Consumer Insight - Abercrombie & Fitch Men's

| Generation & Age | Generation Z & Millennial 1994 to 2001 21 to 28 years old |
|--------------------|--|
| Attitudes & Values | Inclusivity, Connectedness, Comfort, & Confidence |
| Lifestyle | *Entry Lvl. Professional Career *Posts Day-to-Day Events on Instagram or Snapchat Stories *96 Hour Weekends filled with Adventures and Socializing |
| Consumer Behavior | Brand's Shared Values - Inclusive Trend Follower Versatility in Products |



Source: IStock by Getty Images, Retrieved 4/3/2022

"Abercrombie still zeroed in on the same consumers who bought their logo tees in the 2000s – except now, they were 20 something professionals who wore jeans to the office and dresses to brunch" (Chen, 2021).

Sources:

Abercrombie & Fitch Inc, Purpose, 2021

Business of Fashion, "Abercrombie & Fitch Looks to Hollister for Lessons in Tapping Gen Z", August 2017

Business of Fashion, "Abercrombie & Fitch's Brand Reinvention", October 2021



In-Season Analysis Knit Tops S/S 2022

Abercrombie Product Pricing and Assortment Breakdown

| Pricing Architecture | Knit Tops | Sub-Category Assortment | Knit Tops |
|-------------------------|--------------|----------------------------|--------------|
| \$0-40 | 54.7% | T-shirts | 38.5% |
| \$40-80 | 43.4% | Sweatshirts | 10.8% |
| Ψ40 00 | 43.470 | Polo Shirts | 8.8% |
| \$80-120 | 1.9% | Hoodies | 7.0% |

Brand Comparison Sub-Category Assortment

| Abercrombie & F 898 prod | | EXPRESS (3,565 pro | | River Island 822 pro | |
|-------------------------------|--------|-------------------------------|--------|-------------------------------|--------|
| Торѕ | 100.0% | ● Торѕ | 100.0% | ● Tops | 100.0% |
| T-Shirts | 38.5% | T-Shirts | 23.8% | T-Shirts | 27.5% |
| Sweatshirts | 10.8% | Sweatshirts | 11.8% | Sweatshirts | 11.1% |
| Polo Shirts | 8.8% | Polo Shirts | 5.1% | Polo Shirts | 8.2% |
| Hoodies | 7.0% | Hoodies | 2.5% | Hoodies | 8.2% |

Brand Comparison Pricing Architecture

| D | Abercrombie & Fitch (US) | EXPRESS (US) (R) | River Island (US) (R) |
|---------------------|-----------------------------|------------------|--------------------------|
| Price points USD | (R) | (10) | (03) (10) |
| | 585 | 1,540 | 451 |
| \$0-40 1,172 | 54.7% | 46.2% | 31.3% |
| \$40-80 1,340 | 43.4% | 50.8% | 67.4% |
| \$80-120 59 | 1.9% | 2.7% | 1.3% |
| \$120-160 5 | | 0.3% | |

Source: EDITED.com, Retrieved Apr. 4, 2022.

Competitve Product: River Island



White Muscle Fit Short Sleeve Polo Shirt

MSRP: \$26.00 Fabrication:

96% Cotton, 4% Elastane Sizing Information: S- XXL

Source: EDITED.com, Retrieved Apr. 4, 2022.



Knit Garment Factory



Alibaba Competitive FOB Quote:



Dongguan Human Yifei Garment Company

50-199 Pieces: \$7.10 200-499 Pieces: \$6.50 500-1999 Pieces: \$5.40 > = 2000 Pieces: \$4.50

Company Profile:

Company Name: Dongguan Peninsula Apparel Company Limited

City: Dongguan

Province: Guangdong

Country: China

Sustainability Rating: 3-Mid FOB Range: \$8.00 to \$18.00

Sourcing Analysis:

China is ranked first based on apparel exports globally, valued at \$154 billion in 2020. Related to apparel production, textiles and apparel ranks first for share of global production in China at 54% which currently employs around 15 million people.

Garment Worker Findings:

- China placed in the top five for the categories related to human rights violations.
 - 2nd globally for high risk forced labor indicators
 - 4th globally for failing to provide fair and livable wages

Environmental Findings:

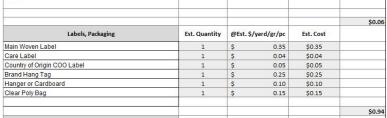
- China ranked 120th globally and 11th in Asia with an EPI score of 50.74.
- Receiving a high risk evaluation for water stress, China's water quality is one of the world's worst despite having the fourth largest freshwater reserves in the world.



