

KnowTheChain 2023 Apparel & Footwear Benchmark

Additional Disclosure

Company Name: Under Armour, Inc.

Date: September 26, 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.

Under Armour (UA) NOTE: We have included our responses in **BLUE** text.

- We welcome examples of leading practices. Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.
- Column F in the Scored Research tab of your excel sheet highlights questions to your company where the KnowTheChain team is seeking clarification or further detail on particular points of your company's disclosure.

UA NOTE: Column F requested response for five separate statements. Three statements were tied to specific indicators (5.3, 11.1, and 12A.2), and these have been addressed in the respective sections below. Two statements were not tied to any indicator, and they are copied, italicized, and addressed hereunder:

- 1) *Under Armour was accredited by the Fair Labor Association in February 2019, which falls outside of the research timeframe. Please clarify when re-accreditation will be due.*

The Fair Labor Association ("FLA") no longer conducts "re-accreditations" for companies that have achieved an accreditation level. On or about October 2023, the FLA Board voted to phase out the re-accreditation program and adopt a new system to confirm that accredited affiliates "maintain" their accreditation through annual evaluations which includes alignment with the [FLA's Principles of Fair Labor and Responsible Sourcing](#). Since that change, Under Armour has successfully maintained its FLA accreditation. This development is addressed in the [online summary of the October 2023 Board Meeting](#), which links to and describes the Board's approval of the [2023-2028 Strategic Plan](#). This new Strategic Plan opens with Goal 1, Initiative A, stating, "...During the 2018 – 2023 strategic implementation period, FLA strengthened its metrics and reporting systems for manufacturing accreditation and created a new metrics-based accreditation program for agriculture companies. Over the next five years, we will focus on implementing this refreshed accreditation program in both manufacturing and agriculture, thereby ensuring accredited brands embed their commitment to worker rights within their everyday business decisions. Priorities include [for Manufacturing] ... Maintain and continue to strengthen performance evaluation for accreditation based on rigorous review of a company's program. Report publicly on companies that maintain

accreditation standards using meaningful metrics that reflect FLA standards and impact for workers.”

- 2) *Under Armour states that it became an ILO Better Work Buyer Partner in 2021, but the Better Work website does not list Under Armour as a partner. Please clarify whether Under Armour is still a Better Work partner.*

UA is still a Better Work Buyer Partner. We were in touch with Better Work and they have updated their website with our brand logo on their [webpage](#).

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

- 1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

We require our suppliers to comply with our [Supplier Code of Conduct](#), which details our expectations for respecting the human rights of and protecting the suppliers' workers in our supply chain, aligns with [FLA's Workplace Code and Benchmarks](#), and reflects the core ILO Conventions. It includes provisions on forced labor, compensation, hours of work, freedom of association and collective bargaining, non-discrimination, harassment or abuse, nonretaliation, reporting potential misconduct and sustainable business practices. Along with the [Under Armour Modern Slavery Statement](#), our Supplier Code of Conduct makes clear we will not tolerate any findings associated with slavery, servitude, forced or compulsory labor, human trafficking or other forms of modern slavery in our supply chain.

In our UA Migrant Worker Policy & Standards (MWPS), UA defines the Scope and Implementation, “All active suppliers involved directly or indirectly in the manufacturing of UA products, including components and materials, are expected to comply with this policy and to meet the specific provisions in the supporting standards. UA will communicate the MWPS to all direct suppliers in their native languages. At a minimum, all direct UA suppliers must, in turn, require their next tier suppliers to provide written acknowledgement and evidence of implementation of the MWPS. These next tier suppliers, in turn, are required to have their sub-tier suppliers provide written acknowledgement and evidence of implementation of the MWPS.” (p. 3, paragraph 1)

Sources:

UA Supplier Code of Conduct

<http://investor.underarmour.com/static-files/60a7d342-c61c-479f-b952-130d62066bc5>

UA's Modern Slavery Statement

<https://about.underarmour.com/en/Purpose/Sustainability/reporting-and-governance.html>

