2018
CARBON DISCLOSURE PROJECT
CLIMATE CHANGE INFORMATION REQUEST
C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

HanesBrands is on a mission to be the apparel industry's leader in environmental stewardship and social responsibility. As one of the leading – and largest – marketers of everyday basic innerwear and activewear apparel in the Americas, Europe, Australia and Asia/Pacific, the company has both the responsibility and commitment to continually work toward creating an even more environmentally friendly company. Powered by some of the world's strongest apparel brands, including Hanes, Champion, Bonds, Maidenform, DIM, Bali, Playtex, JMS/Just My Size, Nur Die/Nur Der, L'eggs, Loveable, Wonderbra, Berlei, Alternative, Bras N Things and Gear for Sports, Hanes is keen to lead by example and learn from others.

The company takes great pride in our strong reputation for ethical business practices and the success of our Hanes for Good corporate responsibility program focused on community building and environmental stewardship. As part of the latter, Hanes is committed to the responsible management of energy, carbon, emissions, water, wastewater, chemicals, solid waste and recycled materials in all of our facilities worldwide. And the company has the ability to direct its environmental programs and performance because it owns the significant majority of its manufacturing and supply chain operations – unique in the apparel industry.

The company’s results speak to the strength of its programs and performance. For example, Hanes has reduced energy consumption by more than 21 percent since 2007, and shifted 33 percent of the energy the company does use to renewable resources. As a result of these and other performance metrics, HanesBrands has been recognized by the U.S. Environmental Protection Agency Energy Star program every year since 2010 – first as a Partner of the Year (2010-2011) followed by Sustained Excellence Awards from 2012-2018.

But there is more work to do, which is why Hanes set aggressive 2020 environmental-performance goals and reports annually about its progress. Compared to our 2007 baseline performance, Hanes is committed to:

- Reduce energy consumption by 40 percent;
- Reduce CO2e emissions by 40 percent;
- Reduce water use by 50 percent;
- Increase our renewable energy use to 40 percent; and,
- Achieve zero waste by diverting from landfill all non-regulated waste from our company-owned operations.

On behalf of the company’s 68,000 employees, its investors and the communities in which it operates across the globe, Hanes is focused on making a positive and lasting contribution to our world now and in the years to come.
(C0.2) State the start and end date of the year for which you are reporting data.

<table>
<thead>
<tr>
<th>Row</th>
<th>Start date</th>
<th>End date</th>
<th>Indicate if you are providing emissions data for past reporting years</th>
<th>Select the number of past reporting years you will be providing emissions data for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>January 1 2017</td>
<td>December 31 2017</td>
<td>No</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>2</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
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<tr>
<td>3</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
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<tr>
<td>4</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
</tbody>
</table>

(C0.3) Select the countries/regions for which you will be supplying data.
- Argentina
- Brazil
- Canada
- China
- Czechia
- Dominican Republic
- El Salvador
- France
- Germany
- Honduras
- Italy
- Mexico
- Puerto Rico
- Romania
- Slovakia
- Spain
- Thailand
- United States of America
- Viet Nam

(C0.4) Select the currency used for all financial information disclosed throughout your response.
- USD

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.
- Operational control

C1. Governance
C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?
Yes

C1.1a

(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Position of individual(s)</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer (CEO)</td>
<td>HanesBrands' CEO, who is a member of the company's Board of Directors, sets business strategy and climate-related policy for the company. Our environmental and climate-related policies are integrated into the company's long-term business strategy, Enterprise Risk Management (ERM) process, environmental management program, and Corporate Social Responsibility (CSR) initiatives. Each of these interlocking areas are led by a team of HanesBrands' most senior (&quot;C suite&quot;) executive management up to and including the CEO. The CSR Oversight Committee and ERM Steering Committee meet quarterly and are comprised of the CEO and our most senior executive officers including the CFO, Chief Administrative Officer and the Group Presidents leading all parts of the company. These committees are responsible for overseeing environmental and climate policy implementation and integrating environmental and climate-related issues into our company strategy and risk evaluation framework.</td>
</tr>
<tr>
<td>Board/Executive board</td>
<td>The Board of Directors is elected by HanesBrands stockholders to oversee their interests in the long term health and overall success of the company's business. In carrying out its responsibilities, the Board reviews and assesses HanesBrands' long-term strategy, which includes environmental and climate-related policies. The Board as a whole is also ultimately responsible for the oversight of HanesBrands' risk management function, including those risks that are climate-related. The Board has delegated primary responsibility for the oversight of HanesBrands' Enterprise Risk Management (ERM) process to the Audit Committee. The Audit Committee receives regular updates from HanesBrands' executive management team regarding key risks facing the company (including climate-related risks, as applicable) and management's plans to mitigate such risks.</td>
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</table>

C1.1b
(C1.1b) Provide further details on the board’s oversight of climate-related issues.

<table>
<thead>
<tr>
<th>Frequency with which climate-related issues are a scheduled agenda item</th>
<th>Governance mechanisms into which climate-related issues are integrated</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheduled – all meetings</td>
<td>Reviewing and guiding strategy</td>
<td>The Board of Directors is elected by HanesBrands stockholders to oversee their interests in the long term health and overall success of the company’s business. In carrying out its responsibilities, the Board reviews and assesses HanesBrands’ long-term strategy, which includes environmental and climate-related policies. The Board as a whole is also ultimately responsible for the oversight of HanesBrands’ risk management function, including those risks that are climate-related. The Board has delegated primary responsibility for the oversight of HanesBrands’ Enterprise Risk Management (ERM) process to the Audit Committee. The Audit Committee receives regular updates from HanesBrands’ executive management team regarding key risks facing the company (including climate-related risks, as applicable) and management’s plans to mitigate such risks. Risks related to climate, weather and disaster-related impacts are included in the ERM evaluation and reporting process. Risk owners from executive management also provide updates to the Board as needed, depending on the priority of the risk. Climate-related risks are evaluated in accordance to the ERM risk priority category to which they are assigned, and proactive risk mitigation strategies and disaster recovery plans are developed. By way of example, the reporting-year hurricane activity in the Caribbean directly impacted our textile operations in Puerto Rico. We responded rapidly in accordance to our pre-planned disaster recovery strategy developed through the ERM process under the oversight of the Audit Committee. Because of strong Board oversight and management commitment to addressing our climate-related risks through this ERM process, we were able to adjust our shipping lanes and capacity plan in accordance with our recovery plans, and were able to minimize downtime and provide power to community members with our installed on-site generators.</td>
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</tbody>
</table>

C1.2

(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.

<table>
<thead>
<tr>
<th>Name of the position(s) and/or committee(s)</th>
<th>Responsibility</th>
<th>Frequency of reporting to the board on climate-related issues</th>
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</thead>
<tbody>
<tr>
<td>President Group President Global Supply Chain, IT and e-Commerce</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Risk committee Enterprise Risk Management Steering Committee</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Corporate responsibility committee</td>
<td>Both assessing and managing climate-related risks and opportunities</td>
<td>Quarterly</td>
</tr>
</tbody>
</table>

C1.2a
(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.

The President, as noted in C1.2, row 1, is HanesBrands' Group President Global Supply Chain, IT and e-Commerce is an executive officer of the company and reports directly to the CEO. This officer has responsibility for global supply chain operations, environmental management and strategy, and, as a member of HanesBrands' Enterprise Risk Management Steering Committee, is the formal Supply Chain Network Optimization and Business Continuity risk owner. This ownership includes managing climate, weather and disaster-related risks that could impact the company's supply chain operations and overseeing the development and maintenance of contingency plans against potential business interruptions caused by storms interrupting our textile operations and shipping lanes in the Caribbean, unseasonal weather disrupting preferred cotton supplies, and hedging against volatile fuel prices. This officer coordinates with executive management, the ERM Steering Committee and the other company personnel monitor climate, weather and disaster-related issues. Updates on significant risk items are prepared quarterly, and ongoing risks items are managed more frequently depending on urgency and the nature of the risk.

The Enterprise Risk Management (ERM) Steering Committee is chaired by the CEO and comprised of the most senior executives of the company, including the CFO, Chief Administrative Officer, and Group presidents – all officers of the company, along with presidents of the commercial businesses. The ERM Steering Committee is charged with supervising the development of new risks, tracking identified risks, and implementing risk mitigation plans. The ERM Steering Committee meets quarterly to review and evaluate the effectiveness of risk management processes and action plans, oversee the risk framework’s integration with company strategy, and provide input to the overall risk management framework and policies, including policies designed to identify and address environmental and climate-related risks. By way of example, the Group President Global Supply Chain, IT and e-Commerce and Chief Administrative Officer share ownership of overall Business Continuity risk. It is their responsibility to consider HanesBrands' current management strategy for Business Continuity risk and oversee the development and progress of future action plans to address any necessary adaptations. In the reporting period, a survey delivered by the ERM Steering Committee to employees at the director level and above provided an opportunity to monitor developing risks across the company, including environmental and climate-related risks. At the request of the Business Continuity risk owners, the survey results were shared with the business analytics team who in turn used the ERM survey data to enhance production and sales forecasts in consideration of identified risks. This now-annual process supplements our risk monitoring process and brings significant developing risks to the attention of our most senior management.

The Corporate Social Responsibility (CSR) Oversight Committee is chaired by the CEO and comprised of the most senior ("C Suite") executives of the company, including the CFO, Chief Administrative Officer, and the presidents of the company’s supply chain and commercial businesses. The CSR Oversight Committee meets quarterly to provide direction, monitor results and oversee the implementation of environmental policies, environmental management, and CSR.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets? Yes

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.

Who is entitled to benefit from these incentives?
President

Types of incentives
Monetary reward

Activity incentivized
Emissions reduction target

Comment
The Group President Global Supply Chain, IT and e-Commerce's incentive compensation is linked to performance metrics that are
tied to the overall profitability of the company, which includes among other things managing climate related risks and opportunities.
For example, the Group President Global Supply Chain has set aggressive 2020 goals to reduce greenhouse gas emission by
40%, reduce energy usage by 40%, reduce water usage by 50%, increase renewable energy usage to 40% and eliminate waste
disposal in landfills. These goals drive initiatives that result in significant cost savings, which contributes to improving the company's
profitability and reduces business interruption risks.

