



Sustainability At Under Armour

OUR EVOLUTION:

As our company has evolved, Sustainability has always been part of our DNA: it's integral to how we live Under Armour's core values: Innovation, Inspiration, Reliability, and Integrity. To us, Sustainability calls to mind our CEO and founder's calls to action: *make great products and back them with a Universal Guarantee of Performance. Be efficient with resources: make \$1 spend like \$3.*

Our values are the North Star that guides us on our mission: to make all athletes better through passion, design, and the relentless pursuit of innovation. Sustainability is also knit into our strategy – to meet the expectations of our customers, investors, and other stakeholders. It fuels our growth sprint, and through it, we're weaving into our daily operations practices that will maximize our opportunities and help us to manage both costs and risks while preserving future growth.

Each year, teams across Under Armour seek to execute our plan, and in it, we set a high bar for our performance. As our company grows, our Sustainability vision, systems and practices grow with it. At Under Armour, it is our passion to inspire and we are committed to making the right call: with factories, in how we source and design, in our operations, and by adding value to the communities in which we work, build and run our stores and offices, distribute our products, and where our products are made. No plan, however well drawn, survives intact after first contact with actual conditions. We WILL adapt and FIND A WAY when we see that the map differs from the terrain or as we innovate and chart a new path: our path. We may zag, when others would zig.

INNOVATION:

Sustainability at Under Armour supports innovation: it's not just what we are now, but what we WILL be. Our guiding sustainability goals include:

Engaging with suppliers to support the factories that, and workers who, make our products

Improving our materials and design, which determine a significant share of our impacts from our vision to products' end of life – and is an area where we have more control to promote cleaner and healthier environments

Enhancing sustainable practices in our corporate, retail, logistics, and owned manufacturing operations

INITIATIVE AND COLLABORATION:

At Under Armour, we recognize that some of the challenges we address through our Sustainability program are larger than us: they include complex, and sometimes, global and industry issues that exceed the influence we can exert to solve them by acting alone. Still, we work for continuous improvement throughout our value chain instead of standing on the sidelines waiting for perfection.

We WILL succeed, however, by mobilizing our team, engaging with our supplier teammates, and aligning with other committed companies. We collaborate on Sustainability issues with business partners that form, and brands that share, our supply chains and are willing to face complex challenges with us. We also continue looking for partnerships that help us go further together, like our work with the Fair Labor Association (FLA). We work to support innovation in this area because



Under Armour believes the FLA sets rigorous benchmarks aimed at helping third-party manufacturers develop sustainable solutions to issues over time (See our Supplier Code of Conduct). Under Armour also recently joined the Sustainable Apparel Coalition (SAC). We look forward to helping lead toward an apparel, footwear, and textiles industry that produces no unnecessary environmental harm and has a positive impact on the people and communities associated with its activities.

OUR CONTINUING JOURNEY:

Our Sustainability work is defined by key business issues, as well as what we learn from our stakeholders: including our customers, business partners, teammates, and others affected by Under Armour's business operations. For example, within our own operations, Under Armour is undergoing a company-wide process to create a framework for tracking the right sustainability metrics for our new Port Covington Campus. To enhance our communications with our internal and external stakeholders, in 2014, Under Armour began a formal materiality assessment process aligned with the Global Reporting Initiative G4 guidelines to identify the Sustainability issues that are material to our business, our customers, investors, suppliers, partners, and other stakeholders. This evolving process will guide our sustainability innovation initiatives and public reporting.

At Under Armour, we see environmental and social sustainability as a journey. As a next step in analyzing materiality issues, we WILL expand how we engage with our external stakeholders. Our revised Sustainability web pages are a report to you on our work and a step toward more detailed and public communication about our new and continuing initiatives. Just like the athletes we serve, we always look to improve our performance.

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.

Simply put, we're working hard to set and achieve our Sustainability goals. We look to work even more closely with our partners to protect the people who make our products, the places where they're made and where we operate. While we work hard, we know there is always more to do, areas for improvement, and areas where we're just getting started. We share complex challenges faced by others in our industry. We know no company or supply chain is perfectly sustainable. With careful reflection, good planning and the right infrastructure, we'll work to address our entire value chain: from the factory to Under Armour, from Under Armour to our customers, and beyond.

We WILL **Protect This House**: Help us to **Protect This House** by sending us your comments about how we can improve our Sustainability program to SustainabilityReport@underarmour.com.



We work toward our mission through the development, marketing and distribution of branded performance apparel, footwear and accessories for men, women and youth.

Our Engineering Innovation

Under Armour gear is engineered in the designs and styles that are fit for wear in nearly every climate as a high-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 other consumers with active lifestyles.

Our Products

Under Armour designs and manufactures apparel, footwear and accessories for men, women and youth.

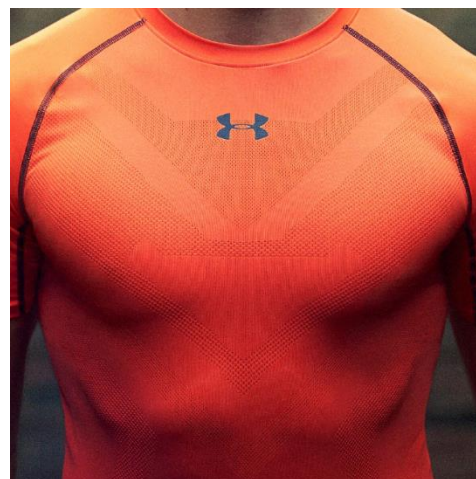
Apparel: Our apparel is offered in a variety of styles and fits intended to enhance comfort and mobility, regulate body temperature, and improve performance regardless of weather conditions. Under Armour apparel replaces traditional fabrics in the world of athletics and fitness with performance alternatives that are designed and merchandised along gear lines.

- HEATGEAR® is designed to be worn in warm to hot temperatures, alone or under equipment.
- COLDGEAR® is engineered to wick moisture from the body while circulating body heat from hot spots to help maintain core body temperature.
- ALLSEASONGEAR® is designed to be worn in between extreme temperatures. It uses technical fabrics to keep athletes cool and dry in warmer temperatures while preventing a chill in cooler weather.

Footwear: Our footwear offerings include football, baseball, lacrosse, softball and soccer cleats, slides and performance training, running, basketball, and outdoor footwear.

Accessories: Under Armour accessories primarily include headwear, bags, and gloves.

Connected Fitness: We offer digital fitness platform licenses and subscriptions, along with digital advertising through our MapMyFitness, MyFitnessPal, Endomondo and UA Record applications.





Our Geographic Operations

Our corporate headquarters are in Baltimore, Maryland. We do business across the world with our operating segments that include North America, Latin America, Europe, the Middle East and Africa (EMEA), Asia-Pacific, and Connected Fitness (the Under Armour Connected Fitness platform powers the world's largest digital health and fitness community).

A large majority of our products are sold in North America. However, we believe our products appeal to athletes and consumers with active lifestyles around the globe. Internationally, our net revenues are generated from a mix of wholesale sales to retailers; sales to distributors; and sales through our direct to consumer sales channels in Europe, Latin America, and Asia-Pacific. In addition, a third-party licensee sells our products in Japan and Korea.

Who Makes Our Products

Many of the specialty fabrics and other raw materials used in our apparel products are technically advanced products developed by third parties. The fabric and other raw materials used to manufacture our apparel products are sourced by our contracted manufacturers from a limited number of suppliers pre-approved by us.

Substantially all of our products are manufactured by unaffiliated manufacturers. In 2016, our apparel and accessories products were manufactured by primary contract manufacturers, operating in 18 countries, with a majority of our apparel and accessories products manufactured in Jordan, Vietnam, China and Malaysia. In 2016, our footwear products were manufactured by primary contract manufacturers, operating primarily in China, Vietnam and Indonesia. All manufacturers are evaluated for quality systems, social compliance and financial strength by our internal teams prior to being selected and on an ongoing basis. Where appropriate, we strive to qualify multiple manufacturers for particular product types and

fabrications. We also seek out vendors that can perform multiple manufacturing stages, such as procuring raw materials and providing finished products, which helps us to control our cost of goods sold. We enter into a variety of agreements with our contract manufacturers, including non-disclosure and confidentiality agreements, and we require that all of our manufacturers adhere to a code of conduct regarding quality of manufacturing and working conditions and other social concerns. We do not, however, have any long term agreements requiring us to utilize any manufacturer, and no manufacturer is required to produce our products in the long term. We have subsidiaries in Hong Kong, Panama, Vietnam, Indonesia, China and Taiwan to support our manufacturing, quality assurance and sourcing efforts for our products. We also manufacture a limited number of products primarily for high-profile athletes and teams, on-premises in our quick turn, Special Make-Up Shop located at one of our facilities in Maryland. See our disclosed [Under Armour Supply Chain List](#).

Our Sustainability Team

At Under Armour, the Sustainability team is primarily responsible for creating, implementing, and operationalizing policies, standards, procedures and structures related to social, environmental, health and safety and

corporate responsibility, which we call Sustainability. The team is led by the Vice President of Sustainability, who is also a Managing Counsel in our Legal Team; the Sustainability team reports to Under Armour's



General Counsel, who is a Senior Vice President, heads Under Armour's Legal Team and reports to our Chief Executive Officer. The Sustainability team is as global as our supply chain, with members who reside in Central America, South-East Asia and in the United States, including those based in Under Armour's global corporate headquarters in Baltimore, Maryland. Our headquarters based team is physically located within our key business units: it moved from our Legal Team's space to the same floor as our Sourcing, Supply Chain, Planning, Manufacturing Excellence, and Testing leaders, managers, and teammates.

While the Sustainability team leads Under Armour's efforts to ensure that workers' and human rights are upheld throughout its supply chain, the team also works closely with many business units and their leadership to address current issues and risks. Among others, these departments include our Supply Chain, Strategic Sourcing, Materials, Logistics, Retail, Corporate Facilities, Planning, and Finance teams. For example, the Sustainability Council, which is comprised of business leaders from units including Sourcing, Supply Chain and Materials meets monthly to review our sustainability strategy, implementation, emerging trends and issues, stakeholder engagement, and responsible purchasing practices, among other topics.

As part of our FLA membership, Under Armour is working to implement the FLA's Principles of Fair Labor and Responsible Sourcing and Production. The Sustainability team exchanges in real time information about suppliers' social and environmental compliance with corresponding and neighboring sourcing personnel. The Sustainability team works with them and Under Armour's new facility onboarding staff as part of an integrated cross-functional structure.

Under Armour's Sustainability team performs a key role in the process by which new suppliers become authorized to make our products. We work with our business teammates to avoid purchasing practices that can create

compliance challenges for our suppliers. Our licensees receive training on the effects of planning and purchasing practices on working conditions, and we expect them to be accountable on these principles. This supports our work aimed at identifying and mitigating risks like human trafficking, forced labor, excessive overtime, and improperly managed worker severance. Under Armour's Sustainability Council for senior leaders and operational managers – and other meetings with our employees, manufacturers, licensees, and others – align Under Armour's Sustainability, Supply Chain, Materials, and other teams. Under Armour's Sustainability Council is charged with periodic reviews of the issues, risks, findings, and trends emerging and related to our assessments of manufacturers' compliance with laws, our Code of Conduct, and the FLA Code and benchmarks. It seeks to incorporate process and operational improvements.