UA's Migrant Worker Policy and Standards:

[https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/Under%20Armour%20Migrant%20Worker%20Policy%20Standards%20\(MWPS\)%20\(2\).pdf](https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/Under%20Armour%20Migrant%20Worker%20Policy%20Standards%20(MWPS)%20(2).pdf)

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

Since 2019, we have been in repeated communication with vendors to reiterate their responsibility to comply with applicable laws and the Forced Labor provision of the UA Code and FLA Code and benchmarks, throughout their supply chain, and to ensure no forced labor has been used in the production of UA products, their components or raw materials – including cotton.

In 2021, we partnered with Quizrr to launch a series of digital trainings to two suppliers in Jordan through the Worker Voice Pilot Program with an aim to further increase awareness and build capacity among our suppliers about applicable migratory labor risks. Specifically, two digital training modules covered topics related to involuntary works and responsible recruitment practices that are adapted based on the International Organization for Migration CREST Migrant Worker Guidelines and Suppliers Guidelines. During the year, over 4,500 factory workers and nearly 400 factory management team members received trainings.

Sources:

2022 UA Modern Slavery Statement – https://about.underarmour.com/content/dam/ua/investor-relations/MSA_2022_FINAL_6.27_2.pdf

2023 UA Modern Slavery Statement – https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g., bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

UA’s sustainability team is led by our Chief Sustainability Officer, who is primarily responsible for creating, implementing, operationalizing and enhancing policies, standards, procedures and structures including those related to modern slavery, and human rights. UA’s sustainability team reports to our Chief Sustainability Officer, a reporting structure that bolsters the team’s ability to operationalize, integrate and implement our sustainability goals across business units. Our sustainability and global product supply teams collaborate closely, seeking to work with manufacturing business partners who strive to perform better on key labor and other human rights performance indicators.

Our Sustainability Leadership Council (SLC) is comprised of our Chief Sustainability Officer, Chief Financial Officer, Chief Operating Officer, Chief Product Officer, Chief Legal Officer and Chief People and Administrative Officer. The SLC’s scope and work includes reviewing and approving key sustainability strategies and goals related to human rights. The SLC periodically reviews reports on issues, risks, findings and trends related to manufacturer compliance with laws, labor-related codes and benchmarks.

Source:

2023 UA Modern Slavery Statement –

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

The UA Board of Directors maintains four standing committees, one of which is the “Corporate Governance and Sustainability Committee,” detailed on [our corporate website](#).

Members of the Committee are listed on the same webpage.

The Committee’s mission includes, “...to oversee the Company’s significant strategies, programs, policies and practices relating to sustainability (including environmental and human rights issues and impacts) and corporate responsibility.” (Charter, Page 1, Paragraph 1)

Committee responsibilities include, “Sustainability: The Committee shall review with management significant Company strategies, policies, programs and practices relating to sustainability (including environmental and human rights issues and impacts) and corporate responsibility in furtherance of the Company’s business strategy, values and purpose. The Committee shall review relevant sustainability and corporate responsibility reports involving the Company prior to their publication. The Committee shall make recommendations to the Board of Directors regarding the foregoing as appropriate.” (Charter, Page 4, Paragraph 2)

The Committee’s meeting cadence and reporting to the Board are described as, “The Committee shall meet as often as it determines necessary to meet its objectives, but no less frequently than quarterly. A quorum at any Committee meeting shall be at least a majority of the members. All determinations of the Committee shall be made by a majority of its members present at a meeting duly called and held; provided however that any decision or determination of the Committee reduced to writing and signed by all the members of the Committee shall be fully as effective as if it had been made at a meeting duly called and held. The Chairperson of the Committee shall be responsible for establishing, in consultation with the Corporate Secretary’s Office, the agendas for meetings of the Committee. An agenda, together with materials relating to the subject matter of each meeting, shall be sent to members of the Committee prior to each meeting. Minutes for all meetings of the Committee shall be prepared to document the Committee’s discharge of its responsibilities. The minutes shall be circulated in draft form to all Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Committee shall make regular reports to the Board of Directors.” (Charter, Page 1, Paragraphs 3-4 and continued through Page 2, Line 2)

