

Under Armour Inc.

TICKER
NYSE:UAA

MARKET CAPITALIZATION
US\$6 billion

HEADQUARTERS
United States

COMPLIANCE

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Yes](#)

COMMITMENTS

[Yes](#)

OVERALL RANKING

21 out of 43

(2016: 15 out of 20)

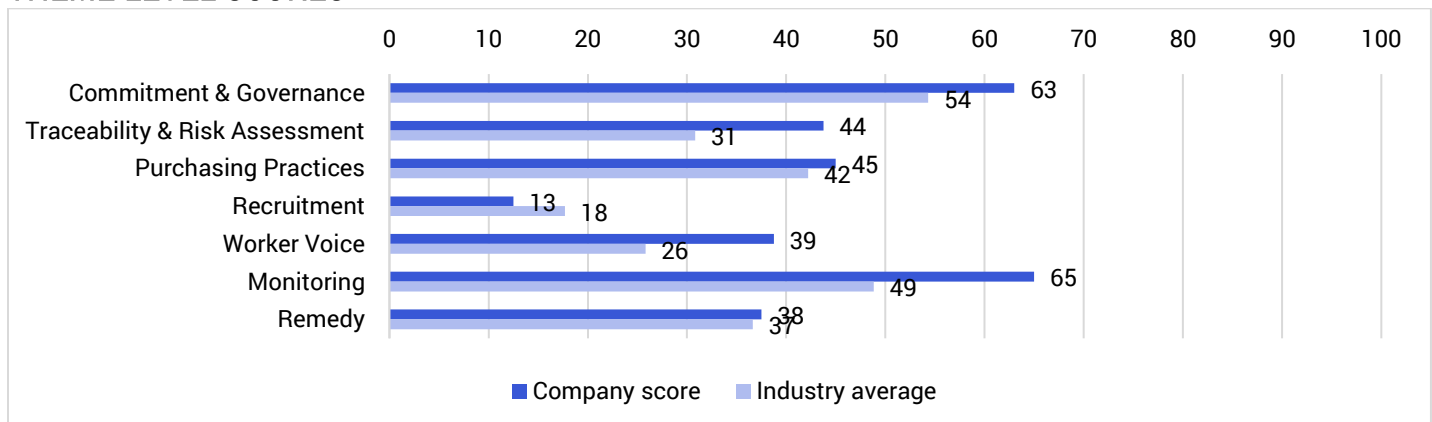
OVERALL SCORE

44 out of 100

SUMMARY

Under Armour Inc. (Under Armour), a US-based apparel and footwear company, ranks 21st out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Recruitment. Compared to 2016, the company improved its score by six points. Since 2016, the company has improved by disclosing requirements for its auditors and a supplier list which includes the names, addresses, and number of workers for the majority of its suppliers. It also discloses that it assessed human rights risks, placed orders at suppliers based on social compliance performance, extended its grievance hotline to its suppliers' workers, and audited some second-tier suppliers. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Commitment & Governance, Recruitment, and Worker Voice.

THEME-LEVEL SCORES



Research conducted through June 2018, or through August 2018 where companies provided additional disclosure or links. For more information, see the full dataset [here](#).

LEADING PRACTICES

None.

NOTABLE FINDINGS

Purchasing Practices: Under Armour discloses that its sustainability and sourcing teams work in close collaboration and exchange data through its sustainability council and other cross-functional meetings. This collaboration is aimed at mitigating risk during the supplier onboarding process, assessing the risk of forced labor linked to certain buying practices, and working with suppliers to improve their performance over time. The company discloses that it periodically “evaluates” order placement, basing it not only on a supplier’s production capacities, but on its prior social compliance performance. It discloses that potential suppliers are assessed for compliance with its supplier code of conduct prior to authorizing them for production and that manufacturing agreements include a requirement to comply with the company’s code. The company’s code is addressed at its “business partners, including manufacturers, licensees and agents and their subcontractors.”

Grievance Mechanisms: Under Armour discloses that several grievance mechanisms are available for workers in its supply chains. The company’s grievance mechanism is explicitly open to suppliers, subcontractors, and their employees to report violations of its supplier code of conduct. It notes that its suppliers’ workers and other stakeholders also have access to the Fair Labor Association’s third-party grievance mechanism. Further, the company requires its suppliers to implement effective mechanisms. Under Armour states that its suppliers must keep a grievance register that covers when grievances were submitted, what they concerned, and how management communicated to workers that they received them—as well as how they addressed them. Auditors are explicitly asked to assess the effectiveness of the suppliers’ grievance mechanisms and to “collect information by interviewing workers, reviewing on-site documentation on grievance procedures, submitted grievances and their resolution, and they also may physically inspect grievance systems.”

Monitoring: Under Armour states that its first-tier suppliers, as well as some second-tier suppliers (including licensed goods suppliers), are audited, either by the Fair Labor Association or by the company’s own third-party audits. Among the latter, it states that it prioritizes suppliers that produce high volumes of materials for the company. Under Armour notes that auditors assess supplier records such as new worker request forms, application forms, employment contracts, worker personnel files, and payroll records, including timecards, termination documentation, and collective bargaining agreements. It discloses that auditors “are expected to be fluent in at least one of the languages understood by the personnel they will interview.”

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company is encouraged to engage with relevant stakeholders on human trafficking and forced labor. This includes engagement with policy makers, worker rights organizations, or local NGOs in countries in which its suppliers operate, as well as active participation in one or more pertinent multi-stakeholder or industry initiatives.

Recruitment: While the company discloses that it favors direct employment, the company may consider developing and disclosing a policy that requires direct employment in its supply chains and that requires employment recruitment agencies and, where relevant, employment agencies in its supply chains to uphold workers’ fundamental rights and freedoms. The company is further encouraged to disclose information on the recruitment agencies used by its suppliers.

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[No.](#)