Our staff responsible for planning and purchasing engages in periodic dialogue with Under Armour's Sustainability team as part of an effort to avoid negative impacts on suppliers and their workers. The head of our Sustainability program periodically presents operational and strategic information to our CEO and Board of Directors.

Global Philanthropy

The Under Armour **Give Back** team is dedicated business unit that is separate from, but works with, the Sustainability team. Our Give Back team leads Under Armour's long-standing community engagement, related employee engagement, and philanthropic activities. Under Armour is relentless in our effort to create positive change through volunteerism. We continue building a strong network of engaged Under Armour teammates and connecting them with opportunities to give back in communities around the globe. Through volunteer projects, programs, and partnerships, Under Armour teammates are empowered to be the change in their communities by donating their time and talent.

Under Armour

Supply Chain List

Strategic and Specialty Vendors

March 31st, 2017

This list includes Strategic Supplier Tier 1 (assembly locations) and specialty vendors that are estimated to account for over 70% of our business. We further commit to evaluate and consider expanding this disclosure over time.

Bangladesh

Karnaphuli Sportswear Ind. LTD (Ksl And West Wing)	Plot # 9-11, # 18-20; Sector # 7; Chittagong Export Processing Zone	5000+ Workers	Apparel
Rsb Industrial LTD (Bangladesh)	Plot 35 Sector 4 Road 4 Cepz	1,000-5,000 Workers	Apparel

Cambodia

Eclat Textile Co LTD (Cambodia)	Phum Angtakeat Wat Angtakeat Sangkat Kantouk Khan Porsenchey, Phnom Pehn	1,000-5,000 Workers	Apparel
Fairdon (Cambodia) Limited	No. 21e, National Road No.5, Svay Pak Village, Svay Pak Commune, Russei Keo District, Phnom Penh, Cambodia	1-500 Workers	Apparel
Reliable Source Industrial (Cambodia) (Dat-F)	Pluv Betong Phum Kbal Domrey, Sangkat Kakab, Khan Porsenchey	1,000-5,000 Workers	Apparel
Starlight Apparel Manufacturing (Cambodia)	No.18, Street Betong Thmey, Phum Seda, Khum Viheasour, Srok Khsach Kandal	1,000-5,000 Workers	Apparel

China

Anhui Cosmo Sporting Goods Company Limited	No. 2451 Baoan Road Lijia Chun, Malu Town, Jiading District	1-500 Workers	Accessories
Cherry Garment LTD	Wuzhong Economic Development Zone, 388 Liu Feng Road Hedong Park	500-1,000 Workers	Apparel
Dong Chong Chong Ming Glove Factory	Building 1, Plant 5, No. 43 Jixiangwei North Street, Dong Chong Town	1-500 Workers	Accessories
Dongguan City Maite Sports Co LTD	Daji Industrial Zone, Hengshan Village, Shipai Town	1-500 Workers	Accessories
Dongguan Seeds Garment Manufacturing	Xian Sha Industrial District Gao Bu Town	500-1,000 Workers	Apparel
Dongguan Zhengyong Leather Accessories Co.,LTD	Block #6, 2nd District Of Liwu Wusha, Chang'an Town	1-500 Workers	Accessories
Guang Xi Simona Footwear Company LTD	Shi Li Industrial Zone,Ling Shan County	1,000-5,000 Workers	Footwear
Guangxi Seville Footwear Company Limited	The Econmic Developement Zone Of Rong County,Yulin City,Guangxi Zhuang Autonomous Region	1,000-5,000 Workers	Footwear
Guangzhou Kengtou Handbag Traveling Articles Co.	The South Side Of Xing Ye Road, Nan Cun Town, Pan Yu District	500-1,000 Workers	Accessories
Hangzhou U Jump Arts & Crafts Co LTD	Chong Xian Villiage Chongxian Town, Hangzhou	1-500 Workers	Accessories
Huai An Yuan Yong Headwear Mfg Co LTD Plant 1	No.1 Yan Huang Avenue Lian Shui New Industrial Zone	1,000-5,000 Workers	Accessories
Huai An Yuan Yong Headwear Mfg Co LTD Plant 2	No. 56 Yanhuang Avenue, Lianshui New Industrial Zone, Lianshui County, Huaian City, Jiangsu Province	1,000-5,000 Workers	Accessories

Huai An Yuan Yong Headwear Mfg Co LTD Plant 3	Building 1, No. 99 Yanhuang Avenue, Shangshui Industrial Zone, Lianshui County, Huaian City, Jiangsu Province	1,000-5,000 Workers	Accessories
Idea (Macao Coml Offshore) LTD Ys1	C/O The No.1 Branch Fty Of Dong Guan Gao Bu Yue Yuen Mfr Co. Gao Bu Dong Guan	1,000-5,000 Workers	Footwear
Idea (Macao Coml Offshore) LTD Ys3	C/O The No.1 Branch Fty Of Dong Guan Gao Bu Yue Yuen Mfr Co., Yue Yuen Industrial Estate (Ys3), Gaobu	1,000-5,000 Workers	Footwear
Jianggsu Asian Sourcing Headwear Mfg Co LTD	No. 2 South Guangzhou Road	500-1,000 Workers	Accessories
Jiangshan Edon Knitting Co.,LTD	No.30 Jiangdian Road, Hushan Street	500-1,000 Workers	Licensee
Jiangsu Qianlima Stockings Co LTD	Donglai Development Area, Yangshe Town, Zhangjiagang	1-500 Workers	Accessories
Philla/ Anhui Cosmo Sporting Goods	No. 5, Jinye Road, Economic Development Zone, Jin Zai, An Hui 237321	1-500 Workers	Accessories
Regina Miracle Intimate Apparel	No 2 Cengyao Industrial Estate Yulu Gongming Baoan	1,000-5,000 Workers	Apparel
Seville Footwear Factory	Xiao Bian 4th Management District,Changan Town	1,000-5,000 Workers	Footwear
Shanghai Reliable Source Industrial Co. LTD (Dat-F)	No 88 Yu Lv Rd, Ma Lu Town, Jia Ding District	1,000-5,000 Workers	Apparel
Shanghai Weijie Garment Co LTD	No.1228 Huiping Road, Nanxiang, Jiading District	1-500 Workers	Accessories
Shantou Sm Yongyi Garment Co., LTD	Budingpian Industrial Area, Gongdou Village, Xinan Town, Chenghai District,	1-500 Workers	Apparel
Shantou Yong May Garment Mfg Fty Co., LTD	Bulding 4 & 6th Pengzhong Industrial Area , Yingbin South Road ,Waisha Town, Longhu District	1-500 Workers	Apparel
Zerong Bag Co LTD Of Dongguan	Xixi Liao Bu Dongguan	1,000-5,000 Workers	Accessories
Zhejiang Qiaoertingting Garment Co LTD	No 147 West Renmin Road	500-1,000 Workers	Apparel
Zhejiang Walt Technology Co LTD	48 Shijing Road, Haining, Zhejiang, 314400	500-1,000 Workers	Accessories
Zhong Shan Bao Da Shoes Co., LTD	Gin San Industrial Zone, San Jiao Town	1,000-5,000 Workers	Footwear
Zhongshan Weili Textile Co LTD	The Second Ind Estate Sanxiang Town, Guangdong Province	1,000-5,000 Workers	Accessories

Colombia

Supertex S.A.	Carrera 35 #10-707 Yumbo, Valle Del Cauca, Colombia	1-500 Workers	Apparel
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Egypt

Delta Textile Egypt	Free Zone, Nasr City, Cairo	1,000-5,000 Workers	Apparel
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El Salvador

APS	Zona Franca San Bartolo, Ilopango, Avenida Chaparrastique Y Calle Jiboa, Oriente, Edificio 1b	500-1,000 Workers	Apparel
Supertex Lourdes S.A. De C.V.	Km 26 Carretera Panamericana Intercomplex Industrial Park, Block A	1-500 Workers	Apparel
Textiles La Paz	Zona Franca El Pedregal, Km 46 1/2 Carretera A La Herradura	1,000-5,000 Workers	Apparel

Honduras

Industrias De Exportacion Sa De Cv	Zona Libre Metropolitana Jacaleapa	500-1,000 Workers	Apparel
New Holland Lingerie	Bo La Paz 27 Calle 1 Y 3 Avedina, San Pedro Sula	1,000-5,000 Workers	Apparel
Southern Apparel Contractors S.A.	Zip Calpules, Carretera A La Lima, Km7	1,000-5,000 Workers	Apparel

Indonesia

PT Harindo Tama Mandili	Jl. Kapuk Kamal Muara 88 Tegal Alur, Kalideres, Jakarta 11820, Indonesia	500-1,000 Workers	Dome
PT Nikomas Gemilang	Ji Raya Serang Km71 Desa Tambak Kec Kibin Kab	1,000-5,000 Workers	Footwear
PT Panarub Dwikarya	Kp. Babakan Rt.010/02, Desa Sukanagara. Kecamatan Cikupa	1,000-5,000 Workers	Footwear
PT Sport Glove Indonesia	Dusun Krandon, Desa Pandowoharjo	1,000-5,000 Workers	Accessories
PT. Sinar Utama Jaya Abadi (Suja)	Kawas Industri Karet li No. 21, Jl Raya Moch Toha Km. 7 Karet Sepatan, Tangerang 15520	1,000-5,000 Workers	Footwear

Israel

Delta Galil Industries LTD	5 Hamatechet Street	1-500 Workers	Apparel
Hi Tex Founded By Tefron LTD	Industrial Center Teradyon	1-500 Workers	Apparel

Jordan

Al-Areen Wear Company	Dair Abi Saeed, Irbid, 10	1-500 Workers	Apparel
Al-Masera Textiles Co	Alhassan Industrial Estate, Ramtha P.O.Box 43 Irbid –Jordan	1-500 Workers	Apparel

Casual Wear Apparel LLC	Casual Wear Plot # 675, Wadi Ad Dulayl Industrial Park Plot # 675, Wadi Ad Dulyal Industrial Park	500-1,000 Workers	Apparel
Century Wear	Al Hassan Estate, Ramtha	1-500 Workers	Apparel
Classic Fashion Apparel Industry LTD Co	Al-Hassan Industrial Estate, Po Box 54, Ramtha	5000+ Workers	Apparel
Fine Apparel LLC	Fine Apparel, P.O.Box 199- Ad Dulayl Industrail Park Q.I.Z. P.O.Box 199 Ad Dulayl Industrail Park Q.I.Z. Az Zarqa - 13136	500-1,000 Workers	Apparel
Needle Craft For Clothing Industry	684 Ad-Dulayl Industrial Park (Qiz), Ad-Dulayl	1,000-5,000 Workers	Apparel

Malaysia

Gimmill Industrial Sdn Bhd	Lot 303, Batu 3 1/2, Jalan Kluang	1,000-5,000 Workers	Apparel
Song Lin Garment Sdn Bhd	2947 (Block F), Jalan Kluang, Mk Simpang Kanan, 83000 Batu Pahat, Johor, Malaysia	1,000-5,000 Workers	Apparel

Mexico

Leotex Textiles, S.A. De C.V.	Bldv Ctm Sn Entre Calle Jalisco Y Paseo Miravalle	1,000-5,000 Workers	Apparel
Wintan Inc (Mx) California Textile	Ave. California No. 1768 Sur Entre Calle De Los Textile Y Canal Bajo Y Canal Bajo Esperanza	1,000-5,000 Workers	Apparel
Zentrix Industries Limited Plant 4	Virgen De La Caridad No 1, Cd Ind Xicohtencatl li	500-1,000 Workers	Apparel