Accountability for the vision, strategy, policies, standards, procedures and structures related to labor, human rights, health and safety, environment and transparency from that of the Board, Executive Leadership, Cross-Functional Leadership, and Functional Teams, is described in the UA 2021 Sustainability & Impact Report. (Page 55)

The 2022 Proxy Statement updates by the Chief Sustainability Officer to the Committee, state, “Our Board of Directors has delegated to our Corporate Governance and Sustainability Committee oversight of our significant sustainability strategies, programs, policies and practices. The committee receives regular updates from our Chief Sustainability Officer on these matters, and reviews and approves significant sustainability and corporate responsibility policies and reports.” (Page 22)

UA’s 2023 Modern Slavery Statement reads, “Our sustainability strategy encompasses three strategic pillars (Products, Home Field and Team) and is operationalized through our Sustainability Business Integration model, which has been endorsed by our Executive Leadership team and shared with the Corporate Governance and Sustainability Committee of our Board of Directors.” (Page 4, Paragraph 1)

Sources:

Company website, “Corporate Governance >> Board of Directors” –

<https://about.underarmour.com/en/investors/corporate-governance.html#accordion-9ef210d44c-item-d9e19ab823>

Corporate Governance and Sustainability Committee Charter –

[https://about.underarmour.com/content/dam/ua/investor-relations/ir-and-governance-documents/governance-feb-2023/UA%20Corporate%20Governance%20and%20Sustainability%20Committee%20Charter%20\(vFinal%20Feb%202023\).pdf](https://about.underarmour.com/content/dam/ua/investor-relations/ir-and-governance-documents/governance-feb-2023/UA%20Corporate%20Governance%20and%20Sustainability%20Committee%20Charter%20(vFinal%20Feb%202023).pdf)

UA 2023 Sustainability & Impact Report

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023_SIR_09.08.23.pdf

2022 Proxy Statement – <https://underarmourinc.gcs-web.com/static-files/1921f70d-6fed-48ae-a671-2686c5a33c0c#page=19>

2023 UA Modern Slavery Statement –

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

[UA Supplier Disclosure \(T1\) \(2023\)](#)

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

Not disclosed.

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

Not disclosed.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

Informed by a comprehensive assessment of human rights risks across our global operations and supply chain, we published the Under Armour Global Human Rights Commitment in June 2021. We work with third parties and engage stakeholders to identify human rights risks relevant to our role as an employer, operator, purchaser, designer, innovator and connector. We prioritize managing our human rights risks by categorizing them into five focus areas—operations, supply chain, digital products, communities and the environment. We conduct regular human rights due diligence in line with the UNGP and other key standards through our social audits of our Tier 1 suppliers. We also conduct specific forced-labor due diligence on our Tier 1, 2 and 3 suppliers based on current issues facing the industry. Lastly, we regularly consult with external stakeholders, including civil society organizations, to determine where and how to continue improving.

Also, UA’s Migrant Worker Policy Standards outline stakeholders and experts engaged in its development, “While developing this MWPS, Under Armour’s Sustainability team consulted with experts in the field of migrant workers’ and human rights, including Impactt, The Mekong Club, Verité and Article One Advisors. We received valuable guidance from these organizations as well as from a range of publicly available sources, which we have listed below and in footnotes. In order to support the successful implementation of this policy, as well as continuous improvement and related performance, please refer to and use this set of resources. Please also note that as standards and practices evolve over time, we will update this set of resources, and we expect our suppliers to enhance their efforts accordingly.” (Page 12, Paragraph 1)

The 2022, and 2023 UA Modern Slavery Statements describe engagements with Verité in addressing forced labor concerns in Malaysia and relevant engagement with The Mekong Club and Better Work to understand the latest research, information and best practices to address industry-specific challenges.

