MODERN SLAVERY ACT STATEMENT 2019

Under Armour’s core values include Stand for Equality, Fight on Together and Think 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 engage with our stakeholders by sharing where we are today in our efforts related to potential modern slavery issues and our efforts to fulfill our responsibility to respect human rights, as outlined in the United Nations Guiding Principles on Business and Human Rights.

This statement, like our 2017 and 2018 MSA Statements, 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 2018 to address risks of modern slavery in its business and supply chains.

Signed,

Andrew Page, Director, Under Armour UK Limited

April 30, 2019
Annual Highlights

This is the third MSA Statement prepared by Under Armour (UA) and during the 2018 fiscal year we have continued our work to identify, prevent, mitigate, and address potential human rights impacts related to our business activities. We are committed to improve continuously both our performance and reporting related to mitigating risks of modern slavery in our supply chain. The term modern slavery encapsulates slavery, servitude and forced or compulsory labor and human trafficking. A summary of some of the key steps we have taken in 2018 to try and further protect workers in our supply chains from these risks is provided in the table below.

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<tr>
<th>Responsible Sourcing Policy &amp; Better Buying</th>
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<td>The UA Supplier Code of Conduct explicitly prohibits the use of forced labor and child labor, and requires compliance with all laws and regulations related to slavery and human trafficking. A robust audit program is in place to assess related compliance. We also recognize that our business practices, including sourcing decisions, can potentially affect our exposure to modern slavery risks. As part of our Responsible Sourcing strategy and commitment to operational excellence, we formalized and deployed a Responsible Sourcing Policy in 2018. This policy supports our commitment, as a Fair Labor Association (FLA) Accredited Company, to the FLA Principles of Fair Labor and Responsible Sourcing. Our policy includes the following pillars: scope, the complexities of UA’s supply chain, financial and contractual terms, balanced planning, accountability, training, communication, and review. Related implementation and training are ongoing. Moreover, to understand our suppliers/business partners’ perspective, and to provide them with a secure dialogue mechanism about our sourcing/purchasing practices, UA joined the Better Buying initiative in November 2018.</td>
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<th>Verité Engagement</th>
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<td>As part of our ongoing review of internal sustainability policies and guidance related to human rights we engaged Verité to advise us on opportunities to clarify and/or strengthen our expectations of suppliers and capacity building efforts related to modern slavery, with a special focus on foreign migrant workers. We also worked with Verité to identify and prioritize sourcing locations where we should consider focused assessments on risks posed by suppliers’ recruitment, hiring and employment of foreign migrant workers. In 2018, Verité completed focused assessments of three suppliers in Jordan. Additionally, in 2018, UA successfully encouraged our Malaysian suppliers to engage directly with Verité on capacity building opportunities to address risks of modern slavery, and to enhance sustainably related systems and processes.</td>
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<th>AAFA/FLA Commitment to Responsible Recruitment</th>
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<td>Modern slavery is a complex and global issue. Making sustainable progress on its eradication requires multi-stakeholder action, including industry-wide collaboration. This is why UA became a signatory of the AAF/FLA Apparel and Footwear Industry Commitment to Responsible Recruitment in 2018. This builds upon our prior requirement that suppliers comply with the Institute for Human Rights and Business’ Dhaka Principles for Migration with Dignity (Dhaka Principles) and relevant provisions of the UA Supplier Code of Conduct and the FLA Workplace Code of Conduct and Compliance Benchmarks. Beyond formalizing our commitment to supplier systems that are aimed, in part, at ensuring that no worker pays for their job, workers retain control of their travel documents and are informed of the basic terms of their employment before leaving their home country, this initiative has created an important platform for coordinated engagement with governments in countries with foreign migrant workers, including Malaysia (see related Action Plan).</td>
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<th>Internal Capacity Building</th>
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<td>To continue to strengthen the social compliance aspects of our sustainability program, UA has been growing the Sustainability team that supports it, adding two new full-time team members in 2018. To further build internal capacity, the Sustainability team participated in third-party trainings related to forced labor at least once a quarter. The team also led in-person Supplier Code of Conduct and Responsible Sourcing Policy trainings with approximately 475 Supply Chain colleagues in strategic sourcing units and locations including Baltimore, Amsterdam, Panama, China (including Guangzhou, Hong Kong, Taiwan (Taichung and Taipei), Vietnam and Indonesia.</td>
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Remediation Case Study

Workers in our supply chain continue to have access to multiple grievance mechanisms, including those referred to in the Reporting Potential Misconduct provision of our Supplier Code of Conduct, which allows for confidential reporting, as indicated. When problems are identified by us or by others, we work with suppliers to support their corrective actions, ensure the supplier is committed to continuous improvement over time and to direct them to engage in related capacity building, as applicable.