Pre-Production & 2nd Costing

| Date: 5/2/2022 | | Company: Abercromb | ie & Fitch | | |
|--------------------------------------|--------------|--|------------|-----------------|----------------------|
| Style Number: M100-01-01 | Sales Sample | Season: SS 2023 | | | Category: Men's Tops |
| Size Range: XS-S-M-L-XL-XXL | Sxs Size: M | M Description: Short Sleeve Polo Shirt with 2 Button Placket | | | |
| Fabric | Est. Yield | @Est. \$/yard | Est. Cost | Total Est. Cost | Sketches |
| Fabric 1: 100% Cotton Pique, 5.6 oz. | 1.15 | \$ 2.10 | \$2.42 | | |
| | | | | | |

| Fabric 1: 100% Cotton Pique, 5.6 oz. | 1.15 | \$ 2.10 | \$2.42 | |
|--|---------------|---------------------|-----------|--------|
| Fabric 2: Knit Rib Polo Collar | 0.05 | \$ 1.55 | \$0.08 | |
| Fabric 3: Knit Rib Polo Short Sleeve Cuffs | 0.04 | \$ 1.55 | \$0.06 | |
| | | | | \$2.55 |
| Trims | Est. Quantity | @Est. \$/yard/gr/pc | Est. Cost | |
| Trim 1: 2-Hole Resin Button 1/2", 20 Ligne | 2 | \$ 0.03 | \$0.06 | |
| Trim 2: | 0 | \$ - | \$0.00 | |
| Trim 3: | 0 | \$ - | \$0.00 | |
| Trim 4: | 0 | \$ - | \$0.00 | |
| | | | | \$0.06 |
| Labels, Packaging | Est. Quantity | @Est. \$/yard/gr/pc | Est. Cost | |



| Labor | SAM | Int | 'I Rate | Est. Cost | |
|--|------|-----|---------|-------------------|--------|
| Cutting: | 3.00 | \$ | 0.20 | \$0.60 | |
| Sewing: | 9.75 | \$ | 0.20 | \$1.95 | |
| Finishing: | 2.25 | \$ | 0.20 | \$0.45 | |
| Total SAMs: | 15.0 | | | | \$3.00 |
| Garment Wash: Enzyme, Soft or Light Wash | | | | | \$0.30 |
| | 20 | | Tota | l Material Cost + | \$3.55 |
| | | | Т | otal Labor Cost + | \$3.30 |
| | | | | Local Freight + | \$0.25 |
| | | | | - | |
| | | | | CARRACTUT FOR | 07.40 |

| HTS Code, Trade Category and Rate of Duty % | 6109.10.00.27 | 338 | 16.5% | \$1.17 |
|---|----------------|-------------------|------------------|---------|
| Estimated Freight | | | 10.0% | \$0.71 |
| Commissions | | | 6.0% | \$0.43 |
| | | TOTAL LDP LANDED | DUTY PAID COST | \$9.41 |
| Retailer Markup | | Markup Goal % | 68.0% | \$29.42 |
| | Pre-Production | Costing Caculated | d - Retail Price | \$29.42 |
| Manufacturer's Suggested Retail Price (MSRP) | | | \$35.00 | |
| Difference in Retail Price for Pre-Production Costing (needs to be \$0 or less) | | -\$5.58 | | |







| | 2ND | PRODUCTION COSTING SHEET | | | |
|-----------------------------|--------------|--|----------------------|--|--|
| Date: 5/2/2022 | | Company: Abercrombie & Fitch | | | |
| Style Number: M100-01-01 | Sales Sample | Season: SS 2023 | Category: Men's Tops | | |
| Size Range: XS-S-M-L-XL-XXL | Sxs Size: M | Description: Short Sleeve Polo Shirt with 2 Button Placket | | | |

