

CHRB 2018 Assessment – Hanesbrands 2nd Disclosure – July 2018

(Comments sent after initial draft assessment was sent to the company for review)

Code	Indicator Name	Feedback
A.1.2	Commitment to respect the human rights of workers	Please see Global Human Rights Policy paragraph 3 in which we state that our Global Standards for Suppliers apply to all <u>owned</u> and supplier facilities.
A.1.4	Commitment to engage with stakeholders	Please see our Global Human Rights Policy in which we state that "Hanesbrands is committed to and engages with stakeholders to ensure we are listening to, learning from and taking into account their views on human rights issues. We are especially committed to engaging in appropriate dialogue with stakeholders on our human rights program."
A.1.5	Commitment to remedy	Please see our Global Human Rights Policy in which we state that "Hanesbrands respects human rights, and we are committed to identifying, preventing, and <u>remediating</u> adverse human rights impacts that results from or are caused by our business activities." We go onto say later in the policy that "we are committed to investigating, addressing and responding to any such issues raised and to taking appropriate corrective action in response to any violation of this policy." Finally, we state in our Global Human Rights Policy that "we have not and will not impede state-based judicial or non-judicial actions in favor of 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."
A.1.6	Commitment to respect the rights of human rights defenders	Please see our Global Human Rights Policy in which we state that "we do not tolerate any threats, intimidation, or legal actions against human rights defenders, and we expect the same of our suppliers."
A.2.2	Board discussions	It is our understanding that by responding to CHRB which makes the responses public that we have provided a response in the public domain.
B.1.1	Responsibility and resources for day-to-day human rights functions	We ask that you again review our response which goes into detail on how our human rights and overall CSR programs are organized and managed. Please also note that our Global Human Rights Policy says that our Global Standards for Suppliers apply to both our owned and supplier facilities.
B.1.2	Incentives and performance management	Please indicate sources and detailed references (page numbers etc) to support your feedback.

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B.1.4.a	Communication/dissemination of policy commitment(s) within Company's own operations	Our Global Code of Conduct, our Global Standards for Suppliers and our Global Human Rights Policy are all made publicly available on our www.hanesforgood.com website. Our Code and Global Standards for Suppliers are translated in 20+ different languages.
B.1.4.b	Communication/dissemination of policy commitment(s) to business relationships	We would ask that you again review our response. Our human rights commitments are included in <u>all</u> contracts with our suppliers and disseminated as such. <u>All</u> suppliers receive them. We also seem to have been deducted points for not describing how our suppliers communicate our expectations to their suppliers. We do not see such a requirement stated in the benchmark. The benchmark asks only for how we communicate with our business relationships, i.e. only those with whom we have contractual relationships.
B.1.6	Monitoring and corrective actions	Please see our Global Human Rights Policy in which we state that it, as well as our Global Standards for Suppliers, apply to <u>both</u> owned and supplier facilities.
B.1.7	Engaging business relationships	Please review our responses again to B.1.7, B.1.6 and A.1.5. We believe, given those responses, that we should be credited with a full score of 2.
B.1.8	Approach to engagement with potentially affected stakeholders	We state in our response that we <u>regularly</u> communicate with a range of NGO stakeholders. Rarely does a week go by that we don't interact with one or more of them. For instance, just last week we communicated with the FLA, WRC and the Americas group. We discussed an issue of unpaid severance for a worker with the WRC at a facility in Bangladesh, the issue of a new law in El Salvador re: day care with the Americas Group, and the fact that HanesBrands was just listed by Forbes Mexico as one of the most admired companies in Latin America (the only apparel company to receive such recognition) with the FLA. As you can see, we are triggered to engage with these stakeholders on everything from new law and policy to specific factory-level issues.
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	One of the core ways in which we review/assess human rights risks is through the audit process itself. The scored audit process allows us to see at a facility, country and regional level how our factories are performing (or not performing) against a range of parameters from working hours to wages to freedom of association to underage labor, to name just a few. This data is then aggregated in complex software to give us visibility to specific risks that need to be addressed. Our ongoing work with a host of NGO stakeholders also gives us real-time insight into human risks / opportunities across the globe. See also our response to B.1.8.