Sources:

UA 2023 Sustainability & Impact Report

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023_SIR_09.08.23.pdf

UA Global Human Rights Commitment

[https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/UA%20Human%20Rights%20Commitment_FINAL_WEP%20update_10.27.21%20\(1\).pdf](https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/UA%20Human%20Rights%20Commitment_FINAL_WEP%20update_10.27.21%20(1).pdf)

UA Migrant Worker Policy & Standards –

[https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/Under%20Armour%20Migrant%20Worker%20Policy%20Standards%20\(MWPS\)%20\(2\).pdf](https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/Under%20Armour%20Migrant%20Worker%20Policy%20Standards%20(MWPS)%20(2).pdf)

2022 UA Modern Slavery Statement – https://about.underarmour.com/content/dam/ua/investor-relations/MSA_2022_FINAL_6.27_2.pdf

2023 UA Modern Slavery Statement –

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

4.2 details on forced labour risks identified in different tiers of its supply chains; and

Generally, risks include:

- Charging of recruitment fees.
- Below standard dormitory/living conditions.
- Low oversight of recruitment agencies' recruitment practices.
- Passport retention.
- Contract substitution.
- Employment contract in languages not spoken/understood by workers.
- Low awareness of wage and benefits calculation.

Our human rights due diligence process includes a country-level risk model, which evaluates prospective suppliers in new sourcing countries for country-level risks and trends. The country-level risk model tool scores countries against factors including perceived general governance capacity and protection of fundamental human rights as outlined in the International Bill of Rights and with respect to the [International Labour Organization's Eight Core Conventions](#). In FY2023, we partnered with Article One and used the country-level risk model tool to better understand country level human rights risks in Guatemala, South Korea and Fiji.

Source:

2023 UA Modern Slavery Statement

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

We participate in public dialogue and membership initiatives, such as the FLA, the Better Buying Institute and The Mekong Club, to engage with key stakeholders and actors who share our values in relation to combating modern slavery and advancing responsible sourcing.

We became a member of The Mekong Club in October 2019, which has allowed us to access expert research and trainings on issues pertinent to fighting modern slavery while exchanging practices with other members on industry-specific challenges. Working Group sessions have provided us with updates on proposed legislation, information about emerging issues on modern slavery amid Covid-19 and human rights tools and resources, including living wage resources and an anti-slavery scorecard. In 2021, we also became a Better Work member to further support our commitment to advance ethical practices in our supply chain. Through this partnership, we strive to continuously improve the working conditions for the people who make our products while deepening our engagement with suppliers and industry partners.

We have consulted and continue to work with third-party human rights experts, such as Verité, Impactt and Article One, to ensure our assessments and global systems are comprehensive and identify salient human rights risks, including modern slavery. Following Impactt's review, we enhanced our assessment tool and methodologies to focus more on International Labour Organization's core Forced Labor Indicators. In 2021, we provided third-party assessors the new tool, which has been used to assess factories in sourcing countries, including those where migrant workers are employed.

When needed, third-party audit firms investigate whether suppliers work with recruitment agencies, employment brokers and intermediaries. If the use of these entities is found, our assessment firms are directed to report on the nature and type of recruitment fees. All violations, including violations of our Supplier Code of Conduct and the Fair Labor Association Codes and Benchmarks and applicable laws, are documented so that we can directly address them with suppliers through performance improvement and remediation of systems as needed over time.

Source:

2023 UA Modern Slavery Statement:

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

2022 UA Modern Slavery Statement: https://about.underarmour.com/content/dam/ua/reporting---governance/MSA_2022_FINAL_6.27_2.pdf

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

Not currently disclosed.

5.2 the percentage or number of supply chain workers who are migrant workers' and

Not currently disclosed.

5.3 the percentage or number of supply chain workers that are being paid a living wage.

