

Global Standards for Suppliers Performance



Factory Performance

HanesBrands has had its [Global Standards for Suppliers](#) (GSS) program in place since the late 1990s, well before most in the apparel industry. Our century-long backbone as a manufacturer ourselves has taught us how to operate facilities and the standards we should expect from others who produce for us. We are committed to the directives found in our [Global Human Rights Policy](#) and support the fair and equitable treatment of all who work and support our global business and operations.

To effectively audit and manage a truly global supplier network, we use an in-depth, scored audit protocol of over 265 questions encompassing a broad range of issues including management systems, health and safety compliance, responsible labor practices, environmental compliance and facility/product security. [A copy of the full audit protocol is attached here](#). See also our GSS Vendor Manual attached [here](#) for more information on our auditing and corrective action process.

Each of the 265+ questions is scored on a 0-3 scale with specific criteria identified to attain each score. A score of 1 is considered substandard, 2 is considered as meeting expectations and 3 signals best practice. When the scores are rolled-up and averaged, an average score of 2 on a 100-point scale equates to a score of 66.

Based on this scoring methodology, facilities with a total score of 95 and above are deemed “A+: Far Exceeds Expectations,” between 85 and 94 “A:

Exceeds Expectations,” between 70-84 “B: Meets Expectations,” between 51 and 69 “C: Below Expectations,” and 50 and below “F; Unsatisfactory.” These facilities are placed on our Alarm List.

Our web-based Global Vendor Management System (GVMS) software manages the entire audit process from facility on-boarding to audit assignment to completion of the audit questionnaire and management of the corrective action process. The GVMS system also crunches the scoring data to provide a rich and objective look at a facility’s compliance performance over time.

Between our owned, contractor and licensee facilities, we are currently monitoring **532** sewing, decoration and textile facilities. To the right is the breakdown of these facilities by compliance status. Over **91%** of facilities score B or above – an 8% increase from last year.

We pay particularly close attention to those facilities on the Alarm List. As noted to the right, there are (as of March 2024) **14** facilities on the Alarm List – most of which are there because of zero-tolerance violations and most of which are in China and Vietnam.

The sourcing teams have real-time access to this data, including those on the Alarm List. The compliance/sustainability and sourcing teams work closely together to immediately remediate these Alarm List factories or quickly develop exit plans.

Although our goal is to work with factories and use our size and leverage to remediate their problems, we are not afraid to exit poorly performing facilities. We disapproved, exited or refused to enter **52** factories in 2023. Of these factories, **45** were exited because of zero-tolerance violations. A total of **169** zero-tolerance violations were found across our supply base in 2023 – the vast majority of which were compensation and working hours issues.

We are able to track the score of a facility over time, and we use facility scores in making sourcing decisions. Of particular note is the average score by facility type. We aggregate the scores for all owned, contractor and licensee facilities. The average score for the latest audit of our owned facilities is **94%**, over **15** points higher than the contractor average (**79%**) and **18** points above the licensee average (**76%**). While average scores for contractor and licensee facilities translate into a “B,” the fact that we own facilities is the fundamental driver behind their A+ scores. They are our buildings, run by our management teams, staffed by our employees and sited in our communities. Owning clearly makes a difference.

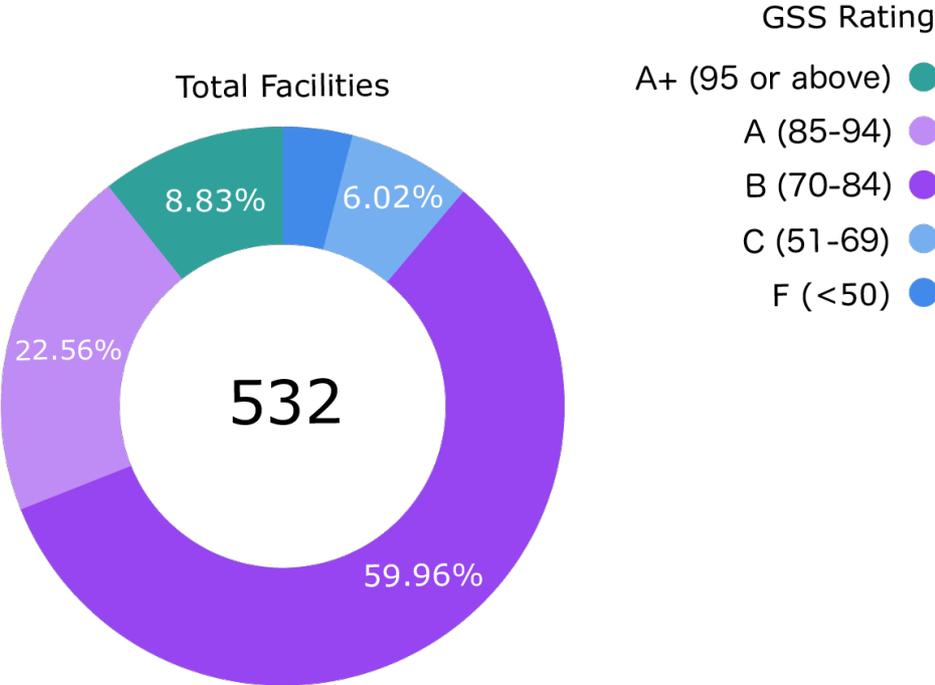
We also frequently ask ourselves the question of whether our GSS program is working – are facilities improving? One data point we track is the average score of all facilities when initially audited versus their scores at remediation

and subsequent annual audits. To the right is the data indicating that the average of all initial audits completed since the implementation of the scorecard system is **62%** while the average of all annual audits is nearly **70%** – an indication that our auditing and remediation process is moving the needle.

