Corporate Human Rights Benchmark

Hanesbrands has had a keen interest for many years in managing its overall business and operating its manufacturing facilities with full respect for the fundamental human rights of our many stakeholders, including those making the over 2 billion apparel items we produce every year. Of particular note for Hanesbrands, approximately 85% of our total unit volume is produced in factories we own or control. Only 15% of our volume is sourced through the third-party contracting arrangements so prevalent throughout our industry. This means that the vast majority of our product is made by our people (over 65,000), supervised by our management teams, in our facilities. In other words, our ability to directly and very positively influence the conditions under which people work is much greater than in the pure sourced model of so many of our competitors.

For greater detail on our overall employee/human rights programs, please go to www.hanesforgood.com. Included on the site are copies of our Global Code of Conduct and our Global Standards for Suppliers. In particular, click on the video on the site homepage entitled "What Working at Hanesbrands Means to Me and My Family." This short piece provides an excellent overview of what it is like to work in our facilities and the very positive impact these jobs have on our employees' families and their communities. You will also note on the site that we have been a fully accredited participating company with the Fair Labor Association ("FLA") for years subject to all of its requirements. Please see www.fairlabor.org for more detail, in particular for the FLA Workplace Code of Conduct and Compliance Benchmarks to which we are bound as an FLA member.

Below are specific responses to the Benchmark criteria (which the CHRB are free to make public) to better enable CHRB staff to evaluate Hanesbrands.

- A.1.1: Please see our Global Code of Conduct ("GCC"), Global Standards for Suppliers ("GSS"), and the FLA's Workplace Code of Conduct and Compliance Benchmarks ("WCCCB").
- A.1.2: See response to A.1.1
- A.1.3: See response to A.1.1
- A.1.4: See www.fairlabor.org. Hanesbrands has had a long history of engaging directly with a range of stakeholders, an implicit requirement of FLA membership to which we are bound. In fact, human rights NGO's make up 1/3 of the FLA board. We meet or talk regularly on a range of issues with the FLA, Workers Rights Consortium ("WRC"), Maquiladora Solidarity Network, the America's Group, representatives of the ILO Better Work programs globally, local members of the NGO community and labor organizations (including unions that exist in many of our facilities). These meetings are either "in-person" or by phone and rarely a week goes by when we are not interacting with one or more of them.
- A.1.5: See www.fairlabor.org and www.hanesforgood.com. Hanesbrands has a very well developed human rights auditing program overseen by the Vice President Corporate Social Responsibility which is designed to identify and promptly remediate issues of concern. We conduct over 500 such audits per year on our owned and contractor facilities using a proprietary, scored auditing system covering over 200 questions. These questions are scored on a zero to 3 scale with zero being the worst and 3 being best practice. This scoring system

allows us to objectively compare facilities on range of human rights issues (rewarding the goods ones with more business) and to track progress of a facility numerically over time.

Every new facility must be audited to this scorecard by an internationally recognized, independent auditing firm (we approve and train each auditor at each firm) before production can begin and each year thereafter. Our internal audit teams consisting of over a dozen auditors across the globe then work with facilities through corrective action plans ("CAP's") if issues for improvement are identified. All questions to which a score of zero or one is assigned generate a corrective action requirement.

It is our desire to work with factories and use our significant leverage whenever possible to drive workplace improvements. With the recent tragedies in Bangladesh and elsewhere, for example, we have focused significantly on five safety and dormitory conditions. If we do not see the improvements made in a timely manner or a factory has a "zero-tolerance" issue like child labor, we will not hesitate to disapprove a factory and cease doing business with them. Last year, we disapproved our 50 facilities. In short, we believe we have developed over many years an effective "carrot and stick" approach, both of which are necessary for an effective human rights program. We are also subject to direct FLA human rights audits (the "SCI process) of our owned and contractor facilities as part of our FLA membership.

As noted in response to A.1.4, we also work with a broad range of stakeholders in remediating issues found from time to time at our sourcing facilities. Such engagement has included, for example, cooperative work to remedy cases of non-payment of severance and reluctance in granting the right to freely associate, to name a few.