FROM "Scored Research" COLUMN F, KnowTheChain states: *5.3 We would welcome clarification as to what Under Armour defines as fair compensation and whether it refers to living wage.*

UA adopted the term "fair compensation" as part of the FLA's Fair Compensation Initiative, which began in 2015. As stated, in UA's Fair Compensation Commitment Statement, "Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income [, and] 'Fair Compensation' differs by country, region, and locale, so achieving fair compensation requires shared commitments and engagements to understand what is fair in the areas where we operate and what we can do better to help our vendors/supplier partners meet these standards in the compensation they provide to their employees." (Page 1, paragraph 2 and 3)

Recently, FLA has shifted to the term "Living Wage" but continues to use "Fair Compensation," and "Living Wage," interchangeably.

Sources:

UA Fair Compensation Commitment Statement –

<https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/UA-Fair%20Compensation%20Commitment%201-31-22.pdf>

FLA 2020 Fair Compensation Strategy – https://www.fairlabor.org/wp-content/uploads/2022/03/fair_comp_strategy_2020.pdf

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

Our Responsible Sourcing Policy supports our commitment, as an FLA-accredited company, to the FLA's Principles of Fair Labor and Responsible Sourcing. Our policy encompasses the scope and complexities of our supply chain, financial and contractual terms, balanced planning, accountability, training, communication and review. Since formalizing our Responsible Sourcing Policy in 2018, we have engaged in several initiatives to assess our responsible sourcing performance, including applying responsible sourcing principles to address supply chain conditions amid the COVID-19 pandemic. To gain additional understanding of our sourcing practices, in 2018, we joined the Better Buying Institute, a third-party initiative enabling suppliers to provide anonymous, confidential feedback about our purchasing practices.

Source:

2021 Sustainability & Impact Report:

https://about.underarmour.com/content/dam/ua/sustainability/sustainability-report/UA_2021SustainabilityImpactReport.pdf

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

Date, UA Chief Sustainability Officer Michael Levine summarized aspects of UA Responsible Sourcing on the Better Buying Institute's blog.

Source:

Better Buying Institute Blogpost by UA Chief Sustainability Officer - <https://betterbuying.org/guest-blog-michael-levine-chief-sustainability-officer-for-under-armour-inc-on-why-building-strong-supplier-relationships-is-mission-critical/>

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

On or about July 2, 2021, and based on its Third-Party Complaint mechanism (a safeguard mechanism), the FLA published an investigation report, and summary on labor rights violations filed by a union and a union federation regarding implementing significant changes in the facility's work schedule. In the Complaint, the union federation alleges that in early March 2021 the facility changed its work schedule and adopted a 4X4 work shift, in which workers are required to work 12 hours per day, 4 consecutive days, followed by four days off. According to the Complainant, there was **no consultation** with workers' representative and that actually the 4x4 work schedule **contravenes constitutional and legal limits** with regards to the maximum number of hours workers can work in El Salvador.

Following the FLA’s investigation report, and in a multi-brand collaboration effort a “Company Action Plan” (CAP) was developed and shared with the facility. The FLA’s verification process included a review of the documentation provided by the factory, workers’ employment contracts and amendments, and the factory’s communication plan with the workforce concerning the planned transition back to regular/approved work schedule, and virtual interviews with the union federation. The FLA concluded that the factory fully cooperated with the FLA’s affiliated companies throughout the remediation process.

Source:

<https://www.fairlabor.org/reports/decotex-international-el-salvador/>

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

UA, led by our corporate purpose, “We Empower Those Who Strive for More,” and keeping people at the center of all that we do, is committed to respecting the human rights and dignity of the people who make our products, as well as their components and materials.

We believe that all workers - including those who work for our suppliers - should be treated respectfully and fairly. Our mission and values inform our expectations and how we conduct human rights Due Diligence to prevent, and, if applicable, remediate “modern slavery” in our supply chain. We recognize that migrant workers are particularly vulnerable to exploitation and human rights abuses, and we have developed the Migrant Worker Policy and Standards (MWPS) to re-state and emphasize to both our internal UA teammates and suppliers the minimum requirements we expect them to meet to ensure the protection and equitable treatment of migrant workers throughout our value chain and across their employment.