Who is entitled to benefit from these incentives?
Chief Operating Officer (COO)

Types of incentives
Monetary reward

Activity incentivized
Emissions reduction target

Comment
The Chief Global Manufacturing Operating Officer who reports directly to the Group President Global Supply Chain, IT and e-Commerce, receives monetary incentives that are linked in part to reducing operating costs, which includes achieving environmental sustainability goals that are set by the Group President Global Supply Chain, IT and e-Commerce. The Chief Global Mfg Ops Officer manages the execution of long range plans that are designed to achieve the company’s goals.

Who is entitled to benefit from these incentives?
Facilities manager

Types of incentives
Monetary reward

Activity incentivized
Energy reduction target

Comment
Facility Managers receive monetary incentives based on performance criteria linked with and partially dependent upon reductions of emissions, energy use, and water use. Facility managers play a key part in identifying, developing, and implementing energy and environmental initiatives and providing leadership and motivation to their teams. Energy expenditures within the supply chain contribute to overall conversion cost targets.

Who is entitled to benefit from these incentives?
Energy manager

Types of incentives
Recognition (non-monetary)

Activity incentivized
Energy reduction target

Comment
Energy managers at our manufacturing facilities and distribution centers translate HanesBrands' annual energy, carbon, and water reduction goals into energy-saving actions and projects at their facilities. Energy managers at each of our facilities pursue our internal President’s Energy Efficiency Award and the US Environmental Protection Agency's Challenge for Industry as part of their annual goals. To date, 46 of our facilities have achieved the President’s Energy Efficiency Award, and 25 of our facilities have earned the Challenge for Industry, which requires facilities to reduce energy usage intensity 10 percent or more within a five year period. The achievements of energy managers and facilities are recognized through on-site celebrations, the global company newsletter (“The Common Thread”), and through the company intranet, press releases, media outreach, and integration into brand communications.

C2. Risks and opportunities

C2.1
(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.

<table>
<thead>
<tr>
<th></th>
<th>From (years)</th>
<th>To (years)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Medium-term</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Long-term</td>
<td>3</td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

C2.2

(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.

- Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

C2.2a

(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.

<table>
<thead>
<tr>
<th></th>
<th>Frequency of monitoring</th>
<th>How far into the future are risks considered?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row 1</td>
<td>Six-monthly or more frequently</td>
<td>3 to 6 years</td>
<td></td>
</tr>
</tbody>
</table>

C2.2b
**C2.2b** Provide further details on your organization’s process(es) for identifying and assessing climate-related risks.

HanesBrands identifies, assesses and prioritizes all risks, including those that are climate-related, through its comprehensive Enterprise Risk Management (ERM) process. HanesBrands ERM applies the principles, framework and process described in the ISO 31000:2009 Risk Management Principles and Guidelines. These guidelines include distinct steps to identify, assess, treat and report risks.

At the company level, climate-related risks that could have a significant impact on the business are identified by the ERM function through quarterly risk identification interviews with senior executive management, business function management and leads, and an annual survey process with employees at the director level and above. The internal risk identification process is supplemented with third-party global risk reporting that highlights emerging risks by industry sector, geography, and velocity.

At the asset level, climate-related risks are identified and assessed by staff and through facility inspections carried out by the company’s property loss risk control program. Staff spanning all functions at a given site are organized into teams with responsibility for managing risks including those related to the environment, safety, and security. Property loss inspections which may identify physical vulnerabilities to climate or weather-related risks span HanesBrands’ global textile manufacturing, bleaching, dyeing, cutting, sewing, and distribution facilities. Any findings that may result from facility inspections are documented and addressed by management, and any significant risks identified are escalated to senior executive leadership and the ERM Steering Committee to inform the company’s risk definitions and future action plans.

Substantive financial impacts are defined broadly in The ERM Steering Committee’s review process. Identified risks collectively escalated and disclosed to the ERM Steering Committee are reviewed quarterly. Each risk is considered for its potential to impact factors including but not limited to profitability, shareholder return, business reputation, the environment, and continuity across the business. Any risks deemed potentially significant to the company at large are sorted into broader categories (e.g. supply chain network optimization, business continuity, and reputational risk) identified for ongoing oversight and management. The ERM Steering Committee assigns risk owners to each category to oversee current risk management activities, future action planning, and progress against targets with forward-looking Key Risk Indicators.

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**C2.2c**

(C2.2c) Which of the following risk types are considered in your organization’s climate-related risk assessments?

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Relevance &amp; Inclusion</th>
<th>Please Explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Regulation</td>
<td>Relevant, always included</td>
<td>Current regulatory risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. By way of example, our operations in the European Union (EU) were impacted by increased utility costs as a result of the EU’s decision to reduce CO2 emissions 2.2 percent for the 2021 – 2030 time period. The prices for CO2 emissions allowances reacted strongly, moving from 7 Euros per tonne in November 2017 to 14 Euros per tonne in March 2018. The EU expects CO2 emission certificate prices to be in a range of 25-30 Euros / tonne, with proceeds going to generate investments in carbon reductions projects. These cost increases are impacting electricity rates throughout Europe. As a direct result, HanesBrands is pursuing further energy-saving projects throughout our European textile manufacturing and sewing operations to offset increased utility costs.</td>
</tr>
<tr>
<td>Emerging Regulation</td>
<td>Relevant, always included</td>
<td>Emerging regulatory risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. Emerging climate-related regulatory risks could fall into any of our defined risk categories, depending on the specific nature of the risk. By way of example, HanesBrands monitors its supply chain energy costs globally. As utilities adjust to regulatory pressures incentivizing or discouraging investment in renewable energy sources and modernized grid infrastructure, there is potential for associated costs to be passed along to customers. In parallel, the company continues to progress towards its 2020 goal to achieve a 40% renewable energy portfolio. These regulatory pressures can also lead to incentives improving the payback period on solar panels and other clean energy investments.</td>
</tr>
<tr>
<td>Technology</td>
<td>Relevant, always included</td>
<td>Technological risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. This type of risk could fall into several of our defined risk categories depending on the nature of the risk. For example, any risks that could be associated with implementing our climate-related data tracking system for our facilities would fall under our Supply Chain Network Optimization risk definition. However, risks to our brands and corporate image associated with the failure of such a system information would fall under the reputational risk definition.</td>
</tr>
<tr>
<td>Relevance &amp; inclusion</td>
<td>Please explain</td>
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<td>----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>Were the company to experience any climate-related litigation claims, these would be considered through our corporate Enterprise Risk Management (ERM) process. However, the company has not experienced any such claims to date. We continue to be deliberate in our efforts to eliminate waste and improve our energy and water use efficiency throughout our company-owned supply chain. As an example, the company was proud to earn US Environmental Protection Agency Energy Star Partner of the Year recognition for the 9th consecutive time. This external recognition validates the effectiveness of our energy management program and inspires us to continue our efforts towards our 2020 goals to cut energy use and greenhouse gas emissions 40% versus our 2007 baseline.</td>
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<tr>
<td>Market</td>
<td>Market risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. This risk type is directly addressed through the company’s Marketplace Changes risk definition. By way of example, HanesBrands’ consumer insights team has identified through internal and third-party market research that eco-citizenship is one of the top megatrends influencing consumer preferences in domestic and international markets. One way we address this consumer trend is through our EcoSmart tees, which contain yarns made from recycled plastic bottles.</td>
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<tr>
<td>Reputation</td>
<td>Reputational risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. Reputational risk is one of our formally defined risk categories, and climate-related reputational risks could also fall into our “Marketplace Changes” risk definition depending on their nature. HanesBrands acknowledges that consumers are demanding corporate transparency on climate-related issues. HanesBrands has voluntarily disclosed its environmental performance on HanesforGood.com and through select third parties like CDP for a number of years. Further, HanesBrands continues to invest in its company-owned supply chain to promote resource efficiency and avoid negative environmental impacts. By way of example, HanesBrands has invested millions of dollars in state-of-the-art wastewater treatment systems at its fabric manufacturing sites and in biomass energy facilities in the Dominican Republic and El Salvador to protect the resources the company and local communities depend on.</td>
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<tr>
<td>Acute physical</td>
<td>Acute physical risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. Broadly speaking, the ERM process seeks to identify uncertain events before they happen so contingency plans can be put in place. By way of example, storms in the Caribbean during the reporting period temporarily impacted shipping lanes at ports servicing our textile manufacturing and sewing operations in the Dominican Republic. Previous identification of this business continuity risk led us to proactively develop contingency plans to minimize business interruption. When such events occurred, we were able to minimize logistical interruptions by shifting material allocations to other geographies and also shifting transport to other lanes through previously negotiated rates with our global transport partners.</td>
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<tr>
<td>Chronic physical</td>
<td>Chronic physical risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. By way of example, the company has contingency plans in place for every facility globally in our company-owned supply chain. These contingency plans are informed through inspections carried out annually through our property loss risk control program. Climate-related chronic physical risks such as sea level rise, droughts, floods, and an increased expected frequency of extreme weather events are considered in contingency plan development. We are able to identify facility-level exposure to these risks through tools like flood maps, and we develop our plans accordingly.</td>
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<tr>
<td>Upstream</td>
<td>Upstream risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. Climate-related upstream risks could fall into any of our defined risk categories, depending on the specific nature of the risk. Speaking broadly, HanesBrands is aware of climate-related upstream risks relating to raw material prices. Cotton and packaging materials used in our products and our global operations could be impacted by changing climate, leading to increased costs in our supply chain. The company manages this risk in a variety of ways. On the cotton side, price hedging cotton futures and primarily selecting our cotton from low- or no-irrigation regions of the southeastern United States where sophisticated technologies and environmentally friendly growing practices are employed limit exposure to price volatility. In the reporting period, the company partnered with Cotton Inc., the United States Department of Agriculture, and industry and retail partners to promote farmer adoption of cover crops and new technologies such as water sensors that promote soil health and efficient resource use.</td>
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<tr>
<td>Downstream</td>
<td>Downstream risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. The many forms of downstream risk could potentially fall into several of our defined risk categories, depending on the nature of the specific risk. To provide a specific example, our large retail customers depend on industry-leaders on sustainability and climate-related initiatives. For example, Walmart has publicly announced an initiative to reduce emissions in the global value chain by 1 billion metric tons – a gigaton – by 2030. HanesBrands is an active participant in this initiative, aptly named Project Gigaton, and is a contributing member on projects aimed at improving soil health, increasing cotton yields per gallon of water use, and developing products that will move us closer towards our mutual goals to reduce greenhouse gas emissions from our operations.</td>
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Please explain
HanesBrands manages climate-related risk through its Enterprise Risk Management (ERM) process. Risk Management reporting and escalation move up the process from business leads and function management to executive management and the ERM Steering Committee, which is chaired by the CEO. Senior (“C Suite”) executive management has overall responsibility for developing and implementing high-level strategies to manage climate-related risk in order to meet organizational objectives like our 2020 goal to reduce greenhouse gas emissions 40 percent per pound of finished fabric versus our 2007 baseline. The ERM Steering Committee and ultimately the Audit Committee of the Board of Directors oversees the risk framework design and reviews and evaluates the effectiveness of risk management processes and action plans. Governance, strategy, oversight and communications flow from the top down, beginning with the Board of Directors and the Audit Committee, who ensure that management is effectively identifying and addressing risks, including environmental and climate change risks, associated with our business. HanesBrands’ ERM function facilitates the risk management process and manages the risk framework design and integration with company strategies. The ERM function provides quarterly updates on emerging and defined risks for ERM Steering Committee review.

