



MODERN SLAVERY ACT STATEMENT 2018

Under Armour's core values include Standing for Equality, Fighting on Together and Thinking Beyond – we want to see better athletes in a better world. We expect our suppliers and subcontractors to do business in a manner that aligns with our values, treating their employees with dignity and respect, and providing safe workplace and dormitory conditions.

We are publishing this statement in response to the Modern Slavery Act 2015 ("the MSA"). In substance, the MSA applies to corporations, wherever incorporated or formed, that reach a certain annual revenue threshold regarding business in the United Kingdom. However, we also see this disclosure as an opportunity to Stay True to our stakeholders by sharing with them where we are today in our efforts related to business and human rights.

This statement, [like our 2017 MSA Statement](#), has been approved by the Board of Directors of Under Armour UK Limited. It summarizes the steps taken by the company during the fiscal year ending 31 December 2017 to address risks of modern slavery in its business and supply chains.

Signed,

A handwritten signature in black ink that reads "Andrew E. Page".

Andrew Page, Director, Under Armour UK Limited



Key 2018 Highlights

This is Under Armour's second MSA Statement and during this fiscal year we have continued our work aimed at protecting workers in our supply chain from the risks of modern slavery, as summarized below.

Auditing Process	The UA Supplier Code of Conduct explicitly prohibits the use of forced labor, child labor, slavery and human trafficking. As part of our commitment to continuously improve and systematize the quality of our audit process we have developed and deployed a questionnaire-based tool that is based on the Fair Labor Association Benchmarks and other international best practices, including the Dhaka Principles for Migration with Dignity .
Internal Policy Review	We have continued a review of our internal policies and guidance to see how we can further integrate international best practices and standards related to human rights, including the UN Guiding Principles on Business and Human Rights , the OECD Guidelines for Multinational Enterprises and the Dhaka Principles for Migration with Dignity .
Vendor Scorecard	Working with our global sourcing teams we have continued to embed sustainability into Under Armour's vendor scorecard. This integrated approach provides an opportunity for improved tracking of supplier performance on key labor and rights related indicators. It also promotes greater cross-functional communication and alignment on sourcing decisions.
Stakeholder Engagement	Under Armour strives to listen to all our key stakeholders and has a number of mechanisms in place to help identify and respond to potential incidents in our supply chain, including the process noted in the <i>Reporting Potential Misconduct</i> provision of our Supplier Code of Conduct and our participation, as a Fair Labor Association affiliate, in the FLA's Safeguard Mechanism . We continue to tailor our responses to reflect local circumstances and to consider the safety of those potentially impacted, engaging third parties for support and expertise if needed.
Supply Chain Transparency	We met our 2017 goal of expanding our supply chain disclosure list for strategic and specialty vendors. This list now reflects in excess of 90% of our business and includes the country, address, company name and the number of worker and product type of each factory.

Looking forward, we plan to continue to evolve our approach to addressing the complex challenges posed to companies as they seek to address the risks of modern slavery in supply chains by collaborating with external partners and conducting internal trainings.



1. Organization's Structure, Business and Supply Chains

The overwhelming majority of our products are built by independent third-party manufacturers. They work directly with us as our business partners, or indirectly, through an agent or Under Armour licensees. They, too, work to build, and Protect, their Houses. Together with these businesses and the people who work for them, our supplier teammates, we work as a single global team despite being present in over 20 countries. We all live and work on a single planet, our global House. Our principal business activities are the development, marketing and distribution of branded performance apparel, footwear and accessories for men, women and youth. The brand's performance apparel and footwear are engineered in many designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide and are worn by athletes at all levels, from youth to professional, on playing fields around the globe, as well as by consumers with active lifestyles. Our product offerings consist of apparel, footwear and accessories for men, women and youth.

Apparel

Our apparel is offered in a variety of styles and fits intended to enhance comfort and mobility, regulate body temperature and improve performance regardless of weather conditions. Our apparel is engineered to replace traditional non-performance fabrics in the world of athletics and fitness with performance alternatives designed and merchandised along gearlines. Our three gearlines are marketed to tell a very simple story about our highly technical products and extend across the sporting goods, outdoor and active lifestyle markets. We market our apparel for consumers to choose HEATGEAR® when it is hot, COLDGEAR® when it is cold and ALLSEASONGEAR® between the extremes. Within each gearline our apparel comes in three primary fit types: compression (tight fit), fitted (athletic fit) and loose (relaxed).

Footwear

Our footwear offerings include running, basketball, cleated, slides and performance training, and outdoor footwear. Our footwear is light, breathable and built with performance attributes for athletes. Our footwear is designed with innovative technologies including UA HOVR™, Anafoam™, UA Clutch Fit® and Charged Cushioning®, which provide stabilization, directional cushioning and moisture management engineered to maximize the athlete's comfort and control.