Suppliers must practice responsible recruitment, including ensuring that migrant workers obtain work free of coercion, deception, fees, and debt. Migrant workers must also:

- Not pay for their job,
- Retain control of their personal identity documents,
- Have freedom of movement,
- Be informed of the basic terms of their employment before leaving home,
- Live in well-maintained housing (if provided, secured, referred to, or arranged for, directly or indirectly by the supplier),
- Have access to the equivalent clean, safe, and healthy living and working conditions afforded to local residents, in the event of natural, manmade, or global health crisis,
- Enjoy demonstrably effective and anonymous grievance systems, without retribution and with demonstrated responsive actions by their employers,

- Have access to remedy for any issues faced, and
- Be repatriated fairly, rapidly and at the employer's expense.

We continue to seek to enhance our MWPS. In March 2023, we again signed [the Fair Labor Association/American Apparel & Footwear Association's Responsible Recruitment Commitment](#) and subsequently revised our MWPS, with the guidance of third-party experts, to better align with the commitment.

In our [2022 Modern Slavery Statement](#), we discussed a remediation case study involving migrant labor in Malaysia. Since 2019, we and other brands have continued to support the facility in Malaysia as it worked to address areas of noncompliance found initially in an assessment by Verité in July 2018. In June 2021, a Fair Labor Association accredited assessment firm visited the facility and confirmed that all outstanding and previously identified recruitment fees have been reimbursed to migrant workers, and that the facility had successfully addressed other issues identified, including implementing worker training related to harassment and abuse, unfair wage calculation and improvements in fire safety competencies. In FY2023, another third-party assessment was completed, which included using the Under Armour/Social and Labor Convergence Program, and no issues previously identified by Verité were found.

In addition, the recent audit report highlighted that the facility is continuing to improve its management systems and has been taking steps to ensure pay slips are understood by workers in their spoken languages. We plan to continue to monitor workplace conditions at this facility, including recommending additional due diligence related to this facility's hiring of new migrant workers.

Sources:

[UA's Migrant Worker Policy and Standards \(MWPS\)](#)

[https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/Under%20Armour%20Migrant%20Worker%20Policy%20Standards%20\(MWPS\)%20\(2\).pdf](https://about.underarmour.com/content/dam/ua/sustainability/sustainability-documents/Under%20Armour%20Migrant%20Worker%20Policy%20Standards%20(MWPS)%20(2).pdf)

[Fair Labor Association/American Apparel & Footwear Association's Responsible Recruitment Commitment](#)

https://www.aafaglobal.org/AAFA/Solutions_Pages/Commitment_to_Responsible_Recruitment

[2023 UA 2023 Modern Slavery Statement-](#)

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

We remain committed to improving the process, systems and controls we have in place to identify and address human rights-related risks, including those related to modern slavery. We engage experienced third-party firms to investigate allegations brought to our attention and work with vendors on remediation actions, including reimbursement plans, as or if applicable.

Case Study 1: Recruitment Fees

In our [2022 Modern Slavery Statement](#), we also mentioned that we and one other brand were notified through a 2019 report from Verité that foreign contract workers were paying recruitment

fees at another facility in Malaysia that manufactured products for us and the other brand. Since then, we and the other brand at that facility have partnered with the vendor who owns the facility and facility senior management to address all issues and findings identified in a report from Verité.

Throughout 2021, Verité reviewed the facility's repayment plan and provided regular updates to us and the other brand. Since then, we have met with the facility's senior management and discussed the necessary steps to ensure that Verité's recommendations, including a repayment plan, are implemented.

The vendor who runs this facility has reported that reimbursement payments to eligible workers have been distributed, and we plan to review the related payment documentation during our next annual assessment.

Source:

2023 UA 2023 Modern Slavery Statement:-

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

Not disclosed at the present time.

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

UA teammates have, and continue to, participate in the Joint-Association Forced Labor Working Group led by the American Apparel & Footwear Association's Social Responsibility Committee. These working groups provide information on industry trends and challenges around forced labor legislation by looking at the Uyghur Forced Labor Prevention Act, forced labor and related issues around the world.