Climate-related risks are prioritized according to their potential to impact shareholder profitability. Significant risks identified through our ERM process are formally defined and assigned a senior executive risk owner who oversees future action plans to mitigate the risk’s potential business impacts. The risk manager will cooperatively work with business leads to develop a strategy and leading Key Risk Indicators to track performance. Climate-related opportunities are prioritized in the same manner – effective management of risk inherently leads to opportunities to compete more effectively. For example, we’ve invested in renewable energy by constructing on-site biomass plants at our textile manufacturing facilities in El Salvador and the Dominican Republic. These investments allow us to produce our own process steam and electricity, creating an opportunity to manage electricity and steam costs versus grid electricity and market fuel prices. These investments have created Renewable Energy Credits (RECS) that the company uses to increase its renewable energy portfolio and to reduce Scope 1 emission.

Case Studies:

Transition Risk – Current Regulation

Current regulatory risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. By way of example, our operations in the European Union (EU) were impacted by increased utility costs as a result of the EU’s decision to reduce CO2 emissions 2.2 percent for the 2021 – 2030 time period. The prices for CO2 emissions allowances reacted strongly, moving from 7 Euros per tonne in November 2017 to 14 Euros per tonne in March 2018. The EU expects CO2 emission certificate prices to be in a range of 25-30 Euros / tonne, with proceeds going to generate investments in carbon reductions projects. These cost increases are impacting electricity rates throughout Europe. As a direct result, HanesBrands is pursuing further energy-saving projects throughout our European textile manufacturing and sewing operations to offset increased utility costs.

Physical Risk – Acute

Acute physical risks, including those that are climate-related, are considered quarterly through our corporate Enterprise Risk Management (ERM) process. Broadly speaking, the ERM process seeks to identify uncertain events before they happen so contingency plans can be set in place. In the reporting period, Hurricane Maria and other storms in the Caribbean temporarily impacted operations and associated shipping lanes at our fabric manufacturing and sewing facilities in the Dominican Republic and Puerto Rico. Previous identification of this business continuity risk through our ERM process led us to act on previously developed contingency plans to minimize any business interruption. We successfully minimized logistical interruptions by adjusting material allocations to other geographies and also shifting transport to other lanes through previously negotiated rates with our global transport partners. Further, we were able to maintain operations and support our employees in the local community who lost power or were otherwise impacted by the storms through an on-site generator at our Puerto Rico facility and deliveries of much needed supplies donated by the company and employees to the islands.
(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Risk 1

Where in the value chain does the risk driver occur?
Direct operations

Risk type
Physical risk

Primary climate-related risk driver
Acute: Increased severity of extreme weather events such as cyclones and floods

Type of financial impact driver
Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)

Company-specific description
Powerful storms with strong winds and floods are anticipated to occur more frequently in the future. In the reporting period, HanesBrands' textile operations in the Dominican Republic and Puerto Rico experienced varying degrees of business disruption due to Hurricane Maria and other powerful storms. Our company-owned fabric manufacturing facilities in the Caribbean produce knit fabrics necessary for a variety of products including our well-known "Beefy Tee" t-shirt line. Prior planning and acting on our emergency preparedness plans allowed us to minimize disruption to our Caribbean business when the storms hit. While it is unlikely a storm would cause total loss at our Caribbean facilities since they are constructed to withstand strong storms, we maintain contingency plans in case of total facility loss. According to these plans, a total loss of our Dominican Republic fabric manufacturing may lead us to move fabric production volume to other internal manufacturing locations or to external partners. Under such a circumstance we would meet our business obligations by supplanting the lost fabric facility to other internal operations or to third-party vendors. Moving this business outside of our supply chain may add cost. These cost increases could continue as long as 12 to 18 months while we constructed or purchased a replacement fabric manufacturing operation, adjusted production schedules at other company-owned facilities, and/or with work with third-party fabric vendors.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
Medium-low

Potential financial impact
1

Explanation of financial impact
Financial impacts from acute climate events such as hurricanes are difficult to measure and can vary depending on the severity and location of a storm. However, financial impacts are defined broadly by the ERM Steering Committee where Hanesbrands' physical risks are quantified, known and managed as a part of company's overarching ERM process.

Management method
Risk from increasing severity of powerful storms is comprehensively managed through careful planning and advanced preparations. First, we carefully choose where to locate our facilities based on geographical and geologic site surveys, taking into account flood plains, tectonic activity, and common hurricane paths. Next, our facilities are constructed in accordance with international building codes for protection against wind, water, and fire damage. We audit our facilities regularly to ensure the appropriate property loss mechanisms are in place. Further, we maintain detailed routing plans for each of our styles as contingency plans in case issues arise with the preferred option. For example, there are approximately 100 different routes that we could take to manufacture products such as our Beefy T-shirt. Finally, we communicate with our facilities every day and are constantly monitoring any weather events in the area that could create a business interruption.
The cost of management is included in our comprehensive Enterprise Risk Management process. The company's business continuity plan, which is reviewed by the ERM Steering Committee, identifies risks from extreme weather impacting product flows and raw materials. The risks are known, manageable, and quantified. Elements of the plan include managing risks through the company's global supply chain and through loss prevention measures that prepare sites for potential catastrophic impacts.

**Identifier**
Risk 2

**Where in the value chain does the risk driver occur?**
Supply chain

**Risk type**
Physical risk

**Primary climate-related risk driver**
Chronic: Changes in precipitation patterns and extreme variability in weather patterns

**Type of financial impact driver**
Other, please specify (Increased raw material costs)

**Company-specific description**
Significant fluctuations in climate patterns could lead to change in weather, droughts, floods, etc., creating volatility in the price of various input costs, such as cotton and petroleum-related materials, utilities, freight and wages. These climate change risks can also adversely impact physical plant operations and schedules.

**Time horizon**
Medium-term

**Likelihood**
About as likely as not

**Magnitude of impact**
Low

**Potential financial impact**
1

**Explanation of financial impact**
Financial impacts from chronic climate events such as droughts or floods are difficult to measure and can vary depending on the severity and location of the event. However, drought or floods could negatively impact our supply of raw materials (cotton) and supplies of biomass used to fuel industrial boilers within our textile manufacturing operations. These risks are also reviewed by the ERM Steering Committee where the risks are known and manageable.

**Management method**
Our costs for cotton yarn and cotton-based textiles vary based upon the fluctuating cost of cotton, which is affected by, among other factors, chronic climate events such as droughts or floods. We manage volatility in the cotton market by locking in the cost of cotton reflected in the price we pay for yarn through contracts with our primary yarn suppliers. This management minimizes our exposure to risk from volatile raw material prices.

**Cost of management**
1

**Comment**
Cost related to managing chronic climate related issues such as impacts from long term drought is uncertain and would vary depending on the precise risk; however, management costs are a part of the overall ERM process.
Primary climate-related risk driver
Policy and legal: Increased pricing of GHG emissions

Type of financial impact driver
Market: Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment)

Company-specific description
Changes in regulation of carbon and other GHG emissions as hazardous air pollutants could have a financial impact on the company, affecting both capital and operating costs. For example, during the reporting year HanesBrands has experienced increased energy cost in Europe as a direct result of carbon emissions taxes levied as part of the European Union's Paris Agreement obligations. In addition, regulatory actions taken to address urgent environmental conditions such as urban smog, availability of water, floods, and violent storm risks, present additional risks -- including business interruption and/or mandates to reduce manufacturing capacity that could increase both capital and operating costs.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Low

Potential financial impact
1

Explanation of financial impact
Financial impacts related to changing climate policy vary by country and are difficult to predict since these costs are directly related to activities countries implement to accomplish specific Nationally Developed Contribution (NDC) commitments that were ratified by the COP21 Paris Agreement.

Management method
To manage the risk of changing environmental regulations, the company has implemented a Global Environmental Management System (GEMS) and energy management system that requires all locations to manage operations in a manner ensuring the location meets or exceeds applicable regulations, reduces operation costs, reduces energy consumption, and continually reduces emissions. Improving resource use efficiency through GEMS and our energy management system reduces our exposure to carbon emissions taxes such as those levied against our in the European Union as a result of their Paris Agreement obligations. These two management systems are focused on waste minimization, employee engagement, and compliance.

Cost of management
1

Comment
Management costs would vary depending on the precise risk; however, the overall ERM process addresses these costs as part of the overall contingency planning process.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Type of financial impact driver
Returns on investment in low-emission technology

Company- specific description
HanesBrands is currently working on a renewable energy project to install a 2 megawatt (MW) solar photovoltaic array to supply renewable electricity to the company's fabric knitting facility located in the Dominican Republic. This project creates an opportunity to reduce GHG emission by 751 MT CO2e, which will also contribute to accomplishing the company's 2020 goals to reduce CO2e emission by 40% and increase use of renewable energy to 40% of the company's total energy requirements. According to the National Renewable Energy Laboratory "PVWatts Calculator", the 2 MW system is expected to generate 2,921,592 Kwh of renewable electricity annually. This is based on an average solar radiation factor of 5.42 kwh/m2/day.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium

Potential financial impact
400000

Explanation of financial impact
Annual savings from the solar array will vary depending on market electricity rates, but at current rates the financial impact is expected to be $0.4 million annually. Additionally, there is an intrinsic value related to the CO2e emission reduction.