| Tubile | Luci i i ciu | C Est. 97 July | Lott Coot | Total Est. Cost |
|---|---------------|---------------------|--|-----------------|
| Fabric 1: 100% Cotton Pique, 5.6 oz. | 1.15 | \$ 3.27 | \$3.76 | |
| abric 2: Knit Rib Polo Collar | 0.05 | \$ 1.55 | \$0.08 | |
| Fabric 3: Knit Rib Polo Short Sleeve Cuffs | 0.04 | \$ 1.55 | \$0.06 | |
| | | | | \$3.90 |
| Trims | Est. Quantity | @Est. \$/yard/gr/pc | Est. Cost | |
| Frim 1: 2-Hole Resin Button 1/2", 20 Ligne | 2 | \$ 0.03 | \$0.06 | |
| Frim 2: | 0 | \$ - | \$0.00 | |
| Frim 3: | 0 | \$ - | \$0.00 | |
| Trim 4: | 0 | \$ - | \$0.00 | |
| | | | 111 | |
| | | | | |
| | 9172 1179 11 | | 7577 | \$0.06 |
| Labels, Packaging | Est. Quantity | @Est. \$/yard/gr/pc | Est. Cost | |
| Main Woven Label | 1 | \$ 0.35 | \$0.35 | |
| Care Label | 1 | \$ 0.04 | \$0.04 | |
| Country of Origin COO Label | 1 | \$ 0.05 | \$0.05 | |
| Brand Hang Tag | 1 | \$ 0.25 | \$0.25 | |
| Hanger or Cardboard | 1 | \$ 0.10 | \$0.10 | |
| Clear Poly Bag | 1 | \$ 0.15 | \$0.15 | |
| | | | | 40.00 |
| S117/04/01/0 | | | ONE CONSTRUCTION AND ADDRESS OF THE PARTY OF | \$0.94 |
| Labor | SAM | Int'l Rate | Est. Cost | |
| Cutting: | 3.00 | \$ 0.20 | \$0.60 | |
| Sewing: | 9.75 | \$ 0.20 | \$1.95 | |
| Finishing: | 2.25 | \$ 0.20 | \$0.45 | |
| Fotal SAMs: | 15.0 | | | \$3.00 |
| Garment Wash: Enzyme, Soft or Light Wash | | | | \$0.30 |
| | | | | |
| | | Tot | al Material Cost + | \$4.90 |
| | | | Total Labor Cost + | \$3.30 |
| | | | Local Freight + | \$0.25 |
| | | | - | |
| | | | GARMENT FOB | \$8.45 |
| | | | | |
| | Import Costs | | | |
| HTS Code, Trade Category and Rate of Duty % | 6109.10.00.27 | 338 | 16.5% | \$1.39 |
| Estimated Freight | | | 10.0% | \$0.85 |
| Commissions | | | 6.0% | \$0.51 |
| 20,000,000,000,000 | | | | VU.51 |
| | | TOTAL LDP LANDED | DUTY PAID COST | \$11.20 |
| Retailer Markup | | Markup Goal % | 68.0% | \$35.00 |
| | Pre-Productio | on Costing Caculate | d - Retail Price | \$35.00 |
| | | | | |
| | Manufacturer | 's Suggested Retai | Price (MSRP) | \$35.00 |

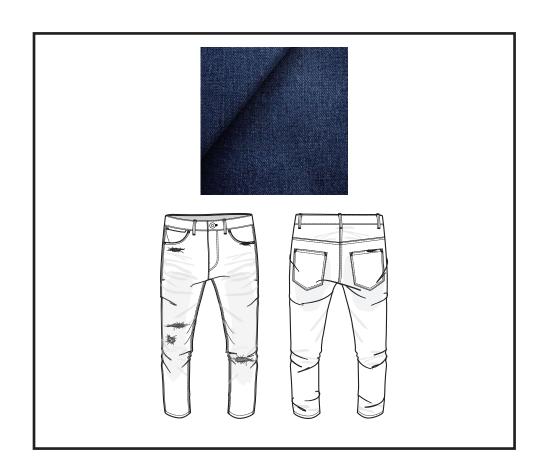
NOTES:5/2/2022 P.M. SOURCE COTTON PIQUE AT \$3.27/YD. FROM \$2.10/YD. TO ACHIEVE A 68% INITIAL MARK UP AT \$35.00 RETAIL



BACK VIEW



Woven Textile Mill



Product Details:

Textile Type: Woven Twill

Content:

98% Cotton, 2% Elastane Weight: 360 GSM or 10.6 oz

Width: 57 / 58" Certification: None

Sustainability Profile: Baseline Price per Yard: \$4.90 / yd

Company Profile:

Company Name:

Foshan Mattella Textile

City: Guangdong Province: Foshan Country: China



Woven Garment Factory



Alibaba Competitive FOB Quote:



Suzhou Qianteng Garments Co., Ltd.

2-199 Pieces: 13.90 200-499 Pieces: \$13.50 > = 500 Pieces: \$13.00

Company Profile:

Company Name: Nien Hsing (Ninh Binh) Garment Co.

City: Ninh Binh Province: Ninh Binh Country: Vietnam

Sustainability Rating: 4-High FOB Range: \$10.00 to \$20.00

Sourcing Analysis:

Vietnam is ranked sixth based on apparel exports globally, valued at \$10 billion in 2020. Related to apparel manufacturing, the manufacturing industry in Vietnam has the second highest number of employed individuals, which is around 11 million.

Garment Worker's Findings:

- The average monthly salary for paid workers in Vietnam was \$286.63 in 2021.
 - Follows China in global rankings for high risk wage-related violations
- Vietnam's labor laws are not effectively enforced by the government which causes more human rights violations to occur.

Environmental Findings:

- Vietnam ranked 132nd globally and 16th in Asia with an EPI score of 46.96.
- Although Vietnam received a medium risk evaluation for water stress, they received a high risk evaluation for waste and pollution management.



Source: Sedex.com, Sedex Insight Report, Retrieved April 18, 2022.