In March 2023, we again signed [the Fair Labor Association/American Apparel & Footwear Association's Responsible Recruitment Commitment](#) and subsequently revised our MWPS, with the guidance of third-party experts, to better align with the commitment.

Source:

2023 UA 2023 Modern Slavery Statement:-

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

UA is committed to ensuring that workers' rights to freedom of association and collective bargaining are respected. As part of the UA audit process, third-party assessors are required to consult with worker representatives, unions and federations, if available, to gain an understanding of factory conditions even before the on-site assessment begins. For example, in FY2023, an experienced third-party expert conducted an investigation and helped address industrial relation issues between union members and factory management. We also work with other brands that share our suppliers to identify issues and seek to implement jointly near-term corrective actions, in addition to building more sustainable systems for the future. In fact, in FY2023, we worked together with another customer to address factory management issues raised by union representatives and their federation at one of our supplier's factories.

Source:

2023 UA 2023 Modern Slavery Statement:-

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

Not disclosed at the present time.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Workers in our supply chain continue to have access to multiple grievance mechanisms, including a hotline and email option, specifically referred to in the *Reporting Potential Misconduct* provision of our Supplier Code of Conduct. Workers who participate in the interview process during assessments and investigations are regularly provided with contact information for Under Armour to enable them to voice issues or concerns, including those that were not addressed during prior audit assessments or investigations.

The hotline mechanism featured in our Supplier Code of Conduct is monitored 24 hours a day, seven days a week, and available to our teammates and external stakeholders. It provides an option to report anonymously and in local language, depending on the location. Product supply chain business partners, including manufacturers, licensees and their subcontractors are required to post, in prominent areas, our Supplier Code of Conduct in the language understood or spoken by workers at the facility. Additionally, we have a strict non-retaliation policy prohibiting retaliation against any teammate for raising an ethical concern, question or complaint in good faith. Should the identity of the teammate making the complaint be known, we will monitor any disciplinary action against the teammate to determine if it is retaliatory.

Reported allegations are taken seriously and investigated, whether they come in through the hotline, email, assessors or other stakeholders. In calendar year 2022, we received six complaints

related to supply chain social compliance through our worker grievance channels (which are separate from our supplier grievance mechanisms). Of these complaints, one was related to an alleged wage discrimination, three were related to alleged freedom of association and industrial relations issues, one was related to alleged working hour issues and one concerned alleged worker retrenchment issues. We have closed three of the six complaints received to date. Of the three open cases, two have resulted in follow-up investigations and remediation plans, and we are still actively working to remediate the last complaint.

Source:

2023 UA Modern Slavery Statement

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

Current Remediated Case Tracker

	2019	2020	2021	2022
Annual Grievances Received	5	7	5	6
Open Cases	0	0	0	3
Closed Cases	5	7	5	3
Data represents grievances lodged by year, not solely those related to modern slavery issues.				

Source:

UA 2023 Modern Slavery Statement:

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Starting in 2018, we also engaged third parties to conduct focused migrant worker assessments of suppliers in high-risk sourcing locations. These focused assessments include an analysis of the recruiting and hiring practices of suppliers and intermediaries. In 2020 and throughout 2021, Impactt

conducted some of these assessments with a focus on gathering information on potential forced labor issues in countries with migrant workers. These assessments, engagements, and related recommendations by Impactt and others, have yielded learnings for us about areas and/or indicators to focus on during these assessments, and are being addressed, as noted elsewhere herein, if, and as, issues are surfaced during them. These areas include assessing sub-contractors and sister factories, as well as improving communication and grievance system effectiveness.

