store, DC, FC, or other capacity in support of the company. **Post-Consumer Waste (PCW):** Post-consumer waste is the waste produced at the end of a consumer-product lifecycle. The product is bought and consumed so has served its intended use. Post-consumer Home Office Employee: An employee of URBN Shared Services or Brand who works at Navy Yard campus. waste refers to the household waste we generate every day. This includes food, beverages, packaging or garden trimmings.

Market: A brand selling their products wholesale to URBN brands to be sold in stores or online.

OEKO-TEK 100: 100 chemicals that are not usually present in a finished garment, but are used in the wash or dye process that could be harmful to the environment, or to the employees working in the process. This is a certification given to a facility, and applies to all products coming out of that facility. This applies to fabric, washes, as well as finished garments. This is independently audited and certified (with a certificate) by the OEKO-TEX 100 Standard Confidence in Textiles organization.

GLOSSARY OF TERMS continued

Pre-Consumer Waste: Pre-consumer waste refers to waste produced by manufacturers or industries before products are released for consumer use. This includes metal, paper and card, chemicals, food, minerals or oils. These are generated by restaurants, shops, factories and industrial plants.

Responsible Material 1.) Sustainable fibers that are deemed 'sustainable' by a third party certifying body such as organic cotton or recycled materials 2.) Responsible fibers or materials that are sourced with special attention paid to the social and environmental impact the collection and processing of these materials might have, usually virgin fibers, such as Lenzing Viscose (virgin wood pulp fiber made from renewable forest plots), responsibly harvested coconut or palm oil in candles, or US Cotton.

Responsible Sourcing: Responsible sourcing, also referred to as supply chain responsibility, is a voluntary commitment by companies to take into account social and environmental considerations when managing their relationships with suppliers.

Restricted Substances List (RSL): An RSL is a list of chemical substances that are restricted or banned in a final product. RSLs are based on regulatory requirements, clearly stating what regulatory obligations a product must meet. URBN uses the RSL developed by the American Apparel & Footwear Association's Environmental Task Force, a practical tool to help individuals in textile, apparel and footwear companies, and their suppliers - responsible for environmental

compliance throughout the supply chain – to become more aware of various national and international regulations governing the amount of substances that are permitted in finished home textile, apparel, and footwear products. Science Based Target (SBT): Science-based targets provide a clearlydefined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth, in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. **Shoddy:** Shredded fiber made from fabric waste, usually pre-consumer; used in upholstery stuffing, and insulation. SupplyShift: Supply Chain transparency and responsibility software used to mitigate risk and improve supplier performance. Zero Discharge of Hazardous Chemicals (ZDHC): This is a 3rd party certification provided by the ZDHC 501(c)(3) organization and controls not just the testing on the final product, but managing the input chemistry related to washing and dying, and waste management of these chemicals when they are finished. This is a certification given to a facility, and applies to all products coming out of that facility. This applies to fabric, washes, as well as finished garments. This is independently audited and certified (with a certificate) by the ZDHC Foundation. This is the highest level of chemical responsibility certification a facility can receive.

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GLOSSARY OF TERMS continued

TIER	TITLE	DESCRIPTION	EXAMPLE OF SUPPLIER & RELEVANT ACTIVITIES
TIER O	Office, Retail, Distribution Centers	Corporate real estate not involved in production process	Retailer's Distribution Center (distribution of goods)
TIER 1	Finished Product Assembly	Assembly and manufacturing of final products	Garment Manufacturer (cutting and sewing of apparel)
TIER 2	Material Production	Production and finishing of materials (e.g., fabric, trims) that go directly finished product	Fabric Mill (textile knitting/weaving, preparation, coloration, and additional coloration or finishing)
TIER 3	Raw Material Processing	Processing of raw materials into yarn and other intermediate products	Spinner (spinning fiber into yarn)
TIER 4	Raw Material Extraction	Cultivation and extraction of raw materials from the earth, plants, or animals	Cotton Farm (raw fiber processing)