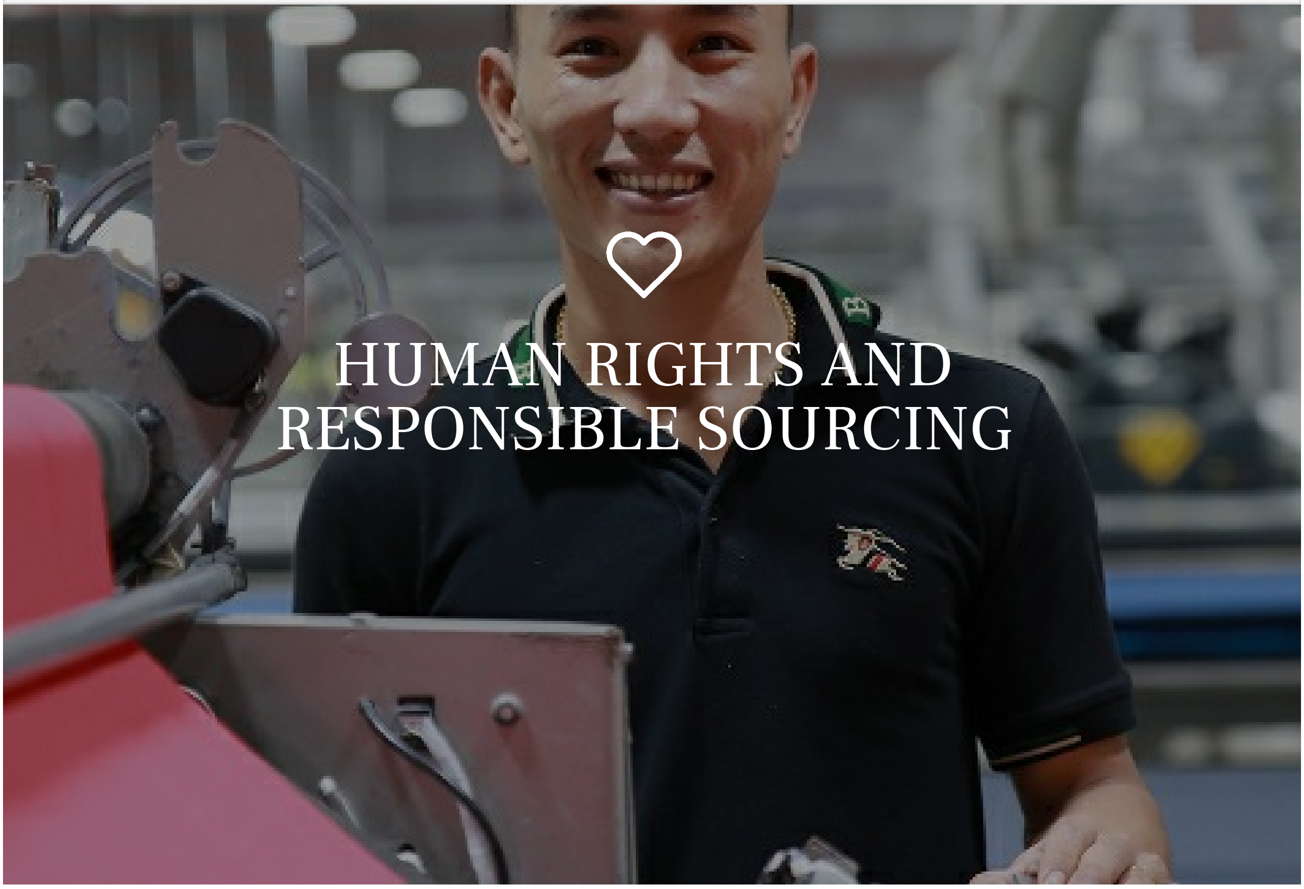

HUMAN RIGHTS AND RESPONSIBLE SOURCING

Our Commitment to Human Rights and Responsible Sourcing

Our guiding principles are designed for us to do business only with suppliers who also abide by the highest standards of ethical business behavior.

Reviewed and updated annually, our Global Standards for Suppliers (GSS) and Global Human Rights Policy require all of our suppliers to conduct themselves with honesty and integrity and to fully comply with the law and our policies. Our GSS applies to all facilities involved in the production of our products anywhere in the world including our owned facilities.

All finished goods facilities undergo a GSS assessment before production begins and then on an annual basis. For accuracy and integrity purposes, these assessments are conducted by third-party auditors who measure the facilities' performance using a detailed, scored set of more than 225 questions across five key areas:

1. Management Practices
2. Health, Safety & Social
3. Responsible Labor
4. Environmental Practices
5. Security

See our detailed audit scorecard

Based on their audit score, we grade our suppliers into four categories.

The lowest-scoring facilities are placed on our Alarm List for flagged issues that need immediate action. We have a zero-tolerance policy against issues such as child labor, forced labor, wage violations, serious health and safety violations, sexual or physical harassment or abuse, rejection of an audit, unauthorized subcontracting, and attempted bribery of an auditor.