Nicaragua

New Holland Lingerie De Nicaragua	Zona Franca Astro Micaragua, Km 47 1/2, Carretera Tipitapa - Masaya	1,000-5,000 Workers	Apparel
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Philippines

Globalwear Manufacturing Incorporated	Ppc Bldg 19, Crescent Road, Lot 8 – Block 4, Cebu Light Industrial Park, Basak, Lapu-Lapu City 6015 Philippines	1,000-5,000 Workers	Apparel
Mactan Apparels, Inc	Mactan Economic Zone 1, Lapu Lapu City	1,000-5,000 Workers	Apparel
Vertex One Apparel Philippines	Block C-6, 2nd Avenue, 5th Street, Mactan Economic Zone	1,000-5,000 Workers	Apparel

Singapore

Gimmill Industrial PTD LTD	43 Tampines Street 92	1-500 Workers	Apparel
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Taiwan

Microcell Composit Company	No.55, Lane 10, Zhongshan Road, Rende Dist., Tainan, 71752	1-500 Workers	Accessories
Pro Arch International Development Enterprise Inc	No. 8, Gongyequ 11th Rd., Xitun Dist. Taichung City, 40755	1-500 Workers	Footwear
Ya York Plastical Products Co. LTD	6th Industrial Zone, Tian Liao Village	1,000-5,000 Workers	Accessories

Thailand

Thai Parfun Co.,LTD	101 Moo7, Phetkasem Rd. T. Aomnoi, A. Kratumban, Samutsakorn	1,000-5,000 Workers	Apparel
Yeh Parfun Co.,LTD	556 Soiwirunraj, Moo2, Setthakit Rd.,Omnoi, Kratumben, Bangkok, 74130	1-500 Workers	Apparel

United States

Kayser Roth Corporation	714 Interstate Services Road, Graham, Nc, 27253	1-500 Workers	Accessories
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Vietnam

Bi (Vn) LTD	1075/1 Zone 1, Thanh Xuan Ward, Dist 12	500-1,000 Workers	Apparel
Bodynits Co. LTD	Binh Tien 2 Hamlet, Duc Hoa Ha Village, Duc Hoa District, Long An Province, Ho Chi Minh Vietnam	500-1,000 Workers	Apparel
Colltex Garment Mfy Co LTD., (Vn)	Lot 28, Road No. 7, Trang Bang Industrial Park, An Tinh Village, Trang Bang District, Tay Ninh Province	1,000-5,000 Workers	Apparel
Dai Hoa Co. LTD	Sec. 7, Uyen Hung Commune	1,000-5,000 Workers	Footwear
Dong Nai Garment Corporation(Donagamex)	Road No.2, Bien Hoa Industrial Zone 1, Bien Hoa City, Dong Nai Province	500-1,000 Workers	Dome
Eclat Textile Co LTD (Vietnam)	Lot 1 Road 5 Nhon Trach 2 Industrial, Zone Dong Nai Provice	5000+ Workers	Apparel
Esprinta (Viet Nam) Co., LTD.	Song Than li Industrial Zone Di An Village, Binh Duong Province	1,000-5,000 Workers	Apparel
Ever Grace Shoes Vn Co LTD	Phu Nghi St., How Loi Village, Ben Cat City	5000+ Workers	Footwear
Freeview Industrial (Vietnam) Co.,LTD	Lot Aii-1-8, Aiii-6, Aiv-1-9 Tan Huong Iz, Tan Huong Ward, Chau Thanh Dist	1-500 Workers	Footwear
Fulgent Sun Footwear Co. LTD.	Pho Noi Xa Nghia Hiep Huyen Yen My Tinh Hung Yen	1,000-5,000 Workers	Footwear
Hoa Thanh Textile & Garment Co. LTD	National Road 22, Ben Kéo Industrial Zone, Long Thanh Nam Commune, Hoa Thanh District	1,000-5,000 Workers	Apparel
Longway Vietnam Co., LTD	Lot Hc1, Road No.3, Xuyen A Industrial Zone,	1,000-5,000 Workers	Accessories

Maxport #1	Nguyen Duc Canh Ind. Zone, Tran Thai Tong Road	1,000-5,000 Workers	Apparel
Maxport #2	D1, Ta Hien Str, Phuc Khanh Industrial Zone, Thaibinhm, Vietnam 33000	1,000-5,000 Workers	Apparel
Maxport #3	Nguyen Duc Canh Industrial Zone, Thaibinh, Vietnam 33000	1,000-5,000 Workers	Apparel
Maxport #5	No#85, Map 44, Loc Vuong Ward, Nam Dinh Pro, Vietnam 33000	1,000-5,000 Workers	Apparel
Maxport #6	361 Ngyen Van Troi Str, Nang Tinh Ward, Nam Dinh Pro, Vietnam 33000	1,000-5,000 Workers	Apparel
Maxport #8	Xuan Quang Industrial Park, Dong Xuan Commune, Dong Hung District, Vietnam 33000	1,000-5,000 Workers	Apparel
Maxport #88	88 Hadinh, Thanh Xuan, Hanoi, Vietnam 33000	500-1,000 Workers	Apparel
Minh Tri Thai Binh Co. LTD	Bui Vien Road, Nguyen Duc Canh Industrial Zone, Tien Phong Precinct, Thai Binh City, Thai Binh Province	500-1,000 Workers	Apparel
Pou Hung Viet Nam Co. LTD	Road No1. Cha La Industrial Park, Binh Linh Hamlet.Cha La Village, Duong Minh Chau District	5000+ Workers	Footwear
Regina Miracle Intimate Apparel (Vn)	No.9 East- West Road, Vsip Hai Phong, Thuy Nguyen District, Dinh Vu- Cat Hai Economic Zone	1-500 Workers	Apparel
Sig-Vtec (Viettien Garment Corporation)	07 Le Minh Xuan, P.7, Quan Tan Binh, Tp. Ho Chi Minh City	500-1,000 Workers	Apparel
Sprinta Vietnam Co LTD	Lot 58-60 Trung 2 Processing Zone	1,000-5,000 Workers	Apparel
Star Fashion Apparel 2	Lot 3 Phu Nghia Industrial Zone, Phu Nghia Commune Chuong My District Hanoi Vietnam	1,000-5,000 Workers	Apparel
Starite International Limited	Khu Cong Nghiep Bau Xeo, Huyen Trang Bom, Tinh Dong Nai, Vietnam	1,000-5,000 Workers	Accessories
Trang Bang Branch Of Can Sports Vietnam	Gia Lam Hamlet, Gia Loc Commune, Trang Bang District, Tay Ninh	500-1,000 Workers	Footwear
Unipax Co. LTD.	Plot 101/2 + 101/4, Amata Road 3, Amata Industrial Park, Long Binh Ward	1,000-5,000 Workers	Accessories
Ymuv2 - Long Fa (Vietnam) Co.,LTD	Road N11, Minh Hung Iii Industrial Park, Minh Hung Commune, Chon Thanh District	1,000-5,000 Workers	Footwear
Youngone Namdinh Co., LTD	Hoaxa Industrial Park	5000+ Workers	Apparel



The Under Armour Way

At Under Armour, everything we do is engineered to make you better. Our products are the end result of our value chain, which is comprised of two main segments: *upstream* (product ingredients, parts, and materials, from when they are built in the factory until they are shipped to us) and *downstream* (from when our customer receives them to the products' end of life). We have not yet made our defining product, but everything we do and make is designed to make athletes better. It's backed by our Universal Guarantee of Performance (UGOP): built with exacting quality standards, built to perform and to last.

To protect our business, the people we affect, and our environment – *This House* – we must fulfill our **Sustainability Vision**. We expect this vision to change: to be refined and refocused as we execute our plans and flex them to allow for novel ideas and disruptive innovation. But here is how we see it now:

We have a **materiality-focused** sustainability strategy that was informed, in part, by conducting a Materiality analysis aligned with the Global Reporting Initiative (GRI) G4 framework. We started this process in 2014 and used this analysis as part of how we determine future strategic Sustainability priorities. In a sustainability context, we believe that material issues and risks are the concerns we identified after considering the perspectives of both internal and external stakeholders. We believe these issues are critically important to Under Armour.

We started here by identifying our mission and goals, then building the team – and we are adding to the playbook according to which we are executing our vision. Our sustainability path will be unique to Under Armour as we head toward the Sustainability *North Star* that is reflected in our **Sustainability Vision Statement**. We are continuing to build and supplement our materiality assessment process, which we started by benchmarking with the reported materiality issues and

sustainability practices of respected businesses in the apparel, footwear and digital/IT business sectors. Key Under Armour leaders, managers and teammates met and engaged in educational sessions where we analyzed and ranked these identified issues and concerns.

SUSTAINABILITY VISION STATEMENT

WE own a strategic advantage because we **WILL** innovatively design our products and operate our business in ways that makes athletes better, provides high and long-term stakeholder value, **PROTECT** our customers, our team and our partners' teams and ensure that we efficiently use resources to sustainably build **OUR HOUSE.**

While our Materiality process is ongoing, and we are working to develop a related matrix, we have identified 13 Aspects potentially material to Under Armour. These areas cover protecting



the people touched by our operations, the workers that make our products and other stakeholders: those who are affected by, or interested in, what we do. They include: Forced or Compulsory Labor, Child Labor, Freedom of Association and Collective Bargaining, Occupational Health and Safety, Fair Wages,

Non-Discrimination, Diversity and Equal Opportunity, and Local Communities. Among these aspects is also product design and key topics of environmental management: Materials, Supplier Environmental Awareness, Effluents and Waste, Energy, Emissions, and Water.

CURRENT STRATEGIC PRIORITIES

OUR STRATEGIC SUSTAINABILITY PRIORITIES CONDUCTED CONCURRENTLY WITH THE MATERIALITY ASSESSMENT PROCESS INCLUDE THE FOLLOWING INITIATIVES:

ENGAGING WITH SUPPLIERS TO PROMOTE ETHICAL AND CONTINUOUS IMPROVEMENT IN SUPPLY CHAIN PRACTICES TO STRIVE FOR ALIGNMENT WITH THE FAIR LABOR ASSOCIATION'S WORKPLACE CODE OF CONDUCT AND UNDER ARMOUR'S SUPPLIER CODE OF CONDUCT.

ENHANCING UA'S INTERNAL ENVIRONMENTAL INITIATIVES AND WORKING TO MEASURE, MANAGE AND THEN SET TARGETS AND USE ENVIRONMENTAL IMPACT CRITERIA IN NEW CONSTRUCTION TO REDUCE EMISSIONS AND MINIMIZE ENVIRONMENTAL IMPACT.

What's Next?

We will continue to identify, and work with, key external stakeholders such as customers, investors, suppliers, partners, and others to complete our GRI aligned materiality assessment process. For example, we worked with our Consumer Insights team to conduct a focused sustainability issue survey with some of our customers, and incorporated those insights into our materiality results. This dialog will continue, but among the most telling, and appreciated, outcomes of our customer engagement was learning what they expect from us. They expect us to continue to innovate, whether in product development or environmental management, and would be disappointed with anything less. They also expect us to do the daily blocking and tackling: identifying, and working to address, the inherent and sometimes changing risks posed by business operations and issues of concern to them.