In 2018, we received eight complaints through our grievance channels. Of these complaints, one turned out to be associated with a factory that was not an active supplier of UA products. Of the remaining complaints, three related to foreign migrant worker issues and four to potential freedom of association violations. Follow-up investigations have been carried out for all of these cases and remediation plan developed. Two of the seven cases have now been formally closed based on progress against the remediation plan and five remediation cases are ongoing.

Collaborating on Remediation Related to Migrant Labor in Malaysia

As part of our social compliance process, UA strives to audit all Tier One suppliers on an annual basis and uses third-party auditors that are accredited by the Fair Labor Association when they are available in region. After UA receives a copy of the annual report from our third-party auditors, we engage with the factory and send them a plan that includes both immediate corrective actions and longer-term improvements based on best practices. With all of our suppliers we aim for a sustained improvement effort over time.

The third-party assessors who conduct assessments of our suppliers are required to determine whether the suppliers’ employment practices comply with our Supplier Code, the FLA Benchmarks and the Dhaka Principles. Following a 2015 audit, we identified that not all workers in one of our Malaysian facilities had access to their personal documents at all times. In response, we engaged with the supplier and required it to provide individual lockers to each migrant worker to keep items such as passports, an action they had completed by our 2016 re-audit. In response to several formally reported alleged instances of potential harassment and verbal abuse between 2015 and 2016, UA worked with the same supplier to systematize its harassment and abuse training strategy and to ensure that it made improvements to its grievance management procedures. When auditors returned to the supplier’s factory in 2017 and 2018 they did not find any evidence of abusive working conditions.

During the 2017 audit of that same supplier, payment of recruitment fees was identified as an issue for workers. UA was in the process of working with the supplier on their repayment when a third-party reached out to several brands sourcing from that factory with allegations of forced labor linked to recruitment fees. In response to the allegations, UA confirmed that the supplier was in the process of reimbursing migrant workers for recruitment fees and collaborated with other brands to support a focused assessment of migrant labor conditions at the facility. The assessment was conducted by Verité, an organization with deep expertise on migrant labor issues. Based on this assessment, an updated recruitment fee repayment plan was developed by the supplier, working closely with UA and other brands sourcing from the facility. To determine the final reimbursement amount, Verité conducted interviews with a significant sample of foreign migrant workers employed at the facility to understand the fees reportedly paid. Based on this exercise, approximately 950 workers received two payouts, the first in 2018 and the second in 2019. Each payout averaged $350-$400 per worker.

To help mitigate future issues, UA also worked with the supplier to enhance its processes and systems for its recruitment, hiring, and employment of migrant workers. Specific system improvement related to the provision of worker payouts were also made and the supplier continues to work with Verité to improve its accountability mechanisms with its labor contractors and ensure they do not charge migrant workers recruitment fees. An escalation process has also been developed to support prompt and effective redress if a violation is found.

Looking Forward

We plan to keep addressing the risks of modern slavery in our supply chains by continuing to embed into our policies, tools and sustainability program the important lessons we have learned from collaborating with forced labor experts and working with suppliers on effective remediation and sustainable capacity building. We will also continue to engage in public dialogue and multi-stakeholder initiatives to help identify and promote strategic solutions to this complex issue and to look for additional opportunities to participate in effective collaborative industry efforts.
1. Organization’s Structure, Business and Supply Chains

Under Armour (UA) is a leading inventor, marketer and distributor of branded performance athletic apparel, footwear and accessories. Designed to make all athletes better, the brand’s innovative products are sold worldwide to consumers with active lifestyles. The company’s Connected Fitness™ platform powers the world’s largest digitally connected health and fitness community.

**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 and COLDGEAR® when it is cold. 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, sportstyle, 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. Our MapMyFitness platform includes applications, such as MapMyRun and MapMyRide.

**License**

We have agreements with our licensees to develop Under Armour apparel, accessories and equipment. In order to maintain consistent quality and performance, our product, marketing, sales and quality assurance teams are involved in substantially all steps of the design and go to market process in order to maintain brand and compliance standards and consistency. During 2018, our licensees offered collegiate, National Football League (“NFL”), Major League Baseball (“MLB”), and National Basketball Association (“NBA”) apparel and accessories, baby and youth apparel, team uniforms, socks, water bottles, eyewear and other specific hard goods equipment that feature performance advantages and functionality similar to our other product offerings.

