

# Under Armour Inc. (Under Armour)

TICKER NYS:UAA MARKET CAPITALISATION US\$7.95 billion HEADQUARTERS United States

Act: Yes

Australia Modern Slavery

#### DISCLOSURES

UK Modern Slavery Act: Yes

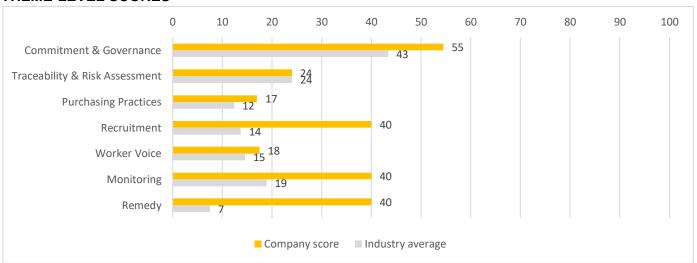
California Transparency in Supply Chains Act: Yes

**OVERALL RANKING** 

# 16 out of 65

2021 Rank: 18 out of 37

## THEME-LEVEL SCORES



#### **KEY DATA POINTS**

FIRST-TIER SUPPLIER LIST Yes

RISK ASSESSMENT Yes

DATA ON PURCHASING PRACTICES

ENGAGED WITH KNOWTHECHAIN<sup>2</sup> Yes

#### **NO-FEE POLICY**

Yes (Employer Pays Principle)

**OVERALL SCORE** 

33 out of 100

**REMEDY FOR SUPPLY CHAIN WORKERS** Yes (Limited)

#### HIGH-RISK RAW MATERIALS<sup>1</sup>

Cotton, leather, viscose, wool



#### SUMMARY

Under Armour Inc. (Under Armour), one of the top five largest sports brands by revenue globally,<sup>3</sup> ranks 16<sup>th</sup> out of 65 companies. Compared to 2021, the company improved its rank by two places. This is because the company improved transparency across first-tier suppliers and began disclosing high-risk sourcing locations identified through its risk assessment and published a policy prohibiting worker-paid fees and a tracing process for recruitment agencies used in its supply chains as part of its migrant worker policy. It also disclosed details of responsible recruitment efforts more broadly, including training and migrant worker assessments. The company's score is based on stronger performance across the themes of Commitment & Governance, Recruitment, Monitoring and Remedy.

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

LEADING PRACTICES

None.

## **OPPORTUNITIES FOR IMPROVEMENT**

**Traceability & Risk Assessment:** The company discloses strong supply chain transparency over first-tier suppliers, but it is encouraged to disclose the names and locations of below-first-tier suppliers, and the raw material sourcing countries from which it sources commodities at high risk of forced labour. While the company discloses a goal to implement a "fair compensation strategy across supply chain tiers by 2025" no further data is provided. The company is encouraged to track and disclose the number of women and migrant workers across its supply chains and adopt and disclose a strategy for measuring and achieving a living wage in its supply chains, as well as data on living wages in its supply chains.

**Purchasing Practices:** While the company discloses high-level information on its responsible sourcing strategy, to address forced labour risks in its supply chains the company is encouraged to adopt and disclose purchasing practices that decrease the risk of forced labour, and disclose quantitative data evidencing the implementation of responsible purchasing practices. The company may further consider ring-fencing labour costs such that they are not impacted during pricing negotiations. The company should consider integrating responsible buying practices in its contracts with suppliers, to ensure that the responsibility for respecting human rights is shared.

**Worker Voice** To support collective worker empowerment, the company is encouraged to work with local or global trade unions to support freedom of association in its supply chains. Further, the company is encouraged to disclose examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers, such as migrant workers. The company is also encouraged to disclose the percentage of suppliers' workers covered by collective bargaining agreements. To guarantee protections for supply chain workers on freedom of association and collective bargaining, the company may consider entering into a global framework agreement or enforceable supply chain labour rights agreements with trade unions or worker organisations.

<sup>&</sup>lt;sup>1</sup> For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark <u>findings report</u>.

<sup>&</sup>lt;sup>2</sup> Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset <u>here</u>. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre <u>website</u>. In 2023 the number of companies assessed increased from 37 to 65.
<sup>3</sup> Statista (2022), "Leading Sportswear companies by sales globally." Accessed 1 December 2023.