Moving forward, we will round out our external stakeholder efforts, and re-engage and expand our internal efforts. A GRI framework materiality focus is core to our strategy, so this effort will continue to inform and shape our sustainability program moving forward.

We have referred to the [Global Reporting Initiative \(GRI\) G4 framework](#) in assessing what content would be valuable to our stakeholders. We plan to update stakeholders periodically about how our sustainability journey is progressing. For example, after completing our [materiality assessment](#), we expect to make publicly available information about the issues identified to be material to our business and external stakeholders.



Future changes to our sustainability reporting will be guided by our identified material issues, in alignment with our materiality-driven sustainability strategy. At Under Armour, our evolving data systems are key to driving innovation in the design and performance of our products. We therefore know the importance of collecting accurate sustainability data to continue making progress in our journey toward ongoing measuring, monitoring, and communication about our sustainability metrics. Under Armour is now working with third-party partners to further develop our capacity and platforms for data collected internally, for our operations, and externally from our suppliers, third-party audit firms, and logistic partners. This data will inform continued improvement in our Sustainability reporting efforts.

Our program to manage this area is called Sustainability because, through it, we focus on sustainable business practices including our, and our suppliers', social, health and safety, environmental and human rights practices and performance. Under Armour's core values of Innovation, Inspiration, Reliability, and Integrity guide our expectations of suppliers and subcontractors: we expect them to do business in a manner that aligns with our values. Under Armour seeks to work with third-party suppliers that treat their employees with dignity and respect, provide appropriate workplace and related residential conditions and strive to implement environmental better and best practices, including minimizing their environmental impact. We also strive to work with third-party suppliers that meet their legal obligations to their employees and comply with standards including those in the Fair Labor Association's Workplace Code of Conduct and benchmarks, as well as the Under Armour Supplier **Code of Conduct**. In 2006 Under Armour joined the **Fair Labor Association** (FLA) as a **Category B Licensee Affiliate**. In 2014, we evolved our efforts by becoming a **Participating Company**, and we are currently in the initial implementation period of our membership. The Head of our Sustainability program is a member of the FLA's Board of Directors and its Monitoring Committee. We use the FLA's **Sustainable Compliance Initiative** assessment methodology to assess and support our suppliers in implementing lasting performance improvements.

Based on our work, we have seen that third-party suppliers have different levels of sustainability performance, so we regularly enhance our supplier engagement efforts to

address issues (including those that are systemic or reported), to address new trends and risks and to maximize new opportunities. Through our assessment and engagement efforts, we often find at least some, and in other cases, many, areas in which our suppliers need to improve their performance. While we do not expect perfection, we do expect continuous improvement from our suppliers just as we do from ourselves. We work with suppliers to support improved performance and re-set the performance bar, not just stop our work, if we, or they, meet or exceed some of our goals. We also require our suppliers and their suppliers' subcontractors to meet their legal obligations to their employees. We assess whether they respect and comply with the FLA Workplace

Challenges and Actions	
Challenge	Action
Assessments reveal noncompliance with the Codes and laws	Provide tools, including capacity building, to support better and sustainable performance

Code of Conduct and benchmarks (collectively, the "FLA Code") and Under Armour's Supplier Code of Conduct (the "UA Code"). All Under Armour suppliers and their subcontractors are required to execute agreements in which they reaffirm these commitments, including their commitment to meet their obligations as employers to their employees, comply with applicable laws and the FLA Code and adhere to the **UA Code**.



UNDER ARMOUR

SUPPLIER CODE OF CONDUCT

AT UNDER ARMOUR, OUR “HOUSE” HAS BEEN BUILT AROUND FOUR PILLARS – MAKE A GREAT PRODUCT, TELL A GREAT STORY, PROVIDE GREAT SERVICE AND BUILD A GREAT TEAM. UNDER ARMOUR’S MISSION IS TO MAKE ALL ATHLETES BETTER THROUGH PASSION, DESIGN, AND THE RELENTLESS PURSUIT OF INNOVATION.

Under Armour requires its teammates to comply with Under Armour’s Code of Ethics and Business Conduct. Consistent with these values, Under Armour seeks to do business with business partners, including manufacturers, licensees and agents and their subcontractors (hereinafter collectively called “suppliers” and “employers”) that share these values, strive for continuous and sustainable improvement in working conditions and practices and comply with this Supplier Code of Conduct (the "Code") and all applicable laws. Suppliers shall collaborate with Under Armour and their subcontractors to assess current practices, identify opportunities for improvement, and implement improvement plans.

Under Armour suppliers and their subcontractors must deal with their employees, their teams, in a legal, ethical and equitable manner. Under Armour seeks to do business with suppliers and subcontractors that comply with the laws of the United States, the countries in which Under Armour products, their components and materials are produced, distributed, bought and sold, and the Code. Any violation of these laws or the Code may be viewed as a breach of the Manufacturing Agreement and could lead to the termination of the business relationship between Under Amour and the supplier.

NONDISCRIMINATION: Under Armour suppliers and their subcontractors shall not subject any person to discrimination in employment including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin. Additionally, suppliers and their subcontractors must implement effective measures to protect migrant employees against any form of discrimination and provide appropriate support services to them.

HARASSMENT OR ABUSE: Under Armour suppliers and their subcontractors must treat their employees with respect and dignity. No employee shall be subject to physical, sexual, psychological or verbal harassment or abuse.

FORCED LABOR: 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.

CHILD LABOR: Under Armour suppliers and their subcontractors shall not employ persons under the age of 15 or under the age for completing compulsory education, whichever is higher.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING: Under Armour suppliers and their subcontractors shall recognize and respect the right of employees to freedom of association and collective bargaining. Employers must develop and implement effective industrial relations systems and mechanisms to resolve industrial disputes, including employee grievances and ensure effective communication with employees.

HEALTH AND SAFETY: Under Armour suppliers and their subcontractors must provide their employees with a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. Employers must fully comply with all applicable workplace conditions, safety and environmental laws rules, regulations and standards. Employers must effectively implement health and safety policies and procedures within their operations, workplaces and related residential facilities and jointly share responsibility for, and ownership of, them with appropriately trained employees. Where residential housing is provided to their employees, suppliers and their subcontractors must apply these standards to them and ensure that such housing provides a safe, healthy and sanitary living environment.

SUSTAINABLE BUSINESS PRACTICES: Employers shall implement responsible measures to mitigate negative workplace and operational impacts on the environment and their community. This includes: integrating sustainability principles into business decisions; improving environmental performance by responsibly using natural resources; reducing waste, increasing energy efficiency; adopting cleaner production and pollution prevention measures and sustainably designing, developing and building products, materials and technologies.

HOURS OF WORK: Under Armour suppliers and their subcontractors shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Under Armour suppliers and their subcontractors shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Under Armour suppliers and their subcontractors shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.

COMPENSATION: 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.

LEGAL AND ETHICAL BUSINESS PRACTICES: Under Armour suppliers and their subcontractors must fully comply with all applicable local, state, federal, national and international laws, rules and regulations including those relating to child labor, wages, hours, labor, health and safety, slavery, human trafficking and immigration. Under Armour suppliers and their subcontractors must be ethical in their business practices.

GIFTS/CONFLICTS OF INTEREST: Under Armour’s relationships with its business partners are built on trust, value, quality and service. Suppliers and subcontractors must abide by Under Armour’s policies on gifts and conflicts of interest. Under Armour teammates may only accept modest gifts, meals and entertainment from suppliers or subcontractors (less than USD 200). Ordinary business meals and small tokens of appreciation generally are acceptable, but suppliers and subcontractors should avoid offering Under Armour teammates travel, frequent meals or expensive gifts. Gifts of cash or cash equivalents, such as gift cards, are not permitted.

RECORDKEEPING: Under Armour strives for fairness and accuracy in all our records and reports. Under Armour expects its suppliers and subcontractors to maintain accurate financial books and business records in accordance with all applicable requirements.

ANTI-BRIBERY AND ANTI-CORRUPTION: Under Armour is committed to conducting business free from corrupt practices. Suppliers and subcontractors must comply with applicable anti-corruption laws, including the United States Foreign Corrupt Practices Act and the UK Bribery Act of 2010. Suppliers and subcontractors may not offer anything of value, either directly themselves or through a third party, to government officials in order to obtain or retain business.

EXPORTS: Suppliers and subcontractors must transfer Under Armour products across borders in a lawful manner and in compliance with the U.S. Export Administration Act and Export Administration Regulations.

NON-RETALIATION: Under Armour suppliers and subcontractors must effectively implement a non-retaliation policy, procedures and reporting channels that enable workers to express anonymously and safely their concerns about workplace conditions directly to factory management and to other parties without fear of retribution, retaliation or any other adverse action.

REPORTING POTENTIAL MISCONDUCT: Under Armour suppliers and subcontractors and their employees may report violations of this Code to Under Armour’s Hotline electronically via <http://www.convercent.com/report> and/or suppliercode@underarmour.com. The Hotline is monitored 24 hours a day, seven days a week. The Hotline allows for the option to report anonymously, depending on location. Suppliers and subcontractors must provide reasonable support during an investigation of a potential violation.

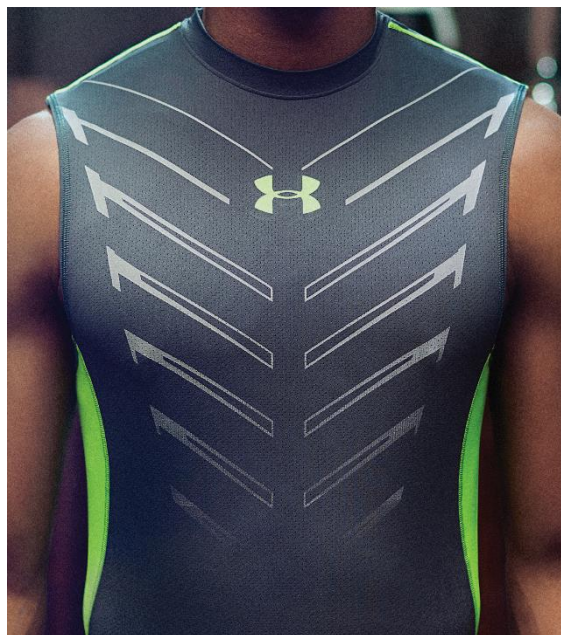


Our Approach to Labor Practices

Our company, by a letter from our CEO, Kevin Plank, to the FLA's CEO/President and the FLA's Board of Directors, has committed formally to uphold the FLA's Workplace Code of Conduct and compliance benchmarks (the "[FLA Code](#)") and the FLA's [Principles of Fair Labor and Responsible Sourcing and Production](#) and to integrate them into our business practices over time. In 2016, we revised the Under Armour Supplier Code of Conduct to reflect our Sustainability program's expectations and evolution. Under Armour's Vice President of Sustainability was recently elected to serve a three year term, starting in January 2017, as Member of the FLA's [Board of Directors](#) and is a member of the FLA's [Monitoring Committee](#), which plays an important role in advising the FLA and its Board about how to perform worker and human rights due diligence and to plan for, and complete, the FLA's ongoing and core work – such as initiatives that are crafted to meet emerging and changing issues, trends, and risks. As a FLA member, Under Armour requires the suppliers that manufacture its products to comply with the Conduct and meet its associated compliance [benchmarks](#).

Additionally, some Under Armour products are made under license agreements where we are, in some cases, the licensor, and in other cases, the licensee. When we are the licensor, we require our licensees to comply with the FLA and UA codes and all applicable laws, among other requirements. When we are the licensee, however, those agreements may contain Corporate Social Responsibility and Sustainability compliance requirements additional to those summarized above.