- A.1.6: See the Hanesbrands GCC and GSS. See also the FLA WCCCB. We do not tolerate any threats, intimidation, or legal attacks against human rights defenders in any way and expect our suppliers to do the same. By way of example, we have had a number of occasions where suppliers wrongly fired employees for exercising their right to freedom of association where we have required reinstatement with back pay as a remedy.
- A.2.1: Our GCC and GSS are reviewed and approved at our board level and our audit committee oversees and is given regular updates throughout the year on the progress of our human rights initiatives and the trend data generated from our scorecard audit process. Just last week (May 2016), we were honored by Glasswing International for our community development and human rights work in conjunction with Glasswing and USAid. The Chairman of our Board spoke at that event on the importance of human rights to us. We firmly believe that the respect for human rights is the right way to run a business and a business imperative.
- A.2.2: See response to A.2.1
- A.2.3: None at this time.
- B.1.1: See www.hanesforgood.com and response to A.1.5. The Hanesbrands human rights program is overseen by the Vice President of Corporate Social Responsibility who has over 15 years of experience in the human rights field. He reports directly to the company's Chief Legal Officer, General Counsel and Corporate Secretary. He also works very closely with the President Global Supply Chain and his direct team who oversee our internal manufacturing and product sourcing operations. The VP CSR sits in the President Global Supply Chain's weekly staff meetings and discusses human rights and other issues in real time with him and his entire team and provides quarterly updates of key issues and trend data generated from our scorecard

audit process. In addition, the VP of Corporate Social Responsibility provides quarterly reporting to a CSR committee composed of several senior executives in this company including the Chief Executive Officer.

- B.1.3: Hanesbrands has an extensive ERM process that considers human rights related risks as part of its work. The leadership team charged with oversight of the ERM process meets regularly with the VP CSR and others to discuss those risks. There is a specific section in the ERM document reviewed with the Audit Committee of the Board that is dedicated to human rights risks and updated several times each year.
- B.1.4a: Hanesbrands provides hard copies of its Code of Conduct and/or Integrity Guide to ALL employees globally in their local language (currently over 20 languages). It actually requires all employees to sign a card attesting that they have received it and agree to comply with it. That card is then placed in the employees' human resources file. ALL employees receive in-person Code of Conduct training and management level employees (8,000) are also required to undergo on-line training multiple times per year. There are also continuous messages and pieces related to our Code of Conduct and human rights program posted on our global intranet site that provide on-going, nearly daily training and reinforcement. We also conduct an intensive Global Ethics and Compliance week every year across all global locations to reinforce the importance of our ethics program and human rights issues. This reaches ALL global employees. The Code of Conduct can also be found on our intranet site and is publicly available on www.hanesforgood.com.
- B.1.4.b: Our GSS are provided to all suppliers who are contractually bound to abide by them and the FLA guidelines. We also routinely train our supply base directly on our expectations re: human rights and what they should expect as part of our intensive, scored auditing process. The GSS can also be found publicly on www.hanesforgood.com. The FLA WCCCB can be found at www.fairlabor.org
- B.1.5: See response to B.1.4.a. In addition, the CSR team routinely trains relevant supply chain management, procurement, human resources, facility management and compliance teams on our scorecard auditing process and the expectations we have for everyone along the value chain re: human rights. This training can take various forms, from simple discussions at relevant staff meetings to in-depth, multi-hour, formal training on the detail of our overall program.
- B.1.6: See response to A.1.5. We audit ALL facilities, owned and contracted. The scorecard auditing process allows us to look directly into areas of weakness question by question. Our internal auditing teams work directly with each facility on corrective action findings until completion. As items are corrected, the facility's score increases, and we are able to track those increases over time. These scores are then shared with our supply chain management teams who use them to help select facilities and make buying decisions. It is difficult to call out specific examples of our corrective action process, because we employ the same process for every factory big or small. They all go through the same rigorous analysis. As for changes in process/practices, the score results have clearly shown us that larger factories to which we supply more business and have greater leverage score higher to considerably higher. As such, we are using this data as the impetus to move to fewer, larger facilities.
- B.1.7: See response to B.1.6. The VP CSR regularly supplies our supply chain and sourcing management teams with owned facility and contractor scorecard data, highlighting problem facilities in a quarterly "Facility Alarm List." Our management teams use this data to reinforce