Accessories

Accessories primarily includes the sale of athletic performance gloves, bags and headwear. Our accessories include HEATGEAR® and COLDGEAR® technologies and are designed with advanced fabrications to provide the same level of performance as our other products.

Connected Fitness

We offer digital fitness subscriptions, along with digital advertising through our MapMyFitness, MyFitnessPal and Endomondo applications.

License

We have agreements with our licensees to develop Under Armour apparel, accessories and equipment. Our product, marketing and sales teams are involved in substantially all steps of the design and go to market process in order to maintain brand standards and consistency. During 2017, our licensees offered collegiate, National Football League ("NFL"), Major League Baseball ("MLB"), and National Basketball Association ("NBA") apparel and accessories, baby and kids' apparel, team uniforms, socks, water bottles, eyewear, phone and golf accessories and other specific hard goods equipment that feature performance advantages and functionality similar to our other product offerings.

2. Policies

Under Armour is a Participating Company affiliate of the Fair Labor Association (FLA) and the Head of our Sustainability program is a member of the FLA's Board of Directors, its Executive and Audit Committees and its



Monitoring Committee. Under Armour uses the FLA's [Sustainable Compliance Initiative](#) (SCI) methodology in its Sustainability program as part of our efforts to advance workers' rights through a continuous improvement model that applies to employment practices and working conditions.

The Under Armour [Supplier Code of Conduct](#) ("the UA Code") reflects core ILO conventions and includes provisions on Forced Labor, Compensation, Hours of Work, Freedom of Association and Collective Bargaining, Nondiscrimination, and Harassment or Abuse. These provisions set forth expectations for the protection of workers and seek to mitigate risks including forced labor/slavery, human trafficking and risks related to our suppliers' employment of migrant workers. Suppliers and their employees may report violations of the UA Code directly to Under Armour using grievance mechanisms, including a hotline mechanism featured in the UA Code that provides an option to report anonymously. Our assessors also collect information and evaluate the effectiveness of factory-level grievance mechanisms as part of our assessment approach.

Assessment Approach

Under Armour expects its product supply chain business partners, including manufacturers, licensees and agents and their subcontractors, to comply with the UA Code, the FLA Code and Benchmarks, The Dhaka Principles for Migration with Dignity to meet the standards in the Responsible Recruitment Commitment, of which we became a signatory in 2018. The UA Code's *Forced Labor* provision states that "Under Armour suppliers and their subcontractors shall not use forced labor, whether in the form of prison labor, indentured labor or bonded labor, or other forms of forced labor to make or perform work on Under Armour products or their components or materials or permit their suppliers to do so." Under Armour also expects its product supply chain business partners, including manufacturers, licensees and agents and their subcontractors to comply with the [Fair Labor Association's Workplace Code of Conduct and Compliance Benchmarks](#). UA and FLA Codes must be posted in the languages understood by their teammates, including their managers and workers.

Compliance with the UA Code and the FLA Code is assessed by third-party audit firms. Those assessments may be announced or unannounced and include surveillance. Additionally, the FLA conducts Independent External Assessments (IEA) of certain factories that fall within our FLA affiliation obligations.

Factories are assessed for UA and FLA Code and legal compliance before they may be authorized to make Under Armour products. Factories are expected to remediate issues raised during assessments/verifications and to submit timelines and plans for how they propose to continuously improve conditions and work toward achieving sustainable compliance during the course of their business relationship with Under Armour.

After assessors complete their assessments, they give Initial Management Action Plans (IMAP) to factory management as part of a closing meeting with supplier management during which the assessors and management discuss assessment findings. After we receive the assessment reports, our Sustainability team subsequently prepares Management Action Plans (MAP) to fine-tune and, in some cases, to broaden, the steps and/or measures that we expect suppliers to take to address issues raised by the assessments or to improve their sustainability performance. The MAP also may include country-specific requirements based upon human rights due diligence work as well as requests for actions aimed at building UA Supplier and FLA Code awareness by requiring management to conduct periodic training sessions on the Codes' standards and benchmarks for workers, supervisors, and other employees in managerial positions.

Worker Voice

As part of the assessment process, assessor not only look to see that grievance mechanisms are present but that they are accessible and effective. They collect information by interviewing workers, reviewing on-site documentation on grievance procedures, submitted grievances and their resolution, and they also may physically inspect grievance systems. Under Armour requires factories to identify the person who is responsible and accountable for developing and implementing written grievance policies and procedures, as measured against the FLA Benchmarks. These systems must enable workers to confidentially report grievances to top



management or its human resources teams – without supervisors' knowledge, reprisal or retaliation. Factories must also keep a grievance register that covers when they were submitted, what they concerned, and how the factory's management communicated to workers that they received them – as well as how they addressed them.