Of note as well is the average score by size of facility. We had long believed that smaller, less sophisticated facilities did not perform as well as larger ones. To the right is the data supporting just that. A strategy of moving to fewer, bigger facilities not only makes business sense but will also drive us to more compliant factory partners.

Compliance Status Chart

As of 03/15/2024



Facility Alarm By Country

As of 03/15/2024

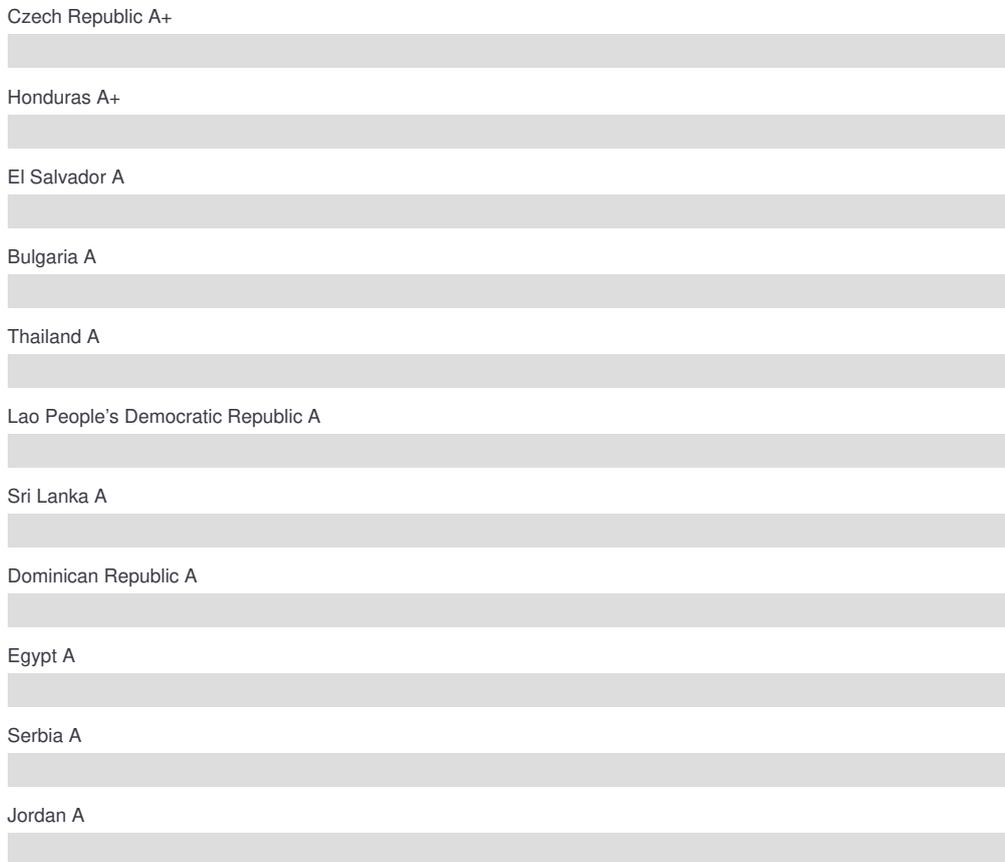
Facility: Billing Country



- Argentina ●
- Bangladesh ●
- Cambodia ●
- China ●
- Pakistan ●
- Vietnam ●

Average GSS Score By Country (Top 11)

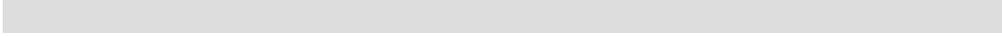
As of 03/15/2024



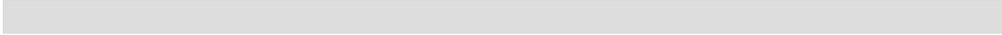
Average GSS Score By Facility Type

As of 03/15/2024

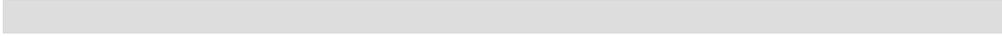
HanesBrands Owned A+



Contractors B

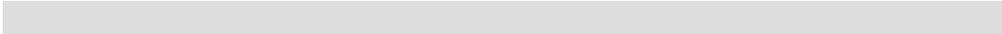


Licensees B

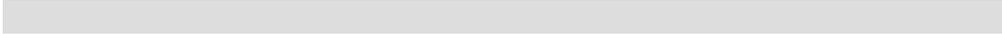


Average GSS Score By Audit Type for 2023

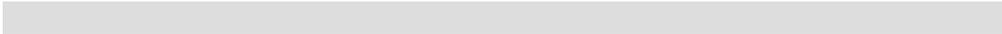
Annual B



Remediation B



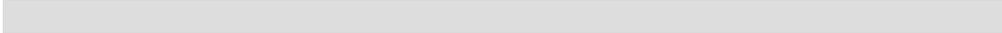
Initial C



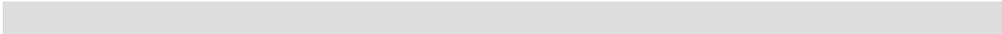
GSS Audits by Employee Group

As of 03/15/2024

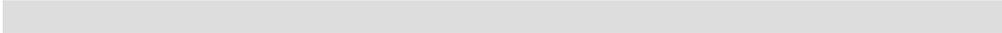
1000+ B



500 to 999 B



100 to 499 B



Less than 100 B



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