with facilities, especially those that are not progressing from a compliance perspective, the importance of our human rights efforts and the negative impact it will have on their business with us if they fail to meet our expectations. As noted earlier, our goal is to work with facilities to see them improve (and we are seeing scores improve objectively for the vast majority of facilities), but we disapproved over 50 facilities last year for not meeting our human rights directives and/or not complying with our processes (i.e. refusing audits), and those facilities were not or are no longer used in our production. In short, human rights compliance directly, and in some cases immediately, effects our buying decisions.

- B.1.8: See response to A.1.4 In addition, we also interact with the many organizations listed in A.1.4 on a case-by-case basis. If a stakeholder engages with us on a particular issue of concern, we will promptly investigate it and take action quickly if necessary. We have a very robust global anti-bribery policy and program which <u>strictly</u> prohibits our employees and suppliers from engaging in any act of bribery. We require our employees and high-risk suppliers to sign the anti-bribery policy and go through intensive live and on-line anti-bribery training. This process is tracked globally in an automated software system that we have been using for over three years to manage over 25,000 global suppliers.
- B.2.1: See responses above. The data generated through the on-going scorecard audit process provides a wealth of information about our substantive and geographic risks. We track data down to the question level (200 plus) and roll that data up to a wide variety of management-level metrics for management reporting. We also receive extensive and actionable feedback from the FLA SCI audit process.
- B.2.2: See responses to B.1.3. above.
- B.2.3: See responses above. By way of further example, there have been a number of occasions when we have required contractors to stop withholding passports and/or to repay employees for recruitment fees that employees improperly incurred as a condition of continuing our business with them. Withholding passports and recruitment fees can often lead to situations tantamount to forced labor.
- B.2.4: See responses above. In addition, we track corrective action plans developed as part of our scorecard process in custom designed, web-based software. This software allows us and the suppliers, easy access to a facility's required corrective actions. Our internal compliance teams work closely with each supplier to ensure appropriate remedial actions are taken and corrective action plans are closed in the system.
- B.2.5: See responses above. As noted earlier, we frequently engage with a range of human rights stakeholders to hear, understand and address their concerns, often in their local language. We pride ourselves in the open, transparent relationship we have with many of them, which often leads to engagement on a case-by-case basis. Also, as a member of the FLA, we engage in the FLA third-party complaint process when a complaint is filed with the FLA re: one of our suppliers. The FLA fully investigates these cases and publicly reports on the outcome.
- C.1: See Code of Conduct, www.hanesforgood.com, and the FLA WCCCB. Hanesbrands has a two decade long history of managing an internal Code of Conduct and uses a third-party resource, Navex Global, to answer and log employee and third-party complaints/issues in over 20 different languages. There are toll-free "Resource Lines" in every country in which we do business (nearly 40) accessible 24/7, 365 days/year, as well as a web link that employees and third-parties can use to come forward with a complaint or issue confidentially and without fear of

any reprisal. We train very heavily that retaliation in any form will not be tolerated. We also have well-developed open door policies through our human resources group - especially at the plant level that employees have helped to design and implement. We expect our suppliers to have appropriate grievance systems and monitor that through our scorecard auditing process.