Source:

UA 2022 Modern Slavery Statement:

https://about.underarmour.com/content/dam/ua/investor-relations/MSA_2022_FINAL_6.27_2.pdf

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

On or about July 2, 2021, and based on its Third-Party Complaint mechanism (a safeguard mechanism), the FLA published an investigation report, and summary on labor rights violations filed by a union and a union federation regarding implementing significant changes in the facility's work schedule. In the Complaint, the union federation alleges that in early March 2021 the facility changed its work schedule and adopted a 4X4 work shift, in which workers are required to work 12 hours per day, 4 consecutive days, followed by four days off. According to the Complainant, it was alleged that there was **no consultation** with workers' representative and claimed that the 4x4 work schedule **contravenes constitutional and legal limits** with regards to the maximum number of hours workers can work in El Salvador.

Following the FLA's investigation report, and in a multi-brand collaboration effort a "Company Action Plan" (CAP) was developed and shared with the facility. The FLA's verification process included a review of the documentation provided by the factory, workers' employment contracts and amendments, and the factory's communication plan with the workforce concerning the planned transition back to regular/approved work schedule, and virtual interviews with the union federation. The FLA concluded that the factory fully cooperated with the FLA's affiliated companies throughout the remediation process.

Source:

<https://www.fairlabor.org/reports/decotex-international-el-salvador/>

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

Reported allegations are taken seriously and investigated, whether they come in through the hotline, email, assessors or other stakeholders. In calendar year 2022, we received six complaints related to supply chain social compliance through our worker grievance channels (which are

separate from our supplier grievance mechanisms). Of these complaints, one was related to an alleged wage discrimination, three were related to alleged freedom of association and industrial relations issues, one was related to alleged working hour issues and one concerned alleged worker retrenchment issues. We have closed three of the six complaints received to date. Of the three open cases, two have resulted in follow-up investigations and remediation plans, and we are still actively working to remediate the last complaint.

Source:

UA 2023 Modern Slavery Statement:

https://about.underarmour.com/content/dam/ua/sustainability/FINAL_FY2023%20MSS.pdf

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

Case Study 1: Recruitment Fees

In our [2022 Modern Slavery Statement](#), we also mentioned that we and one other brand were notified through a 2019 report from Verité that foreign contract workers were paying recruitment fees at another facility in Malaysia that manufactured products for us and the other brand. Since then, we and the other brand at that facility have partnered with the vendor who owns the facility and facility senior management to address all issues and findings identified in a report from Verité.

Throughout 2021, Verité reviewed the facility's repayment plan and provided regular updates to us and the other brand. Since then, we have met with the facility's senior management and discussed the necessary steps to ensure that Verité's recommendations, including a repayment plan, are implemented.

The vendor who runs this facility has reported that reimbursement payments to eligible workers have been distributed, and we plan to review the related payment documentation during our next annual assessment.

Case Study 2: Licensee Facility

From time to time, we receive complaints directly from workers or third-parties including civil society organizations. In 2020, a third-party organization reported to us and three other brands that a facility making licensed apparel products in Malaysia was suspected to have hired foreign migrant workers who allegedly paid recruitment fees. We partnered with the three other brands to engage Verité to investigate these allegations.

In 2021, Verité's assessment found these allegations to have been true, but the facility was already in the process of reimbursing the recruitment fees. However, Verité identified other violations of our Supplier Code of Conduct and the Fair Labor Association Code during this assessment. Based on these findings, we and the three other brands submitted a remediation plan to the facility, which included recommendations focused on improving management systems for migrant workers and enhancements to the facility's grievance system. By the end of 2021, Verité reviewed the facility's reimbursements plan with respect to the recruitment fees and reported that the facility had successfully completed the reimbursement to all eligible workers.

In FY2023, we engaged Verité to conduct a verification visit at the facility to review workplace conditions and migrant worker related issues identified in the remediation plan.

Source:

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk raw materials. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Bamboo
- Cashmere
- Cotton
- Leather (cattle)
- Rubber (natural)
- Silk
- Viscose
- Wool

Please indicate whether your company sources from any of the below high-risk locations.

- Argentina
- Bangladesh
- Brazil
- China
- Ethiopia
- India
- Malaysia
- Nepal
- North Korea
- Thailand
- Vietnam

Please find UA's Factory List [here](#).