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B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	See also our responses to A.1.5 and B.1.3 which outline our scored auditing process in detail. Based on the data generated from these scored audits, we focus on specific issues at specific factories as well as country-level data. For example, this system has called-out working hours in China and the overall performance of Chinese factories as a key issue on which we need confirmed focus. We are doing that and reallocating our internal compliance resources to meet these core concerns.
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	Please review our response again. We describe our process at length in our responses and describe 3 specific examples of how we have responded based on our audit findings (withholding passports, recruitment fees, and reinstatement of union members).
B.2.5	Communicating: Accounting for how human rights impacts are addressed	We communicate openly about our overall CSR and human rights programs on www.hanesforgood.com . As stated throughout our CHRB responses, we also communicate often and directly with external stakeholders, especially if they raise a concern. We investigate <u>all</u> issues raised and communicate directly back to stakeholders our findings and any remedial actions required. This feedback has occurred face-to-face, via email, and via telephone. In short, we believe the best way to interact with stakeholders is to do so often and directly. That philosophy is at the core of our human rights program.
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	All suppliers are given a full copy of our audit protocol so this requirement is conveyed to them. If they fail to do so, they are required to implement an appropriate grievance system as part of the corrective action process.
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	Please indicate sources and detailed references (page numbers etc) to support your feedback.
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	In addition, it is important to note that we communicate the results of our investigations back to the reporter whenever possible, i.e. we close the loop. Doing so is an important part of gaining and keeping employee trust in the effectiveness of the system. For example, in a recent case reported through the Resource Line of manager misbehavior, the investigation involved multiple confidential interviews, including with the reporter. Once the investigation was complete, appropriate action was taken and the reporter was informed of the same.

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C.7	Remedying adverse impacts and incorporating lessons learned	Please review our response again. We describe in detail our audit and corrective action process throughout our CHRB responses. We audit <u>all</u> facilities and work to timely (usually within 90 days) correct <u>all</u> findings and track the same in a web-based software system. We also describe in our original response an example of how we have worked to enforce processes around the world on age verification to counter underage labor risk. We also believe that our grievance system is an effective one. Our recent global, anonymous employee survey found that well over 90% of all employees are aware of our Resource Line, know how to use it and do not fear retaliation for doing so.
D.2.3	Mapping and disclosing the supply chain	We have disclosed our mapping of suppliers. Please see www.hanesforgood.com .
D.2.4.b	Child labour: Age verification and corrective actions (in the supply chain)	Please see again our Global Human Rights Policy and Global Standards for Suppliers, both of which specifically prohibit the use of child labor by our <u>owned</u> and <u>supplier</u> factories. We believe we have fully responded and should be entitled to a score of 2.
D.2.5.a	Forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	Nearly all of our owned operations hire directly, i.e. do not use agencies or brokers. If they are used, we audit to ensure compliance with these standards as part of our scored audit process, which is detailed extensively herein.
D.2.5.b	Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	Please review original response again. We believe we have responded to both requirements of score 1 and have provided a trend analysis.
D.2.5.c	Forced labour: Restrictions on workers (in own production or manufacturing operations)	Nearly all of our owned operations hire directly, i.e. do not use agencies or brokers. If they are used, we audit to ensure compliance with these standards as part of our scored audit process which is detailed extensively herein.
D.2.5.d	Forced labour: Restrictions on workers (in own production or manufacturing operations)	We work with suppliers directly on these issues as part of our scored audit process. If issues are found, the supplier is <u>required</u> to remediate them as part of our corrective action process. The audit protocol specifically addresses these requirements, and our Global Standards for Suppliers and Global Human Rights policy specifically prohibit forced labor.
D.2.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	Please review our original response. We clearly commit to not interfering with union rights in both our Global Standards for Suppliers and Global Human Rights Policy.
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	Please review our response again. We believe we have responded so as to receive a score of 2. We work with our suppliers every day on this issue as part of our scored audit process and have required specific remediation when issues have been found. The issue of freedom of association does remain a clear focus of ours. We do continue to find violations of it, but actively remediate when issues arise.

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D.2.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	Please review our original response. We do call out specifically our injury rates for 2017, which exceeded our goals, and our goals set for 2018. There were no fatalities in 2017. We believe we have met the criteria for a score of 2.
D.2.8.a	Women's rights (in own production or manufacturing operations)	Please see our Global Human Rights Policy and the "Valuing Diversity" section therein. We have stated a clear commitment to equal employment opportunity for <u>all</u> , which includes women.
D.2.8.b	Women's rights (in the supply chain)	Please review our original response again. We state clearly that we require our owned facilities and suppliers to work no more than 48 regular hours / week plus 12 hours overtime, other than in extraordinary circumstances. We routinely audit against this at our owned and supplier facilities as part of our scored audit process.
D.2.9.a	Working hours (in own production or manufacturing operations)	We work routinely with our suppliers on working hours as part of our scored audit process and call-out a specific example of success in Jordan. We have generally seen total working hours fall across our supplier base over the last 5+ years, due heavily to our strict auditing process.

Chris Fox, Vice President, Corporate Social Responsibility

Approver Signature

July 11, 2018

Date