- C.2: See response to C.1.
- C.3: See response to C.1. See also FLA WCCCB. We frequently seek the input of many across the organization and train against the availability and use of the Resource Line and web portal through which complaints can be made. Input comes heavily from the nearly 40 Code of Conduct Officers we have around the globe. We further survey employees to ensure that they are aware of them, know how to use them and feel comfortable doing so, i.e. do not fear retaliation. We expect suppliers to do the same.
- C.4: See response to C.1. As noted earlier, complaints/issues can come in through the Resource Line, web portal or the management hierarchy. Those through the Resource Line are initially managed by a third-party service, Navex Global (used by most of the Fortune 500), who answers the line in the caller's local language and logs the complaint into its database. Hanesbrands is then immediately notified. A small team of trained personnel then receive and initially triage the issue. After this initial review, it is assigned out to a trained investigator, typically the country Code of Conduct Officer (we have one in every country in which we do business). Each matter is then fully investigated and reported back to headquarters with a recommendation for next steps. It is again reviewed by the small, headquarters team before the matter is closed or any disciplinary measure is taken. For issues of particular severity, especially those that may be deemed "material" to the organization, the senior management team will be engaged initially and throughout the process, helping to manage the investigation and to make disciplinary decisions prior to closing the case.

The typical investigation lasts 14-30 days, and the complaining party is often contacted multiple times throughout the process, always in their local language, to provide additional information if necessary. They are then appropriately informed of the final outcome.

- C.5: See responses above to Section C. We train heavily on our prohibition of retaliation. The issue is addressed in every live training session and is extensively discussed in our Code of Conduct. We make it very clear that those who retaliate will be subject to discipline up to and including termination. We have had to discipline and terminate individuals found to have retaliated. We have never brought a retaliatory action against anyone for bringing forward a complaint or issue in good faith. We have and express the same set of expectations for all suppliers.
- C.6: We have not and will not impede state based judicial or non-judicial actions for persons making allegations of adverse human rights actions and have not and will not require anyone to waive legal rights as a condition of participating in our grievance process. We will cooperate as necessary and as required by law with any state based judicial or non-judicial actions resulting from human rights complaints or allegations. We have required contract suppliers to reinstate workers wrongly terminated for exercising their rights to freely associate when required by local labor ministries. As a result, we have instituted direct training on freedom of association at a range of contractor facilities at risk.
- C.7: See responses to Section B above.

- D.2.1.a: As approximately 85% of our total unit volume comes from factories we own or control, we have direct access to a wide range of employee data and the ability to survey our employees frequently. In short, we are confident that those employees surveyed already live in households that are meeting their basic needs. For example, in one of our largest facilities the Dominican Republic, over 95% of employees voluntarily participate in a savings program with the company affiliated cooperativa/credit union. They are required as part of that program to save weekly. In total, the employees in that plant have nearly U.S. \$2 million in savings. Savings is obviously a very strong indicator of disposable income, i.e. one does not save if his family is not meeting its basic needs. In addition, we look at what types of items a household owns. In that same plant, well over 90% have running water, electricity, stoves, refrigerators, and televisions. Over 1/3 own a computer. We see all of these things as a strong indication that these families are meeting their basic needs through our compensation plans. Of important note, our compensation plans include much more than simply a base wage. Incentive plans based on production volume often significantly increase total pay, and we supply a broad range of in-kind benefits, such as free or subsidized transportation, meals, healthcare, and uniforms.
- D.2.1.b: As a member of the FLA, we are working with that organization to evaluate fair compensation across our supply base. See www.fairlabor.org for more detail.
- D.2.2: See responses to Section B above. As an outcome of the scorecard auditing process, we have a wealth of data on factories' performance to our human rights standards. We are thus able to both penalize poor performing factories by withholding business and reward high performers by providing continued or additional business. Our data clearly indicates that those factories with whom we have the largest and longest relationships score higher to very higher on our scorecard. Size and scale matter, and we will continue, as a rule, to support these facilities and find more of them.
- D.2.3: We do map our suppliers beyond tier one, especially for our owned capacity (85% of our volume). We can map all of our cotton used for internal production back to the east coast of the U.S., know exactly where the yarn is being produced (also the U.S.), make nearly all of our fabric in our owned textile mills (Dominican Republic, El Salvador and China), and sew the garments in our own factories in Central America, the Caribbean, Vietnam and China. We are in the process now of disclosing these and other facilities on our www.hanesforgood.com website. We anticipate doing so by July 2016. We also have an in-depth process to track the source of conflict minerals in our supply chain. Please see www.hanesforgood.com for our most recent SEC disclosure on the details of our program.
- D.2.4.a & b: See our GCC, GSS and the FLA WCCCB. We absolutely prohibit the use of child labor and insist on appropriate age verification across our owned facilities and broader supply chain. We monitor this very closely as part of our scorecard auditing process described earlier. In the few cases where we have identified such in our contractor facilities, we have insisted on and overseen a process to get the young worker out of the workplace immediately and (1) into local schools at the expense of the contractor or (2) have required the contractor to immediately pay the young worker all monies owed up to the age of majority. We have had few cases of underage labor, especially in the last 5 years or so, due largely to our very intensive auditing.
- D.2.5.b: See our GSS and the FLA WCCCB. We strongly oppose any form of forced or bonded labor, including the imposition of recruitment fees. We have suppliers in high risk countries like Jordan sign a separate statement indicating they will not impose recruiting fees. We also interview workers as part of our scorecard auditing process to determine whether they were required to pay such fees. Where we have found issues, we have required not only immediate

