Hanesbrands Inc. (Hanesbrands)

TICKER NYS:HBI **MARKET CAPITALISATION**

US\$5.41 billion

HEADQUARTERS

United States

DISCLOSURES

UK Modern Slavery Act: Yes

California Transparency in Supply Chains Act: Yes

Australia Modern Slavery
Act: Yes (Disclosure of

Subsidiary)

OVERALL RANKING

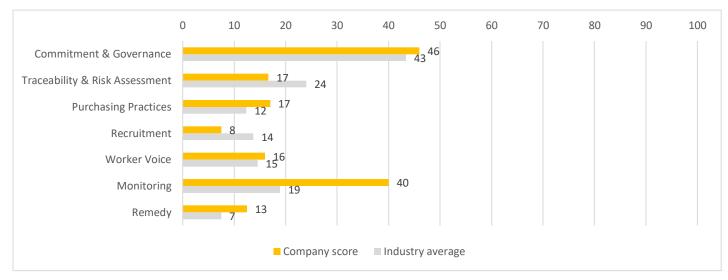
28 out of 65

2021 Rank: 21 out of 37

OVERALL SCORE

21 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

No

DATA ON PURCHASING PRACTICES

No.

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK RAW MATERIALS¹

Cotton, viscose, wool



Apparel & Footwear Benchmark COMPANY SCORECARD 2023

SUMMARY

Hanesbrands Inc. (Hanesbrands), a US manufacturer of innerwear and activewear, ranks 28th out of 65 companies. Since 2021, the company improved on Traceability & Risk Assessment by expanding the coverage of its first-tier supplier list and disclosing partial lists of second- and third-tier suppliers; on Recruitment by strengthening its no-fee policy to require repayment of fees where they have been charged to workers; and on Worker Voice by joining the International Accord on Fire and Building Safety in Bangladesh. However, the company did not improve across other themes and performs particularly poorly on the themes of Traceability & Risk Assessment and Recruitment as it does not disclose a human rights risk assessment process, and, beyond the no-fee policy referenced above, does not disclose taking steps to prevent recruitment-related exploitation of workers. As such, it was overtaken by other companies in the benchmark that presented stronger disclosure, and its rank has dropped by 7 places.³

KnowTheChain identified one public allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. The company states it conducts "extensive due diligence and training to ensure that [it is] fully compliant with US laws and restrictions". However, it does not disclose the concrete steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

The company is encouraged to improve its performance and disclosure on the themes of Traceability & Risk Assessment, Purchasing Practices, and Recruitment.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to assess and disclose forced labour risks across different tiers of its supply chains and disclose how it engages with relevant stakeholders including workers, unions, and civil society organisations to address forced labour risks identified. The company is also encouraged to demonstrate a strong understanding of its supply chains by disclosing the countries from which it sources raw materials at high risk of forced labour.

Purchasing Practices: As an accredited company of the Fair Labor Association (FLA), Hanesbrands is required to work with suppliers to reduce negative impacts on working conditions, and to hold accountable relevant staff and any contracted agent/intermediary for the implementation of planning and purchasing practices that help avoid negative impacts on workers and working conditions. While the company discloses commitments to planning and forecasting and states it is working with suppliers to expand its open cost modelling process, it is encouraged to disclose concrete steps taken to implement these commitments, and evidence its efforts to stakeholders by disclosing quantitative data points. The company should further consider integrating responsible buying practices in its contracts with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: To avoid exploitation of migrant workers in its supply chains, the company is encouraged to disclose how it ensures the implementation of its policy prohibiting the charging of recruitment fees to workers beyond mere inclusion of fee-related audit items, such as through: mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.



Apparel & Footwear Benchmark COMPANY SCORECARD 2023

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark findings report.

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset here. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre website.

³ KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023. See here for more information.