The overwhelming majority of UA 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. Together with these businesses and the people who work for them, our supplier teammates, we strive to work as a single global team despite being present in over 20 countries. This vision is in part guided and informed by the specific strategies of our Sustainability North Star, which include Make a Game-Changing Product, Leave Our Home Field Better and Add Value to Communities.

2. Policies

The UA Sustainability North Star encompasses three strategic pillars related to Product, the Environment and People that have been shared with and endorsed by top management. UA’s social compliance work principally falls under the People pillar and as such is part of our effort to Add Value to Communities. Goals related to this workstream include, but are not limited to, accreditation by the Fair Labor Association (achieved in February 2019), ongoing program and system enhancements and the planned development of a formalized UA Human Rights Policy.
The UA Supplier Code of Conduct 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 Supplier Code of Conduct directly to Under Armour using grievance mechanisms, including a hotline mechanism featured in the UA Code that in applicable situations, provides an option to report anonymously. Our assessors also collect information about, and evaluate the effectiveness of, factory-level grievance mechanisms as part of our assessment approach.

Assessment Approach

UA is an Accredited 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. UA 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.

UA expects its product supply chain business partners, including manufacturers, licensees and agents and their subcontractors, to comply with the UA Supplier Code of Conduct (the “UA Code”), the FLA Workplace Code of Conduct and Benchmarks, the Dhaka Principles and the AAFA/FLA Apparel and Footwear Industry Commitment to Responsible Recruitment, 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.” UA 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 and publishes associated reports on their website. We aim to audit 100% of our Tier One suppliers on an annual basis and are looking to develop a sustainable approach to auditing our other tiers. Starting in 2018, we also began to conduct focused migrant worker assessment with Verité in high-risk sourcing locations.

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 UA.

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, assessors are required to consult with worker representatives, unions and federations, if available, in an effort to gain understanding/knowledge of factory conditions even before the assessment starts on site. Once on site, assessors 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. UA 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.

When UA 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.

The FLA highlighted UA’s grievance procedures and demonstrated engagement with civil society and unions in key sourcing region as strength of the company’s social compliance approach in its 2019 Accreditation Report. For a specific example of how we work with our suppliers to provide remedy and build sustainable capacity over the long-term, please see Remediation Case Study (p. 3). In general, we recognize the importance of tailoring our remediation responses to reflect local circumstances and to consider the safety of those potentially impacted, engaging third parties for support and expertise if needed.

3. Due Diligence

UA 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 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. UA has also conducted risk assessments related to forced labor, and in particular related to foreign migrant workers. We require these assessments to be conducted by independent third-party assessment firms that conduct direct supplier inspections, which include worker interviews.

4. Areas of Risk

As noted above, UA’s human rights due diligence process includes a country-level risk model for new sourcing countries. 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 included 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

Since the UA questionnaire-based assessment tool is based on the FLA Code and Benchmarks and the FLA’s own Foundational SCI Assessment tool 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 applicable assessments, assessment firms review whether, and how, suppliers work with recruitment agencies, employment brokers and intermediaries. If the use of recruitment agencies, employment brokers and intermediaries is found, UA assessment firms are directed to report on the nature and type of recruitment fees. All violations, including of the UA and the FLA Code and Benchmarks and applicable laws are expected to be documented in order that UA can directly address them 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

UA employees and contractors are expected to meet company standards and procedures regarding, and prohibiting, modern slavery - 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 labor 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 labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload, rushed factory on-boarding).

The Responsible Sourcing Policy previously mentioned is an example of collaboration between UA’s Sustainability and Supply Chain teams designed to support ongoing improvements to workplace conditions for workers in our global supply chain. The two teams have also collaborated to embed sustainability into UA’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. As part of our commitment to transparency, UA also continues to publish a supply chain disclosure list for strategic and specialty vendors. This list was last updated in July 2018 and 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.

At the leadership level, UA has a Sustainability Council that meets regularly. This cross-functional committee comprises senior and operationally responsible leaders, including our Chief Supply Chain Officer, our Chief Sustainability Officer and leaders from Sourcing, Supply Chain, Supply Planning, Materials Innovation, Digital, Licensing, Category Management and Legal. The Council’s responsibilities include striving to incorporate the results of UA’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

UA has previously provided its employees and management, who have direct responsibility for supply chain management, with training on modern slavery, 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. For specific 2018 training efforts see Annual Highlights (p. 2).