Strategy to realize opportunity
During the reporting year, HanesBrands developed a long range energy plan that identified specific projects required to accomplish 2020 environmental sustainability goals to reduce CO2e emission by 40% and increase renewable energy to 40% as compared to a 2007 baseline. The 2MW solar array is one of several strategic projects that has been identified in the long range plan.

Cost to realize opportunity
2000000

Comment
The cost to install a 2MW solar array is estimated to be $2.0 million, which is based on proposals received from solar development companies. The average cost to install a fixed panel solar array is currently estimated to be $1.00 per installed watt.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Customer

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Type of financial impact driver
Better competitive position to reflect shifting consumer preferences, resulting in increased revenues

Company- specific description
Consumers, particularly millennials, are casting their dollar votes now more than ever for products manufactured by companies which operate transparently and responsibly. Our consumer insights team has identified "Eco-Citizenship," defined as a consumer attitude where the consumer expects companies and brands to be as concerned as they are with the consequences their actions have on the planet, as a top global and domestic macro trend. This trend could open an opportunity for apparel manufacturers to distinguish themselves from competition through corporate transparency, marketing products with eco-attributes, and environmentally responsible manufacturing. HanesBrands currently offers apparel under our Hanes and Champion "EcoSmart"
styles that are made from fabric that includes recycled post-industrial polyester. The company could choose to compete more aggressively on this front by expanding its line of garments with marketable environmental attributes. Greater transparency and deliberate marketing of our company-owned supply chain operations and efforts to reduce energy use, water use and greenhouse gas emissions within them could sway consumer preference towards our brands versus competitors.

**Time horizon**
Long-term

**Likelihood**
Likely

**Magnitude of impact**
Medium-low

**Potential financial impact**
1

**Explanation of financial impact**
The financial is impossible to predict accurately; however, we expect that the demand for our Eco-Smart apparel styles will grow as a result of the Eco-Citizenship megatrend. This could create additional opportunities to expand our product offerings across more styles and brands. In such a scenario the company is strategically positioned to recognize the opportunity by developing new products and by growing our recent acquisition Alternative Apparel's environmentally responsible product lines.

**Strategy to realize opportunity**
HanesBrands is currently exploring potential avenues to expand styles with eco-attributes through R&D work on fabrics with reduced environmental impacts. For example, this includes developing and testing fabrics with increased recycled content for market viability. We also have conducted a variety of market tests, including A/B testing, to gauge market response to calling out eco-attributes on our products. We have found that consumers respond differently to different types of eco-messaging, with some being qualities having a much greater impact than others. One specific trend we've found is that concise messaging is more effective than more detailed messaging.

**Cost to realize opportunity**
1

**Comment**
Costs to realize the opportunity are currently very low since we conduct our own R&D and market testing.

**Where in the value chain does the opportunity occur?**
Direct operations

**Opportunity type**
Resilience

**Primary climate-related opportunity driver**
Participation in renewable energy programs and adoption of energy-efficiency measures

**Type of financial impact driver**
Increased reliability of supply chain and ability to operate under various conditions

**Company-specific description**
HanesBrands monitors its supply chain energy costs globally. As utilities adjust to regulatory pressures incentivizing or discouraging investment in renewable energy sources and modernized grid infrastructure, there is potential for associated costs to be passed along to customers. The company experienced this firsthand in our European Union operations through increased utility costs resulting from the EU’s decision to reduce CO2 emissions 2.2 percent for the 2021 – 2030 time period. Prices for CO2 emissions allowances reacted strongly, moving from 7 Euros per tonne in November 2017 to 14 Euros / tonne in March 2018. In parallel, the company continues to progress towards its 2020 goal to achieve a 40% renewable energy portfolio. These regulatory pressures can also lead to incentives improving the payback period on solar panels and other clean energy investments. The EU expects CO2 emission certificate prices to be in a range of 25-30 Euros / tonne, with proceeds going to generate investments in carbon reductions projects. These cost increases are impacting electricity rates throughout Europe. As a direct result, HanesBrands is pursuing further energy-saving projects throughout our European textile manufacturing and sewing operations to offset increased utility costs. HanesBrands has invested millions of dollars towards its goal to source at least 40 percent of our energy from renewable sources by 2020. We’ve constructed on-site biomass facilities to support our textile operations in El Salvador and the Dominican Republic. These plants provide process steam and, in El Salvador, electricity for our textile and sock sites. These investments create an opportunity to manage electricity and steam costs versus grid electricity and market fuel prices and to reduce our dependence on the grid. “
Time horizon
Long-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Potential financial impact
3000000

Explanation of financial impact
Annual savings from energy conservation investments such as projects in the EU to mitigate the financial impact from carbon taxes, and the El Salvador biomass plant generate attractive returns on investment that vary depending on market energy prices. At current energy rates, annual savings to fully utilize the El Salvador biomass assets are estimated to be $3.0 million. Actual savings will depend on the market price of oil and electricity both of which are very volatile.

Strategy to realize opportunity
During the reporting year, HanesBrands completed the commissioning of the El Salvador biomass-fueled 5.5 megawatt combined heat and power plant. When fully utilized, this new facility will reduce heavy fuel oil usage by more than 4 million gallons a year and GHG emissions by 32,750 metric tons. The company strategy is to fully utilize the new power plant to minimize use of fossil fuel while decreasing GHG emissions.

Cost to realize opportunity
1

Comment
Ongoing optimization projects will require incremental investments that are difficult to thoroughly predict. For example, investments in improving boiler feed water quality will reduce boiler water blowdown, which will save energy and reduce water usage, and investments in fuel management systems will help to reduce fuel moisture, which will reduce fuel consumption required to dry fuel.
(C2.5) Describe where and how the identified risks and opportunities have impacted your business.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Products and services</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Supply chain and/or value chain</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Adaptation and mitigation activities</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Investment in R&amp;D</strong></td>
<td>Impacted</td>
</tr>
<tr>
<td><strong>Operations</strong></td>
<td>Impacted</td>
</tr>
</tbody>
</table>

C2.6
(C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

<table>
<thead>
<tr>
<th>Relevance</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>Impacted</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - HanesBrands’ revenue has been impacted by the eco-citizenship megatrend through sales of EcoSmart apparel products. Depending on the influence of eco-citizenship on our consumer’s purchasing decisions, expansion of EcoSmart and/or development of other environmentally conscious styles could lead to segment expansion. ii) Magnitude of impact - The magnitude of this impact is “low” due to the scale of EcoSmart in relation to our total product portfolio and associated revenues.</td>
</tr>
<tr>
<td>Operating costs</td>
<td>Impacted for some suppliers, facilities, or product lines</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - HanesBrands’ operating costs have been impacted in Europe through utility cost increases stemming from the European Union’s (EU) decision to pursue a 2.2 percent reduction in CO2 emissions for the 2021 – 2030 time period. Our increased utility costs are the result of price movements for CO2 emissions allowances. The company is pursuing energy saving project throughout our European textile manufacturing and sewing operations to offset increased utility costs. ii) Magnitude of impact – The magnitude of this impact is “low” based on our ability to respond to increased utility costs through management of our company-owned supply chain and implementation of energy-savings projects.</td>
</tr>
<tr>
<td>Capital expenditures / capital allocation</td>
<td>Impacted</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - HanesBrands has invested millions in onsite biomass and other renewable energy projects to further our supply chain resilience and mitigate volatility in oil prices. Onsite biomass supports our fabric knitting operations in Dominican Republic and El Salvador and are significant in magnitude relative to other energy projects we have pursued. ii) Magnitude of impact – The magnitude of this impact is “medium” based on the scale of our investments and the importance of the biomass projects to our operations and renewable energy goals.</td>
</tr>
<tr>
<td>Acquisitions and divestments</td>
<td>Impacted</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - HanesBrands acquired Alternative Apparel in 2017. Alternative Apparel is a socially and environmentally conscious brand that crafts its garments with sustainable materials and processes including organic cotton, post-consumer recycled polyester, low-impact dyes and eco-friendly packaging. Whilst vastly different in scale, HanesBrands’ values and Alternative Apparel’s are the same. Alignment of values plays an important role in all of our acquisitions and this instance was no exception. ii) Magnitude of impact – The magnitude of this impact is “medium” based on the acquisition’s growth potential in light of the eco-citizenship megatrend.</td>
</tr>
<tr>
<td>Access to capital</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - Access to natural capital has not yet been impacted, but it could be in the long-term if climate change impacts the availability of water or cotton. Hypothetically speaking, there could potentially be costs associated with developing or purchasing more water efficient technologies for our manufacturing process, relocating to areas with greater water availability, or purchasing cotton and other raw materials necessary for our apparel products. Our financial process would manage these costs through market research, negotiating, and considering alternatives as it would with any other costs. ii) Anticipated timeframe – The anticipated timescale for this impact is “long” based on the potential for climate change to impact availability of water or cotton.</td>
</tr>
<tr>
<td>Assets</td>
<td>Not yet impacted</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - Our assets have not yet been significantly impacted by climate-related risk but they could be in the future as a result of increasingly frequent storms and other extreme weather events. For example storms in the Caribbean that bring strong winds or cause flooding could damage our fabric knitting and sewing facilities in the region. A strong storm could strike any season, but the likelihood of this impact increases with time as atmospheric CO2 concentrations increase. ii) Anticipated timeframe – The anticipated timescale for this impact is “long” based on the potential for increasingly frequent storms and extreme weather events to occur in the future.</td>
</tr>
<tr>
<td>Liabilities</td>
<td>Not impacted</td>
</tr>
<tr>
<td></td>
<td>i) Explanation - HanesBrands has not experienced any climate-related financial liability impacts to date. The company continues to carefully manage risk around the globe through its Enterprise Risk Management (ERM) process and seeks to continue responsibly sourcing and using the environmental resources it depends on. To provide a hypothetical example, HanesBrands could experience financial liability for exceeding air permit limits at its textile manufacturing operations. However, the company’s Global Environmental Management policy requires every location to comply with applicable environmental regulations and permits. Therefore the company has implemented a management system to insure environmental liabilities are avoided.</td>
</tr>
<tr>
<td>Other</td>
<td>Please select</td>
</tr>
</tbody>
</table>

C3. Business Strategy

C3.1

(C3.1) Are climate-related issues integrated into your business strategy?
Yes

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?
No, and we do not anticipate doing so in the next two years
i) Influence of climate-related issues on business objectives and strategy –

HanesBrands integrates climate-related issues into our business objectives and strategies through continual risk/opportunity assessments that are conducted through the company’s Enterprise Risk Management (ERM) and the Corporate Social Responsibility (CSR) governance structures, as well as through corporate and operational functions including our legal, engineering, finance, government relations, and internal audit teams. Short-term risks and opportunities are discussed as needed at executive management weekly staff meetings. Corporate-level risks are also evaluated through the formal Enterprise Risk Management process which is actively reviewed by the Audit Committee of our Board of Directors. We regularly evaluate key risks to our business and maintain contingency plans and strategies to ensure that the potential risks do not have an adverse effect on the financials of our business operations.