From a human rights diligence perspective, the FLA Code and Under Armour codes reflect and embody core labor standards, and related conventions, of the International Labor Organisation (ILO). Through them, we seek to require manufacturers to respect workers' rights. The UA Code is reviewed from time to time, which may result in its revision in the future.



SUPPLY CHAIN TRANSPARENCY AND DISCLOSURE:

Under Armour's applicable suppliers' names, addresses and other information are disclosed to the Fair Labor Association. The FLA, in each membership year, may independently assess 5 percent of those factories and publicly disclose findings for those audits that are attributed to our brand. Moreover, we have committed to disclose, over time, and on our website, suppliers who form the essential links in our supply chain, starting in March 2017 with Strategic Supplier Tier 1 (assembly locations) and specialty vendors that are estimated to account for over 70% of our business. This publicly disclosed [Under Armour Supply Chain List](#) is part of the ongoing expansion of how we engage with our stakeholders. We further commit to evaluate and consider expanding this disclosure over time.



ASSESSING SUPPLIER CODE AWARENESS:

Under Armour requires suppliers to post the FLA and Under Armour codes in the languages understood by their teammates, including their managers and workers. We also provide suppliers with access to the FLA's translation of its code into many languages around the world. We require assessors to assess whether, and to confirm to Under Armour's Sustainability team that, the FLA and Under Armour codes are posted. We also require suppliers to send their plans on how they build code and benchmark knowledge and awareness among their employees and managers, as well as internalize and adhere to these standards.

After assessors complete supplier assessments, they give Initial Management Action Plans (IMAP) to factory management as part of a meeting with supplier management at the end of the assessment, where 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 that we take to address issues raised by the assessments. The MAP also may include specific requirements aimed at emphasizing the importance of Code awareness by requiring management to conduct periodic training sessions on the Code's standards and benchmarks for workers, supervisors, and other employees in managerial positions. We expect that these training sessions are documented, include interactive question-and-answer time, and are conducted (and include materials) in all applicable worker and manager languages and dialects. As factories hire new workers, management is required to build their new workers' awareness of the FLA and Under Armour's Code of Conduct in meetings that are documented in each worker's personnel file.

DUE DILIGENCE PROCESSES AND RISK ANALYSIS:

Under Armour is enhancing its human rights due diligence and impact assessment processes, including an increasing focus on assessing related risks and supporting the [United Nations Guiding Principles on Business and Human Rights](#).

Also known as the "Ruggie Principles", these guidelines are a global standard that aim to prevent and address the risk of human rights violations. These sustainability program enhancements will draw on a diverse set of qualitative and quantitative sources, and we will use them to identify systematically key country-level human rights risk areas. They will also inform our development of actionable factory-level risk assessment and MAP components.

Under Armour also periodically analyzes its historical supplier assessment data to identify and address trends for particular issues, regions, countries, and types of suppliers. We seek to enhance and adapt our approach to the issues we have seen over time. Through this analysis, we also proactively identify new and emerging risks across our supply chain, with particular emphasis on assessed facilities.

Challenges and Actions	
Challenge	Action
Developing robust Human Rights Due Diligence systems	Work with CSO and Metrics Consultants to develop and enhance our CSO engagement strategy and human rights risk assessment processes



Monitoring and Assessment

Products We Source

Under Armour seeks to assess annually how the independent third-party manufacturers that make our products perform, including measuring through assessments their operations against the FLA and Under Armour Codes and benchmarks, evaluating whether they meet their legal compliance obligations to their employees and analyzing their environmental, health and safety (EHS) practices. We also conduct these assessments as part of a due diligence and on-boarding process for new manufacturers before we place production orders with them. During 2014 and 2015, for example, Under Armour screened new and existing suppliers using our criteria, including GRI 4 framework Materiality-aligned Aspects and labor practices measures.

Our Licensed Products

Our licensees' manufacturers are also assessed, even though the licensees are contractually required to have supplier monitoring programs in place to ensure, and to assess, their suppliers' compliance, including with the FLA and UA Codes and applicable laws. Some of our licensees and suppliers are also FLA Affiliates and Participating Suppliers in their own right, having chosen to make a commitment to meet the FLA's requirements and being subject to its oversight.

Assessments

Most of our assessments are conducted on a semi-announced basis. This means factories are given a date range, usually a period of about two weeks within, but not the actual dates during, which the assessment will be conducted. Some factories are assessed without notice. In other cases, factories receive notice prior to assessments, in particular, those conducted by the FLA.

We engage third-party assessment firms and assessors, some of which are **FLA-accredited**, to evaluate suppliers. The FLA also conducts assessments of some of our factories, amounting to about 5% of applicable suppliers each year, which often have at least one other FLA affiliate as a customer. FLA Accreditation means that some of our assessors have extensive experience in conducting social compliance assessments, and they may also reside in the countries and regions where they conduct assessments. The assessors are expected to be fluent in at least one of the languages understood by the personnel they will interview during assessments, and they also may have specific knowledge and experience about the country where they conduct assessments. One of the assessment firms that conducts assessments of, and capacity building for, suppliers is also a Civil Society Organization (CSO) in addition to being FLA accredited.

The FLA, however, does not have accredited service providers in all regions where Under Armour partners with manufacturing facilities, so we engage other experienced assessment firms in those situations. We also train the assessors we engage to help them develop and enhance their capacity to evaluate suppliers using the FLA's Sustainable Compliance Initiative (SCI) assessment **methodology** and assessment tool. We also train them on topics such as the Worker Life Cycle (see "Worker Life Cycle Analysis," below), how to conduct Root Cause Analysis, as part of an effort to identify why non-compliance occurs, and how to develop and present to suppliers focused and effective remediation plans also known as IMAP. In order to further align on assessment expectations and procedures, Under Armour's Sustainability department also conducts periodic refresher and new training for field assessors and Sustainability team staff. The Sustainability team also sends our assessors materials, including those prepared by CSOs on country, region and macro and micro issue-specific risks and trends.



Safety

Under Armour emphasizes safety in its Sustainability team's supplier and internal stakeholder engagement work. Suppliers review and use the Fire Safety Competency Corrective Action Plan (FSCAP) and are given the [FLA's Fire Safety Initiative Materials](#); we focus on efforts to help suppliers develop safety competencies in our engagement with them. We also expect suppliers to develop a "safety culture" based on worker participation, cooperation and support. Workers are expected to participate actively in safety committees and elect confidentially co-workers as representatives on factory Fire and other safety committees. Appropriately trained workers should jointly own, and share with their managers, responsibility for safety, for *Protecting Their House*. They need to learn how to observe and report safety conditions at their workstations, in their departments and other workplace areas. For Under Armour teammates who are regularly expected to visit factories, we have in the past, and will conduct again in the future, **Teammate Safety Awareness Training (TSAT)** to enable them to identify and report to the Sustainability and Sourcing teams about any safety issues they may observe during factory visits. Then timely and constructive supplier engagement will occur. We also emphasize safety in presentations and meetings with suppliers and Under Armour teammates.

Forced Labor, Slavery and Human Trafficking

Our Supplier Code of Conduct contains a prohibition against the use of forced labor, slavery and human trafficking. We also evaluate suppliers' practices and engage with them related to their employment of migrant workers against standards including the *Dhaka Principles for Migration with Dignity* (the "[Dhaka Principles](#)"). Under Armour requires that they uphold these principles, including:

1. No fees are charged to migrant workers
2. All migrant worker contracts are clear and transparent
3. Policies and procedures are inclusive
4. No migrant worker's passports or identity documents are retained
5. Wages are paid regularly, directly, and on time
6. The right to worker representation is respected
7. Working conditions are safe and decent
8. Living conditions are safe and decent
9. Access to remedy is provided
10. Freedom to change employment is respected, safe return guaranteed

While Under Armour favors direct employment of workers to help mitigate the indirect recruitment of migrant workers, we understand that direct hiring may not always be an option. It is expected that our suppliers work with us to ensure that due diligence is done in cases where recruitment agencies are utilized. In cases where Under Armour finds that our suppliers do not uphold these principles during our factory assessments, we will work with our suppliers to ensure that the issue is addressed as a part of our management action plan dialogue.



Beyond facility walk-throughs, document reviews, and occupational health and safety evaluations, our supplier sustainability assessment process includes:

CSO Issue Identification

Analysis and Engagement: Before the assessment is conducted, we expect our assessment firms to consult, and engage with, Civil Society Organizations (CSO) in the country and/or region in which the supplier operates. Where possible, through their experience, relationships and capacity, we expect our assessors to collaborate with CSOs in person, although they may sometimes communicate with them by phone or other means. Some firms and assessors do not have this capacity, so local context is obtained, in part, from pre-assessment research, some of which Under Armour collects itself and requires its assessors to review.

While evolving, this process is in place to enable our assessment firms to understand better the local social, labor and other risks and challenges and, in some cases, factory issue history viewed from the perspectives of local and issue-focused stakeholders. It improves our

assessment reports, remediation and capacity building efforts. We have more work to do here, so we are formalizing and enhancing our CSO engagement strategy and engagement plan.

Under Armour's Sustainability team includes senior members with extensive CSO engagement experience: some of them have worked for many years with multi-stakeholder initiatives such as the Fair Labor Association, as well as engaging with government officials and labor rights advocacy organizations. We have identified, and will continue to identify, relevant organizations with expertise in the apparel and footwear sectors, among others, to partner with us.

Worker Life Cycle Analysis

Assessors evaluate everything from how workers are hired to if, how and when, their employment with the supplier ends. They also review how employers perform their core management and employment functions including whether they have created necessary and effective policies and procedures, conducted training about them, Implemented and communicated them, identifying responsibility and ensuring accountability for them, and conducting related process reviews and updates. Assessors also analyze supplier records such as new worker request forms, application forms, employment contracts, worker personnel files and payroll records, including timecards and

termination documentation and collective bargaining agreements.

Worker Interviews

Our assessment firms strive to interview a consistent statistical sample of each factory's worker and manager base. Our process is based on the FLA's worker interview sample chart that is currently used by the FLA's internal and external assessment firms. Assessors may also interview trade union and other worker representatives, as applicable.

Effective Grievance Mechanisms and Systems

An effective grievance system is one where the workers' voice is heard, that the workers feel safe using, and which their employers then use, to address their grievances. So, we emphasize through regular dialogue and engagement with our suppliers and licensees that their procedures should be effective, and recommend that they offer text message, email, and free phone calls for this purpose – in addition to "open door" policies and posted suggestion boxes.

If this process works, then the exact way in which they submit grievances may be less important. We stress to our assessors the importance of conveying to us their judgments about whether these systems are *effective*, not just present. Here, as in other parts of the assessment process, assessors 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 comprehensive 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.

Receiving Workers' Grievances/ Worker Voice

Under Armour's Sustainability team receives workers' grievances directly from workers, through assessment firms and from CSO engagement and, sometimes, through the FLA or other factory customers with which we collaborate. We require our assessors to provide all supplier personnel who participate in interviews, including workers and managers, with the assessors', and our Sustainability team's, contact information. 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. Our newly revised and soon to be published Supplier Code of Conduct also contains a means for factory personnel to contact us about the Code of Conduct and other issues. Factory workers also have access to the **FLA's third-party grievance mechanism** when they need to raise concerns about the violations of its code. We periodically receive grievances directly from workers or groups that represent, or work with them, including labor rights organizations, CSOs and trade unions.