When Under Armour receives worker grievances, we investigate them and take action, including asking suppliers to remedy issues. We will work directly with the manufacturer to find a solution, or we may engage third-parties, including the FLA, to conduct investigations or to support the factory in resolving them. We have sometimes served as an intermediary between workers and management when they are in conflict; in other cases, we have engaged a third-party expert to mediate and resolve issues. 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 certain cases, we have required factories to engage a third-party hotline/survey provider to receive grievances and obtain anonymous survey data about workplace conditions directly and confidentially from workers as part of their own due diligence processes and human resource management system.

3. Due Diligence

Under Armour expects its suppliers to have due diligence processes in place and our current manufacturing agreement requires its signatories to certify that materials incorporated into our products comply with laws regarding slavery and human trafficking of the country or countries in which they are doing business, and other laws and standards regarding slavery and human trafficking.

Our rigorous supplier assessment approach has also created a significant data set, which the Sustainability team periodically analyzes to identify and address trends for particular issues, regions, countries, and types of suppliers. This analysis can help us to enhance and adapt our approach to the issues we have seen over time. Through this analysis, we are also proactively able to identify new and emerging areas risks across our supply chain, with particular emphasis on assessed facilities.

As prior internal analysis suggested that, in some cases, risk may relate as much, if not more, to a factory's location rather than to the type of manufacturing process it performs, the Sustainability team has also developed a Human Rights Due Diligence (HRDD) tool to assess country-level risks and issues, including those related to ILO Core Conventions. Having an understanding of the geographies that may represent an increased risk, provides the team with valuable information about where additional attention or resources may be required. Under Armour has also conducted risk assessments related to force labor, and required the independent third-party assessment firms that conduct direct supplier inspections to do so.

4. Areas of Risk

As noted above, Under Armour's human rights due diligence process includes a country-level risk model. This tool scores countries against factors that include perceived General Governance Capacity, Protection of International Bill of Rights, and Respect for the ILO's Eight Core Conventions. Under Armour uses this assessment tool when considering sourcing from a new country and to help foster greater internal awareness of country-level risks and trends. It has also been used to enhance the company's ability to engage with suppliers about related potential risks.

Using a materiality process that includes a risk lens and was informed by the Global Reporting Initiative and other industry-leading practices and standards for apparel, footwear and digital/IT business sectors, Under Armour has also identified a list of issues for reporting which includes, Forced or Compulsory Labor, Child Labor, Freedom of Association and Collective Bargaining, Occupational Health and Safety, Fair Compensation, Non-Discrimination, Diversity and Equal Opportunity.



Since the UA questionnaire-based assessment tool is based on the FLA Code and Benchmarks it is inherently designed to help us identify and manage risks that are salient to the apparel industry. Within the area of Forced and Compulsory Labor, the tool has questions related to the Dhaka Principles including those regarding the recruitment and employment of migrant workers, possession and control of workers' personal documents such as their passports, wage payment, recruitment fees, deductions from pay and other expenses. As part of all assessments, assessment firms review whether, and how, suppliers work with recruitment agencies. If the use of recruitment agencies is found, Under Armour's assessment firms are directed to report on the nature and type of recruitment fees. All violations of the UA and the FLA Code and Benchmarks are expected to be documented in order that Under Armour can address them directly with the supplier and to work with them, so that they may improve and remediate conditions, as needed, and over time.

5. Accountability for Results

Under Armour employees and contractors are expected to meet company standards and procedures regarding, and prohibiting, slavery and human trafficking - including those in the UA and FLA Codes – and may be held accountable for failing to comply with such standards and procedures.

Sustainability and Sourcing teams collaborate closely, seeking to work with manufacturing business partners that over time strive to perform better on key labour and other rights performance indicators. The members of the headquarter teams are deliberately located on, and within, the same floor and area as key leaders and member of the Sourcing and Supply chain teams. This allows the Sustainability team to receive and provide up-to-date information about suppliers' social and environmental compliance to corresponding sourcing personnel and to work with them as part of an integrated and cross-functional effort to avoid purchasing practices that increase the risk of human trafficking and forced labour in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload, rushed factory on-boarding).

At the leadership level, Under Armour has a Sustainability Council that meets regularly. This cross-functional committee comprises senior and operationally responsible leaders, including our Chief Supply Chain Officer and leaders from Sourcing, Supply Chain, Materials Innovation, Digital, Licensing and Legal. The Council's responsibilities include striving to incorporate the results of Under Armour's Sustainability program and related due diligence efforts into business processes, and helping to drive operational improvements. The Council is also charged with periodic reviews of issues, risks, findings, and trends related to assessments of manufacturers for compliance with laws and labor-related codes and benchmarks.

6. Training

Under Armour has previously provided its employees and management, who have direct responsibility for supply chain management, with training on slavery and human trafficking, particularly with respect to seeking to mitigate related risks within the direct suppliers of products. Ongoing training and awareness building materials are planned for teammates with related responsibilities. Under Armour's Sustainability department also conducts periodic refresher and new training for field assessors and Sustainability team staff.