Risk/opportunity identification that is related to climate issues includes climate-related disasters such as hurricanes, floods and droughts that could damage or disrupt our operations, or our suppliers and distributors’ operations, are managed globally by our CSR, operations, and security teams, and locally by our plant/site managers. These local teams have dedicated environmental, energy, emergency response and safety coordinators that focus on implementation of the company’s policies and procedures, which consist of formally documented management systems that are designed to continuously manage and reduce risks. These coordinators receive directional and technical support from the corporate staff and work to mitigate climate change risk through continual efforts to improve energy and water usage efficiency, reduce overall GHG emissions, reduce waste and increase the use of sustainable materials.

ii) Business strategy linked to emissions and energy reduction targets –

One of HanesBrands’ key business strategies is to effectively manage global energy usage to minimize energy consumption, reduce operating costs, and continually reduce emissions to the environment. The company has set aggressive 2020 goals to reduce GHG emissions by 40%, reduce energy usage by 40%, increase use of renewable energy to 40%, and reduce water usage by 50% as compared to our 2007 baseline. To accomplish these business goals, the company has implemented: A) An exceptional Global Energy Management Policy that requires all facilities to develop annual action plans to achieve annual goals set at each location. This energy management program has earned multiple recognitions from the US EPA Energy Star program including achieving nine consecutive Energy Star Partner of the Year awards for energy management. Additionally, 23 of HanesBrands’ facilities have also earned the US EPA Energy Star Challenge for Industry award, which requires a facility to demonstrate a 10% reduction in energy usage within a five-year period; B) Issues associated with climate change, availability of water, energy costs, raw materials costs, and extreme weather conditions have influenced the company’s need to bolster its environmental management efforts. As a result, the company has implemented a Global Environmental Management System (GEMS), which establishes extensive and very detailed policies and procedures to ensure a consistent, global approach to environmental compliance and minimization of emissions.

iii) Example(s) of substantial business decision and influential aspect of climate change –

Many of HanesBrands’ products and process innovations are driven by our focused environmental strategy and understanding of “Eco-citizenship” as a global long-term trend influencing consumer purchasing decisions (consumers expect companies to share their value of the environment and act accordingly).

The aspects of climate change influencing our environmental strategy and the Eco-Citizenship megatrend are the potential for increased likelihood of extreme weather events in the future and shifting consumer preferences towards products made by environmentally responsible companies that contribute to their own responsible lifestyle.

Applying an environmental lens has led us to identify new opportunities for innovation in our products and to increase the resilience of our supply chain operations. Business decisions we have made include:

- procuring yarn made from recycling the equivalent of 68 million plastic water bottles to make polyester yarn for both blended spun yarns and filament yarns;

- expanding the use of recycled cotton fiber; and
-use of a spinning process that consumes significantly less energy per pound of yarn. The procurement of yarn from a supplier using a spinning process thus far has reduced consumption of electricity used to produce the yarn by 30,937 mega watt-hours resulting in a 21,742 MT reduction in CO₂e.

C3.1g

(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?

HanesBrands is aware of CDP’s efforts to integrate the Task Force on Climate-related Disclosures (TCFD) recommendations to utilize climate related scenario analysis to inform business strategy, as well as CDP’s plans to target specific sectors over the next several years. As with the Science Based Target Initiative, when a sector-specific application is developed for the apparel industry, HanesBrands will consider using climate related scenarios to help influence business strategies related to climate; however, after reviewing TCFD’s recommendations as well as various climate related scenario methods including 2DS, IEA and B2DS, we believe that the company’s current integrated ERM processes, as well as its environmental goals, are aligned with many of the principles included in the TCFD recommendations and the Science Based Target Initiative, respectively. For example, the company is aware of changing international policies that have promulgated as a result of COP21 and other climate related summits and has taken action to minimize financial impacts related to country-specific climate strategies. Specifically, the company is aware of decisions taken in December 2017 and February 2018 by the European Union to reduce CO₂ emissions annually by 2.2% for the period 2021-2030. As a result, the prices for CO₂e emission allowances (EUA) reacted heavily and moved up from 7 EUR/t in November 2017 to 14 EUR/t in March 2018. The EU expects CO₂ emission certificate prices to be in a range of 25-30 EUR/t to generate investments in carbon reduction projects.

These EUA cost increases are impacting electricity rates throughout the EU. In response to these increasing electricity rates, HanesBrands has ramped up investments in energy conservation projects, which will also contribute to the EU’s overall climate strategy. In addition, to offset rising electricity and steam costs while reducing GHG emissions that are driven by consuming oil in El Salvador, the company invested approximately $19 million to build a 5.5 megawatt combine heat and power plant that is fired with biomass instead of heavy oil. This new facility will reduce heavy fuel oil usage by more than 4 million gallons a year and GHG emissions by 32,750 metric tons.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Intensity target

C4.1b
(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number
Int 1

Scope
Scope 1 +2 (market-based)

% emissions in Scope
100

% reduction from baseline year
40

Metric
Other, please specify (Metric tons CO2e per pound of product)

Hanesbrands accounts for CO2e emissions following the Green House Gas Protocol and calculates a monthly key performance indicator that tracks metric tons of CO2e per pound of finished fabric.

Base year
2007

Start year
2007

Normalized baseline year emissions covered by target (metric tons CO2e)
396967

Target year
2020

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

% achieved (emissions)
86.4

Target status
Underway

Please explain
HanesBrands has set a global corporate goal to reduce CO2e emissions intensity 40% by 2020 vs its 2007 normalized baseline emissions. As of year end 2017, the company has achieved 86.4% of its 2020 goal, which represents an absolute annual reduction of 137,210 metric tons CO2e. This reduction is the result of a 21.2% improvement in energy usage efficiency and increased use of renewable energy to 32.9% of the company's total energy requirement. To date, the company has not developed Science Based targets because a method has not yet been developed for the textile and apparel manufacturing sector, which we understand is currently in development by the Science Based Target Initiative. However, Hanesbrands has benchmarked its current 2020 goal to reduce CO2e emissions intensity by 40% against other companies that have approved Science Based Targets, as a result, we believe that our aggressive target is aligned with the intent of the Science Based Target Initiative.

% change anticipated in absolute Scope 1+2 emissions
-40

% change anticipated in absolute Scope 3 emissions
0

C4.2

(C4.2) Provide details of other key climate-related targets not already reported in question C4.1a/b.

Target
Waste

KPI – Metric numerator
Tons of waste diverted from landfill
HanesBrands has set a goal to reduce waste disposal in landfills by 100% by 2020. The company intends to divert 100% of non-regulated waste from disposal in landfills. Discarded materials from all company-owned operations are reduced, reused, recycled, or composted for beneficial use. Non-hazardous waste can be diverted to incineration with energy recovery. Hazardous waste is disposed of in accordance with local regulatory requirements. Periodic waste generated from construction, demolition, and natural disasters is managed separately. According to the US EPA’s Waste Reduction Model (WARM), the company’s recycling efforts have avoided 134,500 metric tons of CO2e, which includes avoided emissions from manufacturing replacement products and avoided landfill emissions. The company expects to reduce an additional 28,100 metric tons of previously unaccounted CO2e emissions when 100% of waste has been recycled and diverted out of landfills.

Part of emissions target
Total emissions reductions resulting from 100% landfill avoidance is estimated to be approximately 162,600 metric tons (134,500 MtCO2 + 28,100 MtCO2 = 162,600 MtCO2) This reduction is in addition to the company’s target emission reduction defined in 4.1b.

Is this target part of an overarching initiative?
Other, please specify (HanesBrands’ Sustainability Initiative)
Please explain
Our goal is to increase renewable energy consumption by increasing use of biomass, hydro, geothermal and solar from 28.7% of our total energy usage portfolio in 2007 to 40% in 2020. During the reporting year, our renewable energy improved from 63% to 82% of our 40% renewable target, which was the result of increased utilization of onsite biomass fired steam and power plants.

Part of emissions target
HanesBrands intends to reduce CO2e emissions 40% vs its 2007 baseline by 2020 by: 1. increasing renewable energy to 40% of its total energy usage portfolio by 2020 2. reducing 2020 energy usage by 40% vs a 2007 baseline

Is this target part of an overarching initiative?
Other, please specify (HanesBrands’ Sustainability Initiative)

Target
Energy usage

KPI – Metric numerator
Total energy usage in MMBTUs

KPI – Metric denominator (intensity targets only)
Pounds of production

Base year
2007

Start year
2007

Target year
2020

KPI in baseline year
16.535

KPI in target year
9.945

% achieved in reporting year
21.2

Target Status
Underway

Please explain
The company has an exceptional global energy management program that involves all facilities. It has earned multiple recognitions from the US EPA Energy Star program including achieving nine consecutive Energy Star Partner of the Year awards. Additionally, 25 of HanesBrands’ facilities have also earned the US EPA Energy Star Challenge for Industry award, which requires a facility to demonstrate a 10% reduction in energy usage within a five-year period.

Part of emissions target
HanesBrands energy management program is the cornerstone of its overall sustainability initiative, which has established emission reduction targets; therefore, it is part of the emissions target.

