

Living Wage Statement

Unlike most apparel companies, Hanesbrands (“Hanes”) owns and operates most of the manufacturing facilities it uses. These owned facilities employ nearly 60,000 employees and produce almost 80% of Hanes’ total unit volume. Hanes provides our production employees a living wage comprised of pay and bonuses and in-kind benefits that are sufficient to enable workers to meet basic needs and have some discretionary income.

Hanes has been a fully-accredited member of the Fair Labor Association (“FLA”) for over 10 years. The FLA is a true multi-stakeholder initiative comprised of civil society/NGO/labor organizations, businesses and universities whose aim is to “promote and protect workers’ rights and to improve working conditions globally through adherence to international standards.” The FLA and its members (including Hanes) have long recognized the importance of wages and other forms of compensation to the livelihood of workers and have been actively and constructively working on the living wage issue for years.

As part of our commitment to continue to advance the principle of a living wage, and through our active participation in the FLA, Hanes has publicly released a revised version of its Global Standards for Suppliers, which includes a compensation provision. The full text of our Global Standards for Suppliers can be found at www.hanesforgood.com. Hanes defines living wage as compensation (wages, plus bonuses and in-kind benefits, excluding overtime) sufficient to enable employees to meet basic needs and have some discretionary income. Hanes is committed to all elements of its Global Standards for Suppliers – including its new compensation/living wage provision.

Hanes has done extensive employee survey work in its owned facilities across the globe (including the Dominican Republic, Honduras, El Salvador and Vietnam) to understand whether our employees are earning a living wage. The research was conducted by two very experienced independent labor economists (Dr. Craig Richardson and Dr. Zagros Madjd-Sadjadi[^]) who concluded that Hanes employees receive wages and benefits that far exceed a living wage.

In addition to the economists’, Hanes has also benchmarked the compensation provided to our employees in Vietnam against another living wage standard relied upon by some in the NGO community - the Global Living Wage Coalition (“GLWC”). The average wage Hanes pays its Vietnamese employees exceeds the GLWC benchmark (the GLWC does not produce current data for other major centers of Hanes’ owned production – Honduras, El Salvador, and the Dominican Republic).

Given the compensation that Hanes employees receive, and the economists’ data, Hanes workers live in households that are accumulating significant assets, savings, and spending money on purely discretionary items. These are all key indicators of Hanes’ payment of a living wage and of a household’s ability to meet the basic needs of a family and more.

Hanes is also committed to working with our third-party suppliers to meet this living wage standard. As part of our FLA membership and work, Hanes is continuing to conduct living wage studies and has and will continue to report publicly as part of this journey.

[^] About the researchers:

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

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