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 3rd 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.

We are currently engaged in a pilot

program aimed at building and enhancing in-factory structures and mechanisms for workers to provide feedback to, and collaborate with, factory management. This program is intended to address more effectively and on an on-going basis reported and possible business challenges and workplace issues before they become the subject of a grievance.

Supplier Environmental Impact Management and Best Practice Screening

During 2014 and 2015, we also enhanced the environmental criteria that we use to screen new suppliers. This assessment component includes questions about suppliers' sustainability policies and reporting; work to evaluate their environmental impacts; and the nature and extent of their Environmental Management Systems (EMS). It also covers the extent to which they measure, manage and reduce their environmental impact by setting targets in areas like waste, energy and emissions, water withdrawal, and wastewater. We also seek to learn about



suppliers' good, better and best practices including voluntary activities that benefit their employees, their teams as well as the communities in which they operate – as well as efforts they take to promote employee health and safety. All suppliers receive Under Armour's Sustainability Guidance Document during the on-boarding process as a resource to help them better understand our expectations and take steps to improve their performance. Under Armour also engages suppliers to have them self-assess their performance against the FLA Benchmarks using the FLA Diagnostic Tool. This helps suppliers identify key areas for improvement. Before each annual assessment we also ask factories to complete a FSCAP module (Fire Safety Competency Corrective Action Plan), which is built on guidelines developed by the FLA and international fire safety experts. Completing this module serves to help suppliers and Under Armour to understand better suppliers' ability to maintain a safe business environment along with how prepared they are to address an emergency.

Principles of Fair Labor and Responsible Sourcing and Production

Our sourcing and other personnel periodically evaluate order placement relative to suppliers' observed and stated production capacity, as well as

engage with our Sustainability team about their prior social compliance performance. Under Armour prohibits subcontracting without express prior written authorization from senior sourcing personnel. Under Armour seeks to promote better practices within its supply chain, and we are evaluating opportunities to further support first-tier suppliers in managing related risks for other supply chain tiers.

Supply Chain Tiers, Audit Data and Root Cause Analysis

In both 2014 and 2015, 8 third-party monitoring firms and/or assessors collectively audited more than 220 suppliers.

Under Armour audits all Tier 1 facilities and certain Tier 2 suppliers, including some that produce licensed goods. For Tier 2 and beyond, as part of our **Beyond Tier 1 (BT1)** initiative, we will over time prioritize for assessment facilities that produce high volumes of materials for Under Armour. We also will roll out related online training on Fire Safety, Hazardous Substance Management, Personnel Protective Equipment

(PPE), Environmental, and Health and Safety Risk Assessments in Bahasa, Chinese, English, Spanish and Vietnamese.

When assessed, any business is likely to display different levels of performance, with strengths in some areas, other areas in need of improvement and still other areas in need of sustained focus and work. We know that we often are not a supplier's only customer, and for some suppliers we may not do enough business with them or have a long enough business relationship to have much or significant influence with them. Under Armour does, however, seek to engage with the suppliers we assess and, as part of this engagement, we emphasize our requirement that they strive for, and exhibit, continuous improvement in working conditions and operations.

Our focus on Sustainable Compliance includes an emphasis on conducting, through a documented process, a *Root Cause Analysis* (RCA) of reported issues. This may be done in collaboration with a variety of stakeholders, including suppliers, auditors, intermediaries, union and worker representatives, and CSOs. Our assessors are asked to report to us the root cause of each issue and/or finding. This analysis informs the way in which we write our Management Action Plans (MAPs) and engage in dialogue with factories about how they will improve performance in identified areas.



Remediation and Capacity Building

Under Armour's Sustainability department seeks to assess supplier performance, identify legal and FLA Code and benchmarks compliance issues, and to work collaboratively with suppliers to address them through the process of building and executing supplier Management Action Plans (MAPs).

RISK ANALYSIS

Under Armour looks to pursue a proactive approach to managing the impacts of its supply chain and products.

Our Sustainability team has added a Human Rights Due Diligence (HRDD) tool to assess, on a country level, risks and issues including those related to ILO Core Conventions.

This tool draws data and analysis from an array of sources including CSO and governmental reporting and analysis. For example, our Sustainability team uses this analysis when Under Armour considers sourcing from new countries. We also incorporate information from HRDD into Under Armour's assessment Management Action Plans (MAP).

In 2015 and 2016, we also surveyed our assessment and training partners to identify suppliers that could be considered at significant risk for four critical issues aligned with the Global Reporting Initiative's (GRI) G4 guidance and related to our ongoing materiality analysis: restrictions on the freedom of association and collective bargaining, forced or compulsory labor, and child labor and juvenile workers exposed to hazardous work. We also added to this review harassment or abuse, a fifth non-GRI indicator specific to the FLA Code.

This was a first effort using GRI 4 Materiality aligned issues in our ongoing risk assessment and management process. As part of this rough and imperfect analysis, we worked to understand better how different audit findings for these five issues may suggest, or contribute to, risk – along with the country or region where the factory is located. At a high-level, there were indications from this limited and in some ways, crude review, 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. Our team also considered whether historical or other information could clarify whether certain locations may have heightened risk profiles for noncompliance with other FLA benchmarks. We have also analyzed historic risk by country, with the goal of devoting additional attention in ongoing Sustainability team work and engagement to potentially higher risk areas. Of the issues examined, freedom of association and collective bargaining, for example, may present a risk where we should be extra watchful as we evaluate potential 2017 vendors, and we may need to be especially focused on whether that risk is higher in certain countries. As we expected, our strategic manufacturing partners may perform better in pre-empting potential challenges in the areas examined.

We will improve our risk assessment and management processes in the future. For these past two years, our assessment partners identified suppliers at significant risk for these five issues based largely on reviewing the findings that accounted for in excess of 80% of the assessments done in 2014 and 2015. We recognize that audit



findings are also a snapshot of conditions on particular days and reflect the quality of the audit, so this process would never be a perfect prediction. Despite its limitations, however, by conducting overall internal data analysis we can try to confirm or understand better what we may think we are seeing on a micro-level. This analysis will help us stay continuously more proactive in helping suppliers preempt specific challenges.

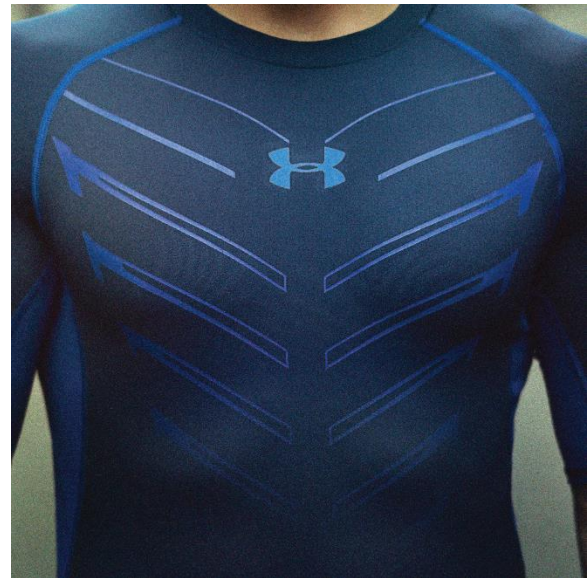
SUPPLIER TECH PACK

Just like the product specifications we provide to our suppliers, our Sustainability team tells them what we expect and require from them during the on-boarding process. Our active and prospective suppliers do, and will, receive a series of tools that we call the *Supplier Tech Pack* that are designed to build their knowledge of our Sustainability standards and their capacity to achieve, improve continuously and sustain their compliance over time. These include the *FLA Diagnostic*: a self-assessment form built with the FLA Code provisions, FLA benchmarks and FLA foundational audit tool (same questions as those used by 3rd party assessors during assessments) about Management and Employment Functions; another self-assessment form called the *Fire Safety Competency Corrective Action Plan* (FSCAP) reflecting and assessing the existence of **29 Fire Safety Competencies** and more recently, we have sent them the FLA's *Guidelines of Good Practice on Hiring, Termination, Discipline, and Grievances* (GGP) along with a copy of the FLA Code and benchmarks. The GGP were developed by the FLA so that factory managers could use them as a reference when developing management systems based on available best practices.

INITIAL MANAGEMENT ACTION PLANS

After assessors complete their on-site assessments, we require them to discuss the issues they observed with factory management during a closing meeting, as well as provide the supplier with an **Initial Management Action Plan** (IMAP). Within the IMAP, assessors request that suppliers immediately begin to take action to address the identified non-compliances, as well as document how and who will do so. Assessors are

asked to submit to Under Armour their reports and any supporting evidence that is available at the time. Under Armour's Sustainability team then reviews all assessment reports and produces the MAPs that may convey to suppliers IMAP and additional remediation expectations.



SUPPLIER ENGAGEMENT

Using the FLA's Sustainable Compliance Initiative (SCI) methodology, we seek to identify the source of current issues and work with suppliers so they may take ownership of refining their processes and operations and avoid future issues. In the MAPs that we build, we use two main approaches to issue remediation. Our Corrective Actions are categorized into either "Immediate Action Required" or "Sustainable Improvement Required". In general, our goal is for Factory management to address "Immediate Actions Required" in about 7 days, as they largely relate to issues that can be fixed quickly. Additional time of about seven to 14 days is often granted, as needed, to address issues or to complete work in process. For "Sustainable Improvement Required", we understand that building new and better processes will generally take longer if the changes are to be sustainable over time. In those cases, we set a longer initial action time frame, usually around 30-45 days. Actions related to "Sustainable Improvement" are generally needed



to create or enhance a management system and may include establishing, improving and implementing policies, procedures, training, communication, accountability, and the review/update process. They are intended to instill and create the conditions necessary to achieve lasting change.

SUPPLIERS' MANAGEMENT ACTION PLAN RESPONSES

Suppliers respond to the MAP with their own plan to address the action items identified in it, as well as by sending supporting materials showing how they are working to address them. The Sustainability team then reviews suppliers' corrective actions by engaging with them during the follow-up process in subsequent assessments and/or visits. We are asking assessors to report to us any recurrence of issues, year over year, from one assessment to the next, for which we will do further root cause analysis. In certain cases, manufacturers may benefit from additional expertise, resources, or structure - so we may require a factory's management to hire a local third-party firm to conduct documented training and capacity building on a short-term or periodic basis.

ADDRESSING PERFORMANCE

We learn from these assessments about issues and areas in which suppliers need to improve their performance, as well as those where we need to provide them with improved guidance, training, and educational materials. Mindful that we may have limited influence given the amount of business we have with them, we seek to support suppliers to build sustainable compliance capability by engaging with them in person, by phone, and by webinar, as well as written communication. In certain cases, we may support financially the cost of capacity-building programs either alone

or in collaboration with other FLA affiliates or supplier customers. When audit firms identify issues during assessments, we engage with suppliers so that they work to implement improvements. We will work with suppliers (active or new) who demonstrate that they are committed to continuous improvement, even when they need to improve their performance. Rejecting a supplier because it needs to perform better means that we have no chance to help improve conditions for its workers.



Please refer to the following disclosures for additional information on our commitment to ethical labor practices: [**California Transparency in Supply Chains Act**](#) and our [**Conflict Minerals Policy**](#).