cessation of such fees but also the return of such monies to the worker. As for trending, we are seeing less of this, especially in very large contractors supplying international brands. Large brands, like Hanesbrands, have focused on this issue extensively in recent years and have driven much of it out of their supply chains through very aggressive auditing.

D.2.5.c & d: See our GSS and the FLA WCCCB. We do not withhold passports in our own facilities and do not restrict employee movement. We have demanded for many years that suppliers not retain worker passports and in no way restrict their movement through the retention of payment mechanisms. It is the very rare case now that we find a supplier withholding passports. Intensive auditing has driven that practice largely out of existence in our experience.

D.2.6.a: See our GCC, GSS and the FLA WCCCB.

D.2.6.b: See our GCC, GSS and the FLA WCCCB. See also responses above. We fully respect the right of workers to freely associate and collectively bargain and insist on that in our own operations and the operations of our suppliers. We have numerous unions in our facilities and work with them frequently through the collective bargaining process. We audit against this issue heavily in our scorecard auditing process and have on a number of occasions required reinstatement of terminated employees (with back pay) when we have identified cases where employees have been terminated for exercising those rights. As for trending, this remains an issue of concern for us in our supply base. We have dealt with cases just in the last year where we have required reinstatement of affected employees. We audit against the issue closely and interview workers on this point directly when conducting our audits. We make it very clear to suppliers what our expectations are.

D.2.7.a & b: We have one of the best safety records in the industry and track injury statistics very closely at our owned facilities. Our recordable rate across all owned facilities in 2015 was .34. By way of comparison, the average recordable rate for apparel manufacturing is 1.5, over 4 times our low rate. Despite our low rate, our goal is to drive it down further in 2016 to .30. A large part of our scorecard auditing process involves an intensive look at a facility's safety practices and performance. Identified issues are included in a corrective action plan and followed closely until improvements are made.

D.2.8.a & b: See responses above and our GCC, GSS, and the FLA WCCCB. As noted above, we train ALL employees heavily on our harassment and discrimination standards in our Code of Conduct and focus heavily on the issue in our scorecard audit process at our owned and supplier facilities. More importantly, our focus on women's rights starts at the top where 20% of our Board of Directors is comprised of women. We now have four women as plant managers (rare in our industry) in our organization and several more who are being trained and groomed for these roles. We also have a global director of diversity and inclusion at Hanesbrands whose job it is to oversee our diversity program and practices to, among other things, ensure that women's issues are addressed appropriately across our entire organization. We are very proud of our open and inclusive work environments across the globe, especially as they relate to women.

D.2.9.a & b: See our GCC, GSS and FLA WCCB. See also responses above that describe our scorecard audit process. Working hours continues to be an issue across the apparel industry, yet we continue to focus on the issue through our scorecard audit process. By way of example, we worked very closely with a large factory in Jordan who was able to reduce its total weekly hours to 60, our standard, largely through the implementation of lean principles and efficiency gains.