Is this target part of an overarching initiative?
Other, please specify (HanesBrands Sustainability Initiative)

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes
C4.3a

(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

<table>
<thead>
<tr>
<th>Stage of Development</th>
<th>Number of projects</th>
<th>Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under investigation</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>To be implemented*</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Implementation commenced*</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Implemented*</td>
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<td>40180</td>
</tr>
<tr>
<td>Not to be implemented</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

<table>
<thead>
<tr>
<th>Activity type</th>
<th>Description of activity</th>
<th>Estimated annual CO2e savings (metric tonnes CO2e)</th>
<th>Scope</th>
<th>Voluntary/Mandatory</th>
<th>Annual monetary savings (unit currency – as specified in CC0.4)</th>
<th>Investment required (unit currency – as specified in CC0.4)</th>
<th>Payback period</th>
<th>Estimated lifetime of the initiative</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-carbon energy installation</td>
<td>Biomass</td>
<td>32750</td>
<td>Scope 1</td>
<td>Voluntary</td>
<td>3000000</td>
<td>19000000</td>
<td>4 - 10 years</td>
<td>16-20 years</td>
<td>El Salvador Biomass-fueled combined heat and power plant - During the reporting year, HanesBrands completed the commissioning of a $19 million biomass-fueled 5.5 megawatt combined heat and power plant in El Salvador. When fully utilized, this new facility will reduce heavy fuel oil usage by more than 4 million gallons a year and GHG emissions by 32,750 metric tons.</td>
</tr>
<tr>
<td>Energy efficiency: Processes</td>
<td>Compressed air</td>
<td>1737</td>
<td>Scope 2 (market-based)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Activity type

Low-carbon energy installation

Description of activity

Biomass

Estimated annual CO2e savings (metric tonnes CO2e)

32750

Scope

Scope 1
Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)

3000000

Investment required (unit currency – as specified in CC0.4)

19000000

Payback period

4 - 10 years

Estimated lifetime of the initiative

16-20 years

Comment

El Salvador Biomass-fueled combined heat and power plant - During the reporting year, HanesBrands completed the commissioning of a $19 million biomass-fueled 5.5 megawatt combined heat and power plant in El Salvador. When fully utilized, this new facility will reduce heavy fuel oil usage by more than 4 million gallons a year and GHG emissions by 32,750 metric tons.
**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
444400

**Investment required (unit currency – as specified in CC0.4)**
180815

**Payback period**
<1 year

**Estimated lifetime of the initiative**
3-5 years

**Comment**
Compressed Air Continuous Improvement Project 1 - HanesBrands implemented 13 individual projects focused on optimizing the use of compressed air and improving energy efficiency of compressed air systems across manufacturing facilities located in North America, Central America, Europe, and the Caribbean. The projects included the implementation of program and control changes to better optimize compressed air use within multi-machine systems; the development and implementation of improved procedures to manage leaks and reduce waste compressed air; and the implementation of improved air compressor equipment maintenance to increase energy efficiency. The projects required little investment and had an overall payback of less than one year. Many of the projects are procedural in nature and are estimated to have a life of 3-5 years. The sum of the individual initiatives had energy savings of 15,990 MMBTU.

---

**Activity type**
Energy efficiency: Processes

**Description of activity**
Compressed air

**Estimated annual CO2e savings (metric tonnes CO2e)**
170

**Scope**
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
36000

**Investment required (unit currency – as specified in CC0.4)**
54000

**Payback period**
1-3 years

**Estimated lifetime of the initiative**
16-20 years

**Comment**
Compressed Air Project 2 - The scope of this individual project was to improve the compressed air piping distribution system at a manufacturing facility in Central America. The improvements were made by redesigning the main pipe header, installing dry and wet air manifolds, installing air dryers, and eliminating unnecessary pipes inside the facility. The project had energy savings of 868 MMBTU.
Scope 2 (market-based)
Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
34150

Investment required (unit currency – as specified in CC0.4)
52700

Payback period
1-3 years

Estimated lifetime of the initiative
16-20 years

Comment
Compressed Air Project 3 - The scope of this individual project was to purchase and install a new 100Hp air compressor for a manufacturing facility located in Europe. The new air compressor was equipped with a variable frequency drive (VFD) to improve energy efficiency at part-load operating conditions and also equipped with exhaust air heat recovery system that captures waste heat from the air compressor for beneficial use. The greenhouse gas savings are from natural gas savings from heat recovery (Scope 1 = 92.6 MTCO2e) and electricity savings from VFD efficiency (market-based Scope 2 = 8.9 MTCO2e). The project had energy savings of 2,179 MMBTU.

Activity type
Energy efficiency: Building services

Description of activity
Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
642

Scope
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
193404

Investment required (unit currency – as specified in CC0.4)
213797

Payback period
1-3 years

Estimated lifetime of the initiative
6-10 years

Comment
Lighting Project - HanesBrands implemented 20 lighting upgrade projects at multiple manufacturing locations in the United States, the Caribbean, Central America, and Europe. The projects primarily focused on fixture replacements or retrofits to inefficient high intensity discharge (HID) or fluorescent fixtures to more efficient LED technologies. The projects also included the modification of lighting controls and electric wiring to better control lighting circuits to turn off when not in use; the addition of sky lights in one location to eliminate lights when indoor light levels are sufficient; and changing the spacing of fixtures to remove unnecessary fixtures to maintain appropriate light levels. The lighting projects have varied life expectancies but all fall within the 6-10 year range. The sum of the projects had energy savings of 5,799 MMBTU.

Activity type
Energy efficiency: Building services

Description of activity
HVAC

Estimated annual CO2e savings (metric tonnes CO2e)
352
Scope
Scope 1
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
68080

Investment required (unit currency – as specified in CC0.4)
80670

Payback period
1-3 years

Estimated lifetime of the initiative
3-5 years

Comment
HVAC Project - Seven individual projects were implemented in various manufacturing and administrative office locations in the United States, Europe and the Caribbean. The projects reduced market-based scope 2 emissions by 310 MT CO2e from improvements in electric efficiency and reduced scope 1 emissions by 42 MTCO2e from reduced fuels required for building heat. Most of the projects focused on low-cost or no-cost improvements to equipment or operational procedures to continually improve HVAC efficiency. One project included the purchase of three variable frequency drives (VFD's) and controls to better modulate required process equipment ventilation requirement. The total energy savings from all HVAC initiatives was 3,859 MMBTU.

Activity type
Energy efficiency: Processes

Description of activity
Machine replacement

Estimated annual CO2e savings (metric tonnes CO2e)
2921

Scope
Scope 1
Scope 2 (market-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in CC0.4)
353310

Investment required (unit currency – as specified in CC0.4)
2334000

Payback period
4 - 10 years

Estimated lifetime of the initiative
16-20 years

Comment
Process Equipment Project 1 - At a manufacturing facility in the United States, new production process equipment was purchased and installed under two projects. The new process equipment included a low-liquor dye machine and a new tenter frame. The new equipment is more energy efficient and saves 40,188 MMBTU in electric and thermal energy combined. The energy savings results in a market-based scope 2 emissions savings of 1,219 MTCO2e and a scope 1 savings of 1,702 MTCO2e.

Activity type
Energy efficiency: Processes

Description of activity
Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
1505
**Scope**
Scope 1
Scope 2 (market-based)

**Voluntary/Mandatory**
Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**
238310

**Investment required (unit currency – as specified in CC0.4)**
25360

**Payback period**
<1 year

**Estimated lifetime of the initiative**
3-5 years

**Comment**
Treasure Hunt Projects 1 - At seven manufacturing locations in South America, Europe, the Caribbean, and Central America, 12 individual projects were implemented that focused on process improvement to the particular mechanical, electric or production process control system. Each of the projects utilized a "Treasure Hunt" methodology whereby cross functional teams sought low-cost or no-cost opportunities for continuous improvement. Five projects focused on production process changes to reduce wasted energy, three projects focused on optimizing steam and condensate return, three projects focused on improving human management systems to improve process efficiency and eliminate waste and one project focused on changing electric clutch motors used on sewing machines to servo motors. Combined, the projects saved 18,620 MMBTU's in energy and resulted in a market-based scope 2 ghg emissions savings of 265 MTCO2e and scope 1 ghg savings of 1,241 MTCO2e.

---

**C4.3c**

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with regulatory requirements/standards</td>
<td>New equipment is installed to meet applicable local environmental standards. It is the policy and commitment of the company to meet or exceed performance designated by applicable regulations.</td>
</tr>
<tr>
<td>Dedicated budget for energy efficiency</td>
<td>Money is earmarked in the capital budget for energy efficiency projects and for use of alternate fuels.</td>
</tr>
<tr>
<td>Dedicated budget for other emissions reduction activities</td>
<td>Investments in emissions reduction activities are prioritized based on payback period and the extent of emissions reductions. The company actively pursues energy projects that clear internal financial hurdles.</td>
</tr>
<tr>
<td>Internal incentives/ recognition programs</td>
<td>The company offers internal recognition through a variety of avenues including publication in the corporate newsletter and the employee intranet and also through the President's Energy Efficiency Award, a global award that recognizes outstanding achievement in energy efficiency in our organization.</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>Investing in employee engagement opportunities helps to drive emissions reductions. For example, employees are engaged through inclusion in energy kaizen and treasure hunt events that are focused on energy and water usage reductions that help drive emissions reductions. In addition, the company provides ongoing communications with employees about the importance of conserving energy and water both at work and at home. HanesBrands regularly shares overall company, as well as site-specific, energy achievements including best practices that can be shared across the overall supply chain network. The company invests both significant time and money to build a culture of energy management as a core business value.</td>
</tr>
</tbody>
</table>

---

**C4.5**

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes
(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

<table>
<thead>
<tr>
<th>Level of aggregation</th>
<th>Group of products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of product/Group of products</strong></td>
<td>Environmental responsibility means changing not only the way we make products, but also the nature of the products we make. Hanesbrands' EcoSmart® line features hoodies, socks, sweats and T-shirts made in part from recycled plastic bottles or recycled cotton. Across all of Hanesbrands, our EcoSmart® products keep the equivalent of more than 68,229,467 plastic bottles from landfills each year.</td>
</tr>
</tbody>
</table>

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

- Reusing plastic bottles to produce polyester yarn reduces energy usage and associated CO2e emissions by approximately 50% from the amount emitted when producing virgin polyester yarn

% revenue from low carbon product(s) in the reporting year

0.2

**Comment**
The use of post consumer recycled polyester vs. virgin polyester reduces energy consumption by 84% and greenhouse gas emissions by 71% [National Association for PET Container Resources (NAPCOR) https://napcor.com/wp-content/uploads/2017/01/LCI-One-Page-Summary.pdf]

<table>
<thead>
<tr>
<th>Level of aggregation</th>
<th>Group of products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of product/Group of products</strong></td>
<td>Certain sock products are made with yarns that contain post industrial reclaimed cotton fiber. For example, in 2017 Hanesbrands manufactured sock products from raw materials that included 293,144 pounds of recycled cotton fiber. The resultant cradle to gate CO2e savings from using recycled fibers in these products was 322.5 metric tons. More importantly, the use of recycled fiber reduces environmental impacts for growing cotton. This results in significant reductions in water used for irrigation, less fertilizer, which is energy intensive to produce, reductions in the use of herbicides, and no additional harvesting and ginning.</td>
</tr>
</tbody>
</table>

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (reduced energy and water usage)

% revenue from low carbon product(s) in the reporting year

0.1

**Comment**
Emissions data pertaining to cotton obtained from "Life Cycle Assessment of Cotton Fibers and Fabric" published in 2012 by The Cotton Foundation provides a cradle to gate gross emission during cotton cultivation and processing at the gin of 1.1 kgCO2e per pound of cotton. 293,144 lbs of recycled cotton x 1.1 kg CO2e/lb of cotton = 322,458 kg CO2e.