Embedded within our regional operations are over a dozen dedicated compliance staff responsible for oversight of the GSS program and the corrective action process. To support the entire GSS process, we use a centralized software tool, our Global Vendor Management System (GVMS), which tracks and manages all supplier audit data and the corrective action process. Please see our Sustainability Performance Dashboard for further details on our audit process and data captured in our GVMS system.

In the spirit of greater transparency into our human rights and responsible sourcing program, we have also participated in the Global Human Rights Benchmark (CHRB) survey since 2017. Our CHRB survey responses provide more details on our commitments.

We have also increased our traceability and disclosed the locations of our owned facilities and finished goods suppliers, which can be found in the traceability section of our website.

Supply Chain Mapping: Facility Locations

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Supply Chain Mapping: Facility Locations

Living Wages

HBI has long recognized that fair wages and other forms of compensation are essential to promoting the fair and ethical production of consumer goods worldwide. We believe in fairly compensating our workforce so that they live in households that more than meet their basic needs – and have discretionary income.

We provide our production associates with a living wage which we define as compensation (wages, bonuses and in-kind benefits, excluding overtime) sufficient to enable associates/workers to at least meet basic needs and have some discretionary income. “Basic needs” encompass access to essential resources such as food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities, and healthcare services.

We recognize that associate/workers’ compensation should be sufficient to afford a decent standard of living for the worker and their family. Living wage is a family concept and, as part of the overall analysis, encompasses the concept of multiple wage earners in a household.

As part of our commitment to continue to advance the principle of a living wage, ourGlobal Standards for Suppliers includes a compensation provision. We are committed to all elements of our Global Standards for Suppliers including its compensation/living wage provision.

HBI has conducted living wage benchmark studies at facilities in key sourcing regions, including Bangladesh, the Dominican Republic, El Salvador, Haiti, Honduras, India, Indonesia, Thailand, and Vietnam. These studies encompassed both our owned facilities and those of our sourced suppliers. The results indicate that we meet or exceed the available Global Living Wage Coalition (GLWC) benchmarks.

We have also conducted extensive employee survey work and research in our owned facilities across the globe (including the Dominican Republic, Honduras, El Salvador and Vietnam) to understand whether our associates are earning a living wage. This research was conducted by two highly experienced independent labor economists, Dr. Zagros Madjd-Sadjadi and Dr. Craig Richardson. Their findings concluded that HBI associates receive wages and benefits that exceed a living wage. They observed that our associates in all four countries are accumulating significant durable assets, savings, and spending money on purely discretionary items – key indicators of a living wage and a household’s ability to meet the basic needs of the family and more.

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Commitment and Next Steps:

In addition to HBI's Global Standards for Suppliers, we remain committed to:

- Driving Ethical Sourcing and Fair Compensation: We will lead efforts to implement living wage standards by collaborating with our suppliers on sourcing, planning, and manufacturing capacity practices that promote the fair treatment of workers.
- Proactive Capacity Planning: We will provide suppliers with regular plans and forecasts, enabling them to plan their capacity effectively. This proactive approach will help suppliers adjust timelines and delivery dates, so that excessive working hours will not be required to complete purchase orders.
- Optimizing Lead Times: Defining lead times using the time and action calendar to allocate sufficient lead times.
- Transparency: Additionally, we are committed to maintaining transparency in our living wage efforts and gap analysis process, ensuring that progress is shared in a timely manner.

HBI will continue to develop a comprehensive roadmap for our fair wage strategy and conduct further wage analysis across our supply base. This will include:

- Detailed Wage Gap Analysis: By December 2026, we will complete a thorough wage analysis of all owned manufacturing facilities and key tier-one suppliers, which together account for over 90% of our global unit volume.
- Implementation of Open Cost Modelling: By December 2026, we will extend the implementation of Open Cost Modelling to include wages as itemized costs in purchasing prices for at least 85% of our tier-one supplier facilities. We are already utilizing Open Cost Modelling in the majority of these facilities.
- Stakeholder Involvement: We will actively engage stakeholders, including suppliers and industry experts, in the development and implementation of our fair wage strategy to promote transparency and effectiveness.

We have and will continue to report publicly on our work on this important issue.

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About the Researchers

Dr. Zagros Madjd-Sadjadi

Dr. Madjd-Sadjadi is Professor of Economics at Winston-Salem State University and a Research Fellow with the Center for the Study of Economic Mobility. He has previously worked as the Chief Economist of the City and County of San Francisco, as a Research Manager in the California Department of Labor Statistics and Research, and as a Lecturer in the Department of Economics at The University of the West Indies, Mona in Kingston, Jamaica.

Dr. Craig Richardson

Dr. Richardson is the BB&T Distinguished Professor of Economics at Winston-Salem State University and the Director for the Center for the Study of Economic Mobility, which is funded through the Center for Advancing Opportunity and the Thurgood Marshall College Fund. He has previously worked for the Urban Institute, The World Bank, and the Peru-based Institute of Liberty and Democracy.

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