



UNDER ARMOUR, INC. FAIR COMPENSATION COMMITMENT STATEMENT

December 2021

Our Commitment

At Under Armour, we are driven by our purpose: ***We Empower Those Who Strive For More.*** This purpose is activated through our values: *Love Athletes, Celebrate the Wins, Stand for Equality, Act Sustainably, and Fight on Together.* When combined, these elements guide our [human rights efforts – recognizing](#) that fair compensation is a fundamental human right. We work with the [Fair Labor Association \(FLA\)](#) and other partners to develop strategies and approaches for improving compensation, including wages, that our business partners provide to their workers. Since 2016, our [Supplier Code of Conduct](#) has stated:

“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. Employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher, comply with all legal requirements on wages, and provide any fringe benefits required by law or contract. Where compensation does not meet workers’ basic needs and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does.”

“Act Sustainably” and “Stand for Equality” entail respecting and empowering the People who make our products, adding value to communities, creating innovative performance Products, and protecting our Planet, our only home field. We recognize that the process by which wages are determined, and the dynamic roles that national and local governments play in setting them, creates a complex environment of considerations and challenges. Working toward fulfilling the aspiration of our Supplier Code of Conduct’s Fair Compensation provision will require progressive action over time and is an effort that Under Armour cannot undertake alone. Driving progress on compensation and wages requires action by many stakeholders, including governments, non-government organizations (NGOs), employers, worker representatives, and businesses. “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.

We remain steadfast in our commitment to ensure that suppliers take the appropriate actions to realize progressively a fair compensation level for their workers. We will continue to support workers in our supply chains earning fair compensation during a regular workweek, as stated in the [Under Armour Supplier Code of Conduct](#) and the [FLA Workplace Code of Conduct](#) and as detailed in the [FLA Workplace Code Benchmarks](#).



Highlighting Our Efforts

Starting by expanding our FLA affiliation to include our entire scope of Tier One factories in 2014, as well as through our membership with [Better Buying](#), an independent research initiative evaluating purchasing practices, we have educated ourselves on how our business practices may impact compensation provided and wages employers pay to their workers. Furthermore, we intend to engage with key internal stakeholders and external stakeholders, such as our vendors and suppliers, about how *together* we may drive the strategies and approaches to improve workers' compensation.

Over time, our work may be grouped into the following areas: Understanding, Planning, and Acting.

I. Understanding

- This began with due diligence in assessing social compliance performance of the factories of our suppliers including against requirements of applicable laws, rules, and regulations, the [UA Supplier Code of Conduct](#), and [FLA Code and Benchmarks](#).
- In 2018, we started to measure and track compensation received, wages paid to, and benefits received by certain suppliers' workers using the [FLA's Fair Compensation Wage Tool and analyze their wages in the FLA's Fair Compensation Platform and Dashboard](#), which also compares wage levels against various wage standards and benchmarks.
- In 2019, we enhanced how we evaluate our purchasing practices by joining [Better Buying](#), which channels vendors' voices and feedback to inform us whether we are operating and adhering to contractual agreements and identifies areas in which our purchasing practices may improve.
- Recognizing that we could not succeed alone and need multi-stakeholder engagement, including with governments, to advance fair compensation, we began seeking new partners to work toward affecting change. This included becoming a signatory of the [ILO Call to Action](#), supporting a sustainable system for social protection, and serving on its [Working Group](#) and International Financial Institutions (IFI) Task Force. Second, we have engaged with and evaluated the [Action Collaboration Transformation \(ACT\)](#), an agreement among global brands, retailers, and IndustriALL Global Union, which aims to achieve living wages through national industry-level collective bargaining, supported by responsible purchasing practices and freedom of association.

II. Planning

- In 2018, we issued an enhanced formalized Responsible Sourcing Policy (RSP), acknowledging that our purchasing practices may affect the social compliance performance of our supplier business partners. We continue to train internal leaders and teammates on the RSP and how their actions may impact our supplier partners' working conditions.
- Since 2018, we have used the FLA's Fair Compensation Wage Tool [to collect data from 18 factories in 8 countries](#): China (7), Dominican Republic (1), El Salvador (2), Honduras (1), Indonesia (2), Mexico (1), Philippines (1), and Vietnam (3).



- In 2020, we joined the [ILO Call to Action's Working Group](#).
 - In 2021, we worked with the FLA to develop a "[Fair Compensation Blueprint](#)," which serves as our operational workplan to drive progress on fair compensation, detailing how we (1) collect and analyze wage data, (2) gather feedback, (3) set goals, (4) communicate and engage, (5) plan and execute operations, (6) measure progress, (7) report, and (8) improve and adjust.
 - Additionally, the next year, we expect to join ACT, formalizing our support for advancing living wages by [signing a Memorandum of Understanding](#) with [IndustriALL Global Union](#) that acknowledges the necessity for long-term partnerships with suppliers, purchasing practices that facilitate living wages, promotion of freedom of association, sector-level collective bargaining, and government advocacy.
- III. Acting
- [In 2021, we increased the minimum pay for Under Armour teammates at UA-owned Retail and Distribution Houses in the US and Canada to \\$15 per hour \(15.25 Canadian dollars per hour in Canada\)](#).
 - We continue to expand the FLA's Fair Compensation Wage Tool application to collect baseline wage data at all of our strategic vendors in the coming years.
 - Over the next few years, led by the UA Sustainability Team and in consultation with a cross-functional team of leaders, we will conduct a variety of pilot interventions at select strategic vendors to identify methods for progressively enabling employers to achieve and maintain fair compensation. Following the completion of successful pilots, we plan to build out further fair compensation interventions.
 - As our specific action plans are evolving, we remain committed to testing pilots and sharing performance with the FLA so that by 2030, our strategic vendors may be included in some form of fair compensation programming and annual reporting.

Reporting Our Progress

As we evaluate the timeline for potential public disclosures about our fair compensation work, we continue to share reporting on wage data regularly and with the FLA, using its compensation tools, through SCI assessments, and on company-level responsible sourcing efforts through the FLA's Annual Evaluation. We plan to report publicly through our upcoming Sustainability & Impact Report and/or through periodic updates on our corporate sustainability website, including efforts to support supply chain workers throughout the current pandemic and with the ILO's Call to Action.

Additionally, we regularly report on program developments to external strategic partners, including the FLA, Better Buying, ACT, the [Sustainable Apparel Coalition \(SAC\)](#) via its [Brand & Retailer Module \(BRM\)](#), and [The Americas Group](#). We value these organizations' objective evaluations and their expert feedback and guidance.

Holding Ourselves Accountable



Understanding potential impacts on our manufacturing partners' compensation to workers, we focus heavily on ever-improving Responsible Purchasing Practices through policy review and updates, training to internal leaders and teammates, feedback from suppliers via Better Buying, learning through ACT, annual management systems assessments with FLA's annual evaluation and SAC's BRM, learning through [Better Buying's Learning Loops program](#), and engaging cross-functionally in regular meetings of an internal executive-level Responsible Sourcing Working Group.