Product Design and Materials Innovation

Under Armour's value-chain and subsequent environmental impact is a direct function of how our product is designed, which includes how materials are engineered and sourced. Our efforts are directed to build the high performing, high quality, extremely durable and comfortable products that we and our customers wear to perform better. During this process, the lifecycle of the products and their components – and their relationship with the environment – is always top-of-mind. The Lighthouse, a key pillar of our sustainability vision, will help us first here in the United States, and is expected over time in other parts of the world, to scale more advanced and sustainable manufacturing.

High levels of quality, durability, and performance are pillars of UA product and materials.

Quality and durability are critical to the reduction of our environmental footprint. Our products are backed by a Universal Guarantee of Performance (UGOP), which punctuates our promise to the consumer that product with the UA logo will last. This maximizes the life-cycle of our garments, which minimizes the need to discard and replace them – but we are exploring responsible End of Use solutions, too.



Footwear

In many ways, Under Armour Footwear is still the new kid on the block, gaining popularity fast. We're forging our own path and innovating out of the gate – new materials, sourcing, and supply chain management approaches. We are working to avoid developing bad habits; we can build Right the First Time.

Our footwear lines are driving toward digital Threadborne technologies, taking advantage of advanced material manufacturing techniques and functional yarns, and minimizing waste through engineered design.

For instance, our Speedform Slingshot uses 100% of its allocated raw materials: this means no cutting room scraps. For Fall/Winter 2017, we're launching our Threadborne Fortis 3 embroidered shoe. Embroidery also uses 100% of its spec'd raw material

This move toward digital technologies aligns with our drive toward Local for Local manufacturing, exemplified by our Lighthouse mission – which is spearheaded by our new manufacturing innovation facility in Baltimore. This movement to make products closer to our consumers will enable the potential future reduction of greenhouse gas emissions with less transportation burden. It may also increase our ability to use materials even more efficiently: highly focused, close-to-market, consumer-insight based development can reduce off-target retail product offerings.

Our vision is to manage, monitor, and report our material resource consumption throughout the development and production stages of our footwear and other products. We're working to



direct more fully the origin and composition of the materials used to produce our shoes, enhance the clarity of our materials quality specifications, and ensure that they meet these specifications throughout their lifecycle in our footwear products.

Apparel

Under Armour was born by challenging the status quo. We continue to do so by engineering new materials and products that not only are designed to benefit the consumer with performance gains, but also reflect an emphasis on enabling a higher level of sustainability.

One example of Under Armour's ground-breaking innovation is our MicroThread platform, which we engineered to gradually reduce our dependence on elastane to create stretch in a fabric. This innovation is revolutionary not just for us – it's a future game-changer for the whole athletic apparel industry. Not only does this technology make a lighter, more durable, faster-drying fabric; by reducing the amount of elastane used, it also makes these garments recyclable. As for other companies in the apparel and footwear industry, Under Armour's biggest opportunities to reduce the environmental impacts of our products are likely tied to materials and product design. Deepening our commitment to Under Armour's MicroThread platform will help both us and our industry tackle one of the most challenging sustainability issues. This is about transitioning toward a circular economy: reducing waste at the end of a product's useful life by reusing its materials in other products. In a context of increasing global waste and natural resource scarcity, the issue of making more garments recyclable must be tackled at large scale.

Under Armour is committed to making all athletes better through the relentless pursuit of innovation – and we're always searching for ways to innovate with both our product and our process. For example, we use virtual design and virtual prototypes to eliminate pre-production waste during the development process, lessening the introduction to the environment of garments and samples never intended for sale. In terms of fiber use, over 80% of Under Armour's materials are polyester-based (both virgin and recycled), which, by many measures, is more sustainable to produce than alternative fibers. Polyester may also reduce GHG emissions from consumer use. It dries faster than other materials and can require shorter dryer cycles; it can be easily air-dried, even indoors, to better protect the product and the environment through decreased consumer energy use. (We also aim to increase our use of recycled polyester to at least 15 percent of our sourced polyester by 2020.) Under Armour has also converted from rayon to modal where possible for both Men's and Women's product – with modal having a much more controlled and monitored supply chain. In cases where rayon is still used, we ask that suppliers use sustainably sourced fiber. Looking forward, Under Armour is also exploring the use of bio-polymers to enhance performance and sustainability across multiple product lines.

To keep lowering our environmental impact beyond product ingredients, Under Armour is continuing to work on reducing textile waste as well as improving efficiency through our Manufacturing Excellence Initiative at strategic partner factories. This program provides an end-to-end solution to maximize productivity and ultimately improve our overall operating footprint.



Supply Chain Sustainability

We have a rallying cry at Under Armour: **"We are just getting started".**

*And that certainly rings true for our Sustainability initiatives. We have not yet made our defining product, but we will increasingly make more sustainable product backed by more sustainable processes. It's a necessity to meet and to preserve the resources needed to fuel our global growth goals over the next several years and ultimately **Protect and Build This House. Onward.***

Under Armour's iterative process of using identified and GRI 4 guidelines aligned material issues and our stakeholder engagement drive the development of our sustainability efforts. For this reason, our environmental focus has started with our manufacturing supply chain as well as our products. Independent third-party contract manufacturers make nearly all Under Armour's products and it is our preliminary assessment that the manufacturing process represents a significant proportion of our global environmental impacts. Many of these manufacturers also serve multiple customers, so it can be challenging to influence their sustainability practices if we're a newer customer or one that represents a smaller share of their production. We are committed, however, to working with our manufacturing partners to reduce our collective environmental footprint.

Measure, Manage, Reduce, Design It Out: Go Circular

Our initial efforts have focused on better understanding the scope of environmental issues faced by our contract manufacturers. For example, in 2016, we surveyed more than 130 suppliers about their energy and water use, greenhouse gas (GHG) emissions, and waste. Our questions on energy use and **GHG emissions** (Scope 1/Direct and Scope 2/Indirect) focused on their reported total facility-level data, and we're analyzing their answers to better understand energy use at the product level. Questions on water consumption and use followed a similar format; we also collected data about how much waste the manufacturers generated and recycled – and how they disposed of the rest.

As our survey data analysis continues, we are excited to engage with suppliers on the responses collected. We also realize that we must continue to engage actively – and better – with our suppliers about these issues on a regular basis. For example, while the data provided was helpful, we're looking to be more explicit about our expectations on methodologies and approaches in order to improve our data quality and integrity. We can achieve this by working with suppliers that are struggling to communicate their data in a consistent manner and, when possible, by encouraging the use of commonly accepted standards.

Under Armour is in the process of evaluating and updating its environmental surveying methodology, and we're working on establishing a stronger environmental engagement process with our manufacturers. We're also going to expand our surveys to encourage manufacturers to share best practices and ideas on how they can best collaborate with us on joint environmental initiatives. When Under Armour collects and analyzes an enhanced and expanded set of data, we intend to establish time-bound targets for reducing our global environmental impacts. We recognize that collaboration is key to developing solutions to global problems that a single company cannot solve. To make more progress together, we are evaluating memberships in leading multi-stakeholder sustainability initiatives with a common engagement, measurement, and rating methodology for entire value chains, from brands to suppliers to product.

The Under Armour Lighthouse: We're moving toward the next era of advanced technology, global product innovation, and manufacturing. We are envisioning Local-for-Local, where our product is designed for – and made locally – around the globe.

We're now at the right size, at the right time, and in the right place to revolutionize how all product is made. Our Lighthouse will create products more sustainably, in ways that support local communities. It is pioneering and laying the groundwork for what the factory of the future will look like. The Lighthouse is bringing our vision: Under Armour manufacturing that makes products the likes of which consumers have never seen before, designed for – and made in – local communities in the U.S. and around the world.

If Under Armour can be more efficient, we can be more effective – and more sustainable. That's why we built the Under Armour Lighthouse, a 35,000 sq. ft., state-of-the-art advanced manufacturing and product innovation center for footwear and apparel. The technology we bring to the Lighthouse is nothing short of the absolute pinnacle. Among its array of capabilities are 3D design, rapid prototyping, and 3D printing. Our Lighthouse athlete body virtualization now gives Under Armour a unique 360° perspective: it allows us to see things we've never seen before and to build our products to address more needs.

Located right next to our designers, developers, and product managers, the Lighthouse also heightens collaboration between Under Armour and our external partners. It is an epicenter of accelerated process innovation to explore and prove radically new ways to design and make product. The Under Armour Lighthouse materializes disruptive innovation that improves product performance, quality, cost, productivity – and sustainability. **When proven, our innovations will be transferred to factory partners in the U.S.A. and throughout our global supply chain. We hope to scale globally the Lighthouse model, offering true local for local production, with local resource development and use, and shortened or eliminated supply chains, which will reduce our products' environmental footprint.**

We are already well underway with domestic manufacturing. In January 2017 Under Armour released its first collection of apparel made in the U.S. and out of the Lighthouse. Featuring a women's sports bra and legging set, called Arris Project, it includes an innovative material that supports sustainability by cutting dry time in half. **In the near future, you'll see new cutting-edge footwear and apparel products made here in the U.S., with a smaller environmental footprint as a result of efficient manufacturing, transportation, and how we use materials. The Lighthouse will also always be creating jobs. It will serve as a foundation for Under Armour's Local-for-Local vision, where product is designed for – and made locally – supporting communities around the world. By 2020, we aim to produce 10 million units of product at the Lighthouse.**



Energy, Emissions, Water, and Waste

We're an explosive, entrepreneurial brand that is just getting started. Athletes prize efficiency in everything they do: from training, to nutrition, to sleep, to how they compete. Despite Under Armour's size, we seek to reflect and respect our entrepreneurial heritage and mindset. Maximize resources. Make \$1 spend like \$3: those aren't just words on whiteboards or posters, they are part of the foundation on which we built this house. Under Armour must be resource-efficient to achieve and sustain the growth we seek – and to have the positive impact we want at large scale.

Leased Corporate Real Estate

When possible, we try to incorporate high-impact sustainability criteria throughout our corporate facilities. We look for real estate that is sustainable and located close to public transportation. We also partner with our landlords to implement energy saving projects and broader base building investments. When our design and construction teams lead the work in new building or renovation, we follow our vision for sustainability by including it as part of business decisions. When we have less control over the construction process, Under Armour prefers to use the LEED certification for new construction. This gives us external assurance that sustainability features important to Under Armour are incorporated. For example, Under Armour's new distribution center in Nashville is an important new landmark, and we sought and

achieved LEED Silver certification for it.

New Global Headquarters – High Performance Campus

Under Armour is building a new High Performance Campus at Port Covington in Baltimore, Maryland, and we have identified 10 performance areas where we can extend our positive impact both locally and globally. We're currently considering dozens of metrics that align with our values within and beyond sustainability – including the areas of Citizenship and Community, Health and Wellness, Transport and Mobility, Water and Ecology, Energy, and Materials and Waste. Under Armour is reviewing 3rd-party certifications to determine how they could help us as roadmaps to meet our goals for sustainable construction and occupant wellness. We're planning for some important investments in high-performance systems for Port

Covington – and we hope they will achieve significant sustainability impact in energy and water use, among other areas. Beginning with "passive" design, we will aim to reduce energy use by means such as deciding how we position our buildings and influence wind patterns, and the amount of glass the buildings contain. We'll also seek to reuse bay water to reduce energy consumption and environmental impacts related to both heating and cooling these buildings. The water that our campus will draw from the bay would be returned to it cleaner than when it was withdrawn, which is one of the measures we're evaluating as a means of improving and restoring our local ecology. Among our "active" sustainability measures, Under Armour's Port Covington campus will have efficient on-site energy generation and solar power. We're also planning to reuse existing, and buy local, materials when possible. We're building Port Covington at least to the City of Baltimore's adopted version of



the International Green Construction Code ([IgCC](#)).