<table>
<thead>
<tr>
<th>Level of aggregation</th>
<th>Group of products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of product/Group of products</strong></td>
<td>Fabric care cold water wash instructions</td>
</tr>
</tbody>
</table>

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Other, please specify (Washing water in cold water saves energy)
% revenue from low carbon product(s) in the reporting year
26.7

Comment
All of our activewear products contain garment care labels recommending washing in cold water. The American Cleaning Institute in conjunction with The Sustainability Consortium, the University of Arizona and the University of Arkansas published a technical brief titled "technical brief: Benefits of Using Cold Water for Everyday Laundry in the US" that identifies 2.3 million metric tons of greenhouse gas emissions can be averted in the United States per year if each US household washed one load of laundry per week in cold water instead of hot or warm. (http://coldwatersavestoolkit.com/wp-content/uploads/2017/05/Cold-Water-Wash-Technical-Brief.pdf).

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
December 31 2006

Base year end
December 29 2007

Base year emissions (metric tons CO2e)
140963

Comment
Our annual energy and greenhouse inventory is aligned with our fiscal accounting calendar. Our 2007 base year was the 52 week year that began on Sunday, December 31, 2006.

Scope 2 (location-based)

Base year start
December 31 2006

Base year end
December 29 2007

Base year emissions (metric tons CO2e)
282010

Comment
Our 2007 base year scope 2 location-based scope 2 inventory is based on publicly available US EPA eGRID factors for USA based sites and IEA published factors for international locations.

Scope 2 (market-based)

Base year start
December 31 2006

Base year end
December 29 2007

Base year emissions (metric tons CO2e)
256004

Comment
Our 2007 scope 2 market-based CO2e metric is based on utility provider-specific emission factors corresponding to the source of electricity being delivered to the site.
(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.

Energy Information Administration 1605B

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Row 1

| Gross global Scope 1 emissions (metric tons CO2e) | 90722 |
| End-year of reporting period           | <Not Applicable> |

Comment
Per CDP Technical Note: Special Conditions for reporting Scope 1 emissions, carbon dioxide emitted from the combustion of HanesBrands biomass-fueled boiler and CHP operations is not included in the reported value.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
HanesBrands is reporting both a location-based and market-based Scope 2 emissions inventory.
(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Row 1

Scope 2, location-based
217673

Scope 2, market-based (if applicable)
165506

End-year of reporting period
<Not Applicable>

Comment
The difference between our location-based and market-based scope 2 CO2e emissions inventory is based on the difference of utility provider-specific emission factors corresponding to the source of electricity being delivered to the site. We have used publicly available published emission factors such as US EPA eGRID for example, to cover most USA locations and other publicly available sources such as the Greenhouse Gas Protocol Purchased Electricity Tool for International locations to assemble our location-based inventory. At several operations across the globe we have power purchase agreements in place and use emission factors that are more granular and specific to the energy provided to the site versus the use of national averages or aggregated factors publicly available. These power purchase agreements covered 97,368.3 MWh's in 2017.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source
HanesBrands retail outlet stores

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why the source is excluded
Hanesbrands’ Direct to Consumer operations include company-operated retail stores that sell its portfolio of branded products directly to consumers. At year-end 2017, the company operated 732 locations in 14 countries. All of the locations are comprised of sub-leased space in commercial outlet malls, some of which have utilities included in the rental agreement. The sum total of all stores yields a square footage of 2,553,052 square feet and an average retail store size of 3,517 square feet. A sampling of retail stores from across the United States is internally tracked and reported using US EPA's ENERGY STAR Portfolio Manager tool. Calculations have been performed for the portfolio of 732 mercantile locations using energy and emissions factors from the Energy Information Agency (EIA) Commercial Building Energy Consumption Survey (EIA 2012 CBECS) and indicated that an individual retail store had scope 1 emissions of 9.4 Metric tons CO2e and location-based scope 2 emissions of 25.7 metric tons CO2e (the sum of average emissions of 35.04 Metric tonnes CO2e) per year. Applying this average to the entire portfolio of 732 retail locations yields a GHG emission of 25,653 metric tonnes CO2e. When considering the size of the emissions from an individual location, the quantity of locations, the difficulty in obtaining market-based and location-based scope 2 emission factors, their individual potential to drive emissions reductions within their operations, and the overall contribution to the company's GHG inventory, it has been determined that the inclusion of their CO2e emissions is not relevant.

Source
Fugitive emissions from company-operated on-site industrial waste water treatment works

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
No emissions from this source

Relevance of market-based Scope 2 emissions from this source (if applicable)
No emissions from this source

Explain why the source is excluded
Scope 1 fugitive GHG emissions (methane and nitrous oxide) reported as CO2e from company owned and operated on-site waste water treatment facilities have been evaluated and quantified by our engineering team and a third-party wastewater consultant in prior years and determined to be 0.51% of total scope 1 CO2e emissions. The findings and calculations have subsequently been reviewed by an independent verification team and a similar conclusion was reached. The majority of wastewater treatment occurs within treatment plants that use activated sludge and aerobic treatment, therefore minimizing the potential for methane emissions. Fugitive GHG’s associated with wastewater are primarily from three locations that treat sanitary wastewater. The quantity of GHG’s from these combined sources had minimal contribution to the company’s overall GHG emission profile and determined not relevant nor materially significant.

Source
Certain regional sales and administrative offices

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why the source is excluded
At year end 2017, HanesBrands occupied 69 office locations in 33 countries around the world. The largest offices, which are primarily located in the United States and Europe, are included in the scope 1 and scope 2 inventory. Scope 1 and Scope 2 emissions from some 53 small regional offices totaling 235,828 square feet are excluded from the emissions inventory. The average size of these offices is less than 5,000 square feet. Many of these offices, although occupied by HanesBrands, are leased spaces. Calculations have been performed to evaluate the scope 1 and scope 2 emissions from these offices and the average scope 1 CO2e emissions were 6.4 metric tons CO2e and the average scope 2 emissions were 29.6 metric tons of CO2e per year. The sum total of the scope 1 and scope two emissions from these regional offices represents 0.8% of total scope 1 and 2 emissions and has been determined to not be relevant.

Source
Certain temporary and seasonal warehouses and storage facilities

Relevance of Scope 1 emissions from this source
Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source
Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)
Emissions are not relevant

Explain why the source is excluded
At year end 2017, HanesBrands had 15 commercial properties located in 10 countries. They primarily consist of overflow warehouses used for the storage of surplus equipment and/or the storage of excess finished product due to seasonal swings in product supply and demand. They have a total area of 905,789 square feet and minimal carbon emissions which have been excluded from the GHG inventory. These spaces are leased/rented and are typically occupied on a short term basis to accommodate requirements of our dynamic supply chain. Spaces may include sublease of a facility for warehouse space or security structures (guard house) for trailer parking storage. Most of these spaces are small in size and use very little energy and resultant scope 1 and scope 2 emissions. Oftentimes, the energy is included in the space rental and in these instances, Hanesbrands does not have visibility to the energy use. Calculations have been performed of the 905,789 square feet using energy use and emissions factors published by the Energy Information Agency. The sum of these warehouse spaces yields scope 1 emissions of 949 metric tons of CO2e and Scope 2 emissions of 2,145 metric tons of CO2e per year. This quantity represents 1.2% of total scope 1 and scope 2 GHG emissions and is materially insignificant with regards to energy use and greenhouse gas
emissions. It has been determined that the emissions from these warehouses and storage spaces is not material nor relevant.

**Source**
Recent acquisition - Pacific Brands of Australia

**Relevance of Scope 1 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of location-based Scope 2 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions excluded due to recent acquisition

**Explain why the source is excluded**
HanesBrands recently acquired Pacific Brands of Australia in July 2016. Efforts are underway to incorporate the energy and GHG metrics reporting into the overall company’s GHG emissions inventory. In the coming year, Hanesbrands will develop appropriate tracking mechanisms and incorporate energy use and carbon emissions from these sites into overall company metrics. The recent acquisition added a mixed portfolio of real estate including retail locations, office, distribution and apparel assembly manufacturing locations.

**Source**
Recent acquisition - GTM Sportswear

**Relevance of Scope 1 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of location-based Scope 2 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions excluded due to recent acquisition

**Explain why the source is excluded**
Hanes recently acquired GTM Sportswear in September 2016. Efforts are underway to incorporate the energy and GHG metrics reporting into the overall company’s GHG emissions inventory. In the coming year, HanesBrands will develop appropriate tracking mechanisms and incorporate energy use and carbon emissions from these sites into overall company metrics. The recent acquisition added a mixed portfolio of real estate including office, distribution and screen-printing/attribution locations.

**Source**
Recent Acquisition - Champion Europe

**Relevance of Scope 1 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of location-based Scope 2 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions excluded due to recent acquisition

**Explain why the source is excluded**
Hanes recently acquired Champion Europe in June 2016. Efforts are underway to incorporate the energy and GHG metrics reporting into the overall company’s GHG emissions inventory. In the coming year, Hanesbrands will develop appropriate tracking mechanisms and incorporate energy use and carbon emissions from these sites into overall company metrics. The recent acquisition added a mixed portfolio of real estate including retail locations, offices, and distribution facilities.