Tide Point Corporate Offices/Current Global Headquarters

Under Armour's current renovations at our Tide Point headquarters are giving a new life to industrial heritage manufacturing buildings. We seek to reduce energy use and associated environmental impacts by including features like LED lighting, low-flow water/plumbing fixtures, and no/low Volatile Organic Compounds (VOC) paint. Since moving into these older manufacturing buildings, we've implemented and continue to install a variety of energy-saving improvements like LED lighting, HVAC efficiency and cooling towers, highly reflective roofs, building envelope retrofits, occupancy and light sensors, and timed power outlets.

Under Armour Distribution Houses

We also pursue sustainability features and annual energy efficiency improvements in our Distribution Houses. For example, we have done lighting upgrades, energy conservation programming for our automated conveyors, setting thermostat timers, and installing an industrial overhead fan among other measures. We have also purchased Renewable Energy Certificates to equal 70% of the designed electrical energy use

for our Nashville distribution house.

Under Armour North American Retail Stores

As we built some of our most longstanding stores around mid-2010 to 2012, we started the LEED certification process, but didn't fully complete it, in part because of staff resources along with certification and other expenses. Many of these stores, however, incorporate aspects of LEED criteria at different levels. Since around 2010, we have built the majority of new Under Armour stores largely following LEED Certified specifications, including controlled LED lighting. All of our stores are wired with energy management systems, which enables us to use remote control to set more efficient schedules for lighting and HVAC equipment. Our current required store specifications also include polished concrete floors without dyes and recycled rubber flooring, paint with no Volatile Organic Compounds (VOCs) aimed at protecting occupants against exposure to certain hazardous particles, and wood certified as sustainably harvested by the Forest Stewardship Council (FSC). We also seek to apply this standard to all the international stores we own. We also seek to incorporate into these international stores building products and fixtures that are similar to those in our North American stores when the exact specifications may not be readily available in local markets.

We'll always seek to improve, and we partner with stakeholders to help us identify new opportunities and implement our vision.

For example, we participate in the Environmental Defense Fund's [Climate Corps](#) program, which partners with leading companies to identify sustainability opportunities. In [2015](#) and [2016](#), we worked with EDF's Climate Corps program by hosting Climate Corps Fellows to further improve our data collection systems and refine our Sustainability path forward. We are looking forward to continuing our engagement with EDF through the upcoming work of our 2017 EDF Climate Corps Fellow.

Waste

It's likely that for Under Armour, like other companies in our business sectors, significant waste impacts relate to product. We're thus continuously looking for improvements in this area. Our Sustainability work is supported by many business unit teammates including, by way of example, a teammate whose full-time role is helping Under Armour use industry packaging best practices – seeking to minimize our environmental impact while ensuring that we don't compromise quality or our customers' experience. Among our recent projects, we've



continued to improve our packaging for Accessories, reduced product plastic bag packaging use and labeling, and revised our specifications for corrugate boxes world-wide. We work with our carton suppliers to ensure that, when possible, our cartons are made with recycled content and use minimal fiber (all cartons bought in North America, for example, are 100% recycled content). All cartons used by Under Armour are fully recyclable, and we require water/soy-based non-toxic inks. Among other benefits, these enhancements resulted in less cartons being shipped from our factories, which reduces emissions. To reduce material use and GHG emissions from transportation, we also ask carton vendors to ship full trailers; exchange/reuse shipping pallets with their key suppliers; and use the latest technologies in the industry to reduce weight while ensuring maximum performance.

Beyond our carton specifications, we've also worked to optimize product container (case and carton) use, tailoring their size to

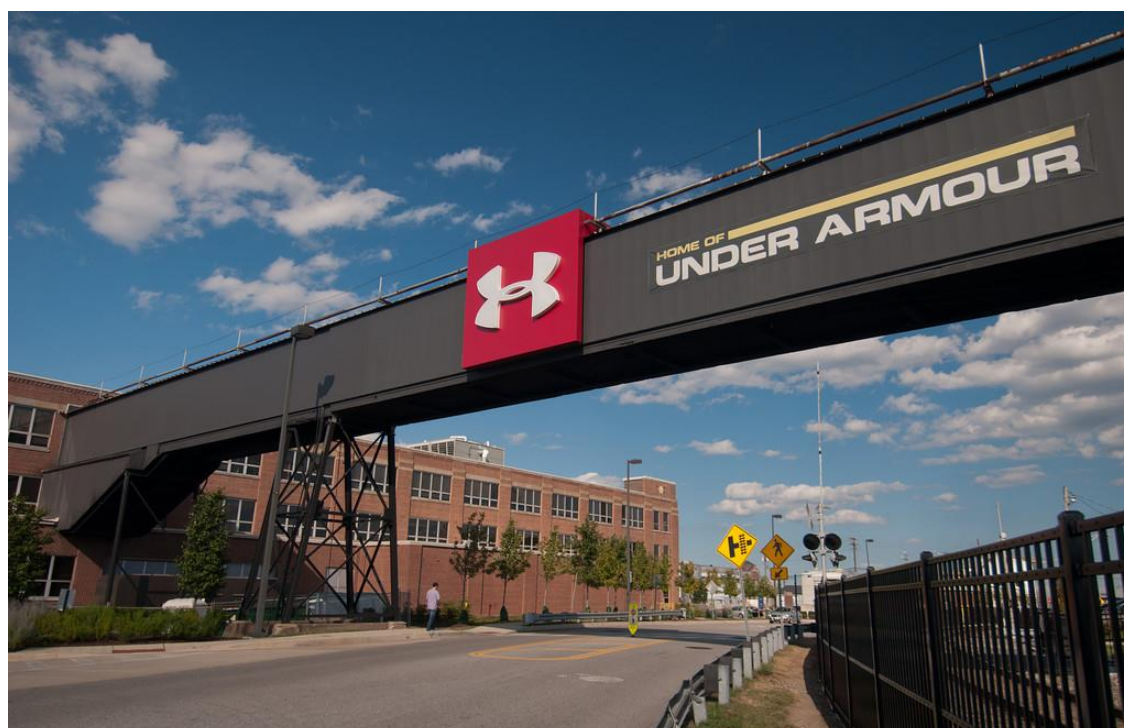
contents; this, too, is part of an effort to avoid wasted packaging materials and associated transportation emissions. We are striving to right-size boxes for order and are also collaborating with our factories on efficient packaging. We're also always looking to optimize stock-keeping unit (SKU) locations. This means our customers get fewer packages with less shipping-related GHG emissions – because the items in their order are boxed at the same warehouse location.

We try to incorporate sustainability throughout our own operations.

At Under Armour Distribution Houses, we recycle cartons, paper, boxes and plastic bags. To reduce our environmental impact, we first try to reuse many of the cartons received from our factories for shipping product to retail; those that we can't reuse are recycled. In our owned North American retail stores, we use

recycled hangers whenever possible; upcycle leftover fabric into GiveBack bags through our Give Back program; and transfer and re-use displays between stores. We have also eliminated 75% of the styrene used in our retail signage and moved all signage at the point of purchase to recyclable stock. At Under Armour's Global Headquarters, we aim to make our posters with at least 40% post-consumer material, and our catalogs are printed on 80% recycled content.

As a growing business, we're now able to leverage our volume. We are incorporating sustainability engagement and standards across our business and working to further include sustainability driven purchasing criteria in our purchasing Requests For Proposals (RFPs) – e.g., those for printing suppliers of Under Armour's retail marketing, trims, etc. (such as recycled content and other sustainability features).



ONWARD

WE WILL: ■

Globally scale Lighthouse, to drive true Local for Local manufacturing, designed for retail products shaped by our total view of the consumer and delivered with speed;

■ WE WILL:

Engage with our strategic partners, their teams, and their communities to provide additional value to, with, and through, them;

WE WILL: ■

Further improve our materials and product design, reduce waste, and take steps toward improving the impact we have on the environment;

■ WE WILL:

Continue our transparency evolution.

While we're setting a long term path...

Our near-term goals include:

WE WILL

Social & Labor Standards

Continue working to uphold the rights of workers who make our products:

- Seek to implement our Code, the FLA Code and meet our FLA commitments.
- Provide increased support to, and engagement with, our partners to help them improve and sustain performance.
- Seek to extend give back through our Suppliers to their teammates, their "Houses" and their communities.

Advance Materials Sustainability

Focus on reducing our products' footprint in highest-impact areas where we have the most control. We're moving overall toward using more sustainable materials in better product design – and a cradle-to-cradle, circular economy that turns waste into feedstock for our products – while manufacturing them closer to our customers. As part of this, we will:

- Deepen our commitment to elastomeric hard yarns through MicroThread.
- Increase the use of recycled polyester across product categories to at least 15% of our sourced polyester by 2020.
- As active members of the Sustainable Apparel Coalition (SAC), contribute to better design tools by exploring in 2017 how we can improve and incorporate into our processes the SAC's Materials Sustainability Index (MSI) and Design and Development Module (DDM).
- Complete a screening life cycle analysis (LCA) study on a new product material by 2017.

Reduce Energy and Water Consumption

Improve our operations and help partner factories in joint movement to reduce the impacts of manufacturing our products.

- Explore in 2017 and beyond opportunities to increase our use of renewable energy.
- Identify opportunities in 2017 to help partner factories reduce energy use, providing support like a best practices toolkit in 2018.
- Pilot a new material dyeing technology that reduces water use by at least 40-60% by upcoming 2019 product cycles.

WE WILL

Reduce Waste

Aim to minimize waste in all UA operations, working to gradually eliminate it wherever possible.

- Continue planning for a circular economy and seek to pilot-test closed-loop materials manufacturing in 2018. As part of this vision, we aim for the UA Lighthouse to produce 10M units of product in the United States by 2020.
- Identify and pursue new opportunities to reduce material waste at partner factories and post-production in 2017, such as a pilot project in which we will divert for recycling scrap footwear rubber.
- Streamline in 2017 our process for reusing cartons at Under Armour's North America distribution centers from factories: we aim to better track the reuse rates and hope that more cartons shipped from our factories will be repurposed for shipments to retail locations.
- Implement in 2017 additional practices to improve recycling and composting rates at our global headquarters in Baltimore.
- Evaluate in 2017 opportunities to reuse corporate waste streams in the construction of our new Port Covington campus.

Improve Packaging

Improve our packaging and continue evaluating packaging sustainability opportunities.

- Work to transition in 2017 the majority of our sourcing factory partners to lighter corrugated cardboard, with the remainder addressed in 2018. Lighter cardboard requires less energy to transport and will also allow us to fit more product inside the same shipping containers. This will reduce overall shipping emissions and should help to lower air freight shipments from factories.
- Continue our current work to reduce inserts and right-size packaging for footwear in 2017.
- Continue looking for ways to ship our product containers more full from overseas. It's a challenging area because we must meet consumers' expectations for some high-demand products. Just like our athletes, we must continue to grapple and look for innovation.

WE WILL: PROTECTTHISHOUSE:

BUILD IT **BETTER**: Please write to us about how we can strengthen our program:

SustainabilityReport@underarmour.com