**Source**
Recent Acquisition - Alternative Brands

**Relevance of Scope 1 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of location-based Scope 2 emissions from this source**
Emissions excluded due to recent acquisition

**Relevance of market-based Scope 2 emissions from this source (if applicable)**
Emissions excluded due to recent acquisition
Emissions excluded due to recent acquisition

**Explain why the source is excluded**

HanesBrands recently acquired Alternative Apparel in October 2017. Efforts are underway to incorporate the energy and GHG metrics reporting into the overall company’s GHG emissions inventory. In the coming year, HanesBrands will develop appropriate tracking mechanisms and incorporate energy use and carbon emissions from these sites into overall company metrics. The recent acquisition added a mixed portfolio of real estate including retail locations, offices, and distribution locations.

---

**Source**

Fugitive emissions from HFC’s, CFC’s and other refrigerants associated with unintentional releases such as equipment leaks

**Relevance of Scope 1 emissions from this source**

Emissions are not relevant

**Relevance of location-based Scope 2 emissions from this source**

No emissions from this source

**Relevance of market-based Scope 2 emissions from this source (if applicable)**

No emissions from this source

**Explain why the source is excluded**

Accounting for refrigerants is governed under HanesBrands’ Global Environmental Management System (GEMS) and associated operational policies and procedures. Actual leak rates are significantly (order of magnitude) less than the suggested emission rates outlined in the US EPA Climate leaders Greenhouse Gas Inventory Protocol Core Module Guidance for Direct HFC and PFC Emissions from Use of Refrigeration and Air Conditioning Equipment methodology for calculating emissions. In prior years, an independent verification was performed of HanesBrands’ 2016 greenhouse gas emissions inventory. During the verification, the team examined documentation relating to the company’s refrigerant use to confirm the low proportions this source category contributed to the overall GHG emission profile and deemed not relevant.

---

**C6.5**

(C6.5) Account for your organization’s Scope 3 emissions, disclosing and explaining any exclusions.

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

546738

**Emissions calculation methodology**

Purchased goods and services emissions is a summation of five major categories of purchased goods and services including: sourced garments, yarn, packaging materials, dyes and chemicals, and polyfoam and plastics. Emissions were calculated based on the following: 1. Data obtained from suppliers and calculated emissions in accordance with the WRI/WBSCD GHG Protocol. 2. Engineering estimates calculated based on internally measured carbon emission intensity factors for similar products and in alignment with the WRI/WBC SD GHG Protocol 3. Emission factors (MT CO2e/ $1million spend) by category as calculated using emission factors taken from the Scope 3 evaluator tool by Quantis in partnership with The Green House Protocol. The tool estimates emissions using 2009 world multi-regional estimate of average environmental impacts by region-sector combined with global warming potential impact assessment (Timmer 2012, IPCC 2007).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

34

**Explanation**

34% of the total reported emissions in this category came from supplier data. The remaining emissions were estimated either by applying actual emission intensity taken from internal operations with similar processes, or by using a MT of CO2e/$1 million spend factor that was developed using Quantis’ Scope 3 evaluator tool.
Capital goods

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
75113

**Emissions calculation methodology**
Emissions from capital goods were calculated using emission factors (MT CO2e/ $1million spend) derived from the Scope 3 evaluator tool by Quantis in partnership with The Green House Protocol. The tool estimates emissions using 2009 world multi-regional estimates of average environmental impacts by region-sector combined with global warming potential impact assessment (Timmer 2012, IPCC 2007).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
0.00% of the data came from suppliers, the emissions were estimated using a MT CO2e/$1 million capital spend that was derived using Quantis' Scope 3 evaluator tool.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
99316

**Emissions calculation methodology**
Emissions for fuel and energy were calculated using conversion multipliers to estimate category 3 emissions based on scope 1 and 2 emissions from three case studies carried out by Quantis. Scope 1 emissions were multiplied by 0.25 and Scope 2 emissions were multiplied by 0.20.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
0.00% of the data came from suppliers, the emissions were estimated using factors published in Quantis’ case studies.

Upstream transportation and distribution

**Evaluation status**
Relevant, calculated

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
Emissions from upstream transportation and distribution related to delivery of goods and services are included in the Purchase Goods and Services source listed previously. To avoid duplication, this category has been intentionally omitted. Additionally, HanesBrands is somewhat vertically integrated and tracks raw materials shipments to our factories at the manifest level. Many of the shipping assets are co-mingled within the common reporting platform and since carbon emissions from upstream and downstream transportation are both recorded as scope 3, HanesBrands has elected to combine and report upstream and downstream transportation carbon equivalent emissions for approximately 60k annual shipments under downstream transportation and distribution.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
80

**Explanation**
To avoid duplication resulting from emission accounted for previously in purchased goods and services, this category was intentionally omitted. No data directly related to upstream transportation that falls outside of our shipping tracking systems was reported by suppliers for items such as dyes & chemicals, packaging, MRO, etc. Total upstream and downstream transportation and distribution emissions are accounted for in downstream section below.
Waste generated in operations

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
2311

**Emissions calculation methodology**
Scope 3 emissions from landfilling waste was calculated using the US EPA’s Waste Reduction Model (WARM) model to develop a weighted average emission factor of 0.24 MtCO2e per metric ton of waste based on the mix of waste generated during the reporting year multiplied by the tons of waste landfilled. As of the end of 2017, the company’s Zero Waste initiative has diverted 82.7% of waste out of landfills, which has avoided 134,500 metric tons of CO2e that are related to emissions from manufacturing replacement products and landfill emissions. The company expects to reduce an additional 28,100 metric tons of previously unaccounted CO2e emissions when 100% of waste has been recycled and diverted out of landfills.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
100

**Explanation**
On a regular basis (Monthly), each facility within HanesBrands supply chain tracks, records and reports waste generation and recycle rates data by waste category type. one-hundred percent of the data came from facilities within HanesBrands supply chain, the emissions were calculated using the US EPA’s Waste Reduction Model (WARM) model.

Business travel

**Evaluation status**
Not relevant, calculated

**Metric tonnes CO2e**
8146

**Emissions calculation methodology**
Emissions by business travel type (air, automobile, bus, rail) were calculated using emission factors (MT CO2e/ $1million spend) that came from the Scope 3 evaluator tool by Quantis in partnership with The Green House Protocol. The tool estimates emissions using 2009 world multiregional estimate of average environmental impacts by region-sector combined with global warming potential impact assessment (Timmer 2012, IPCC 2007). The company’s 2017 business travel cost in millions of US dollars for each transportation mode was multiplied by the Quantis derived emission factor (MtCO2e/million dollars of spend).

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
0.00% of the data came from suppliers; the emissions were estimated using a MT CO2e/$1 million spent on business travel was derived using Quantis’ Scope 3 evaluator tool.
Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
53971

Emissions calculation methodology
Emissions for employee commuting by mode of transportation were calculated by multiplying various emission factors for each mode of transportation times the number of employees for each mode of transportation as follows: Emissions from employees commuting by car were calculated using an emission factor (1700 gCO2e/employee – year) that was taken from Quantis Scope 3 evaluator tool for category 7; “Documentation of the data and calculations to support GHG protocol”. An emission factor of 1061 gCO2e/km traveled was used to calculate emissions from employees traveling by urban bus and then converted to a per employee emission factor. The factor was taken from the GHG protocol “Calculating CO2 Emissions from Mobile Sources - Guidance to calculation worksheet”. An emission factor of 93 gCO2e/km traveled was used to calculate emissions from employees traveling by motorbikes that are lt;150cc and then converted to per employee emission factor. The factor was taken from the GHG protocol “Calculating CO2 Emissions from Mobile Sources - Guidance to calculation worksheet”.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
0.00% of the data came from suppliers; the emissions were estimated using factors derived from the Quantis’ Scope 3 evaluator tool and the GHG protocol "Calculating CO2 Emissions from Mobile Sources - Guidance to calculation worksheet".

Upstream leased assets

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
2013

Emissions calculation methodology
Emissions for leased assets (office, retail stores, warehouses, and apartments) were calculated using emission factors (MT CO2e/ square foot of lease space) that were derived from actual emissions data for similar direct owned locations that are included in our Scope 1 and 2 emission reported in this disclosure. Actual Scope 1 and 2 emission for similar locations was divided by the square foot area for each location.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
0.0% of upstream leased assets emissions was reported by suppliers.
Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
202104

Emissions calculation methodology
HanesBrands tracks (at the manifest level for approximately 60k shipments) kilometer-kilogram traveled for all product movements within our global supply chain. Since we are mostly vertically integrated upstream transportation of raw materials to our factories, inter-facility transportation of work-in-process, and transportation from our apparel cut-sew factories to our distribution centers is all reported on a common platform and many of the shipping assets are co-mingled making it difficult and unnecessary to break down transportation emissions by upstream and downstream. Emissions for downstream transportation (defined as after garment manufacturing - truck, ocean, air and rail) as well as upstream transportation of raw materials to our manufacturing facilities, were calculated using carbon dioxide equivalent emission factors derived from US EPA “Emission Factors for Greenhouse Gas Inventories”; revised 19 November 2015; table 9 - Product Transport Emission Factors and GWP’s from IPCC forth Assessment Report. For example, Waterborne Craft 0.059 kg CO2/ton-mile : example calculations: (0.059 kgCO2e/ton-mile x 1GWP) + (0.0005 grams CH4/ton-mile/1000gram/kg x 25 GWP) + (0.0040 grams N2O/ton-mile/1000 grams/kg x 310 GWP)) x (1 mile/1.60934 km) x (1.102 ton/MT) = 0.0412 kgCO2e/km-MT

Air: 0.9032 kgCO2e/km-MT Rail: 0.0166 kgCO2e/km-MT Drayage, Truck, Fleet: 0.1003 kgCO2e/km-MT

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Explanation
HanesBrands tracks all product movements across the global supply chain, at the manifest level by mode of kilogram-kilometer traveled.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Processing of sold products is not applicable to Hanesbrands because none of our products require further processing.

Use of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
As an apparel company, Hanesbrands recognizes the impacts from consumers washing garments in hot water. (for example, one additional load of laundry per week washed in cold water instead of hot water over the course of a year in household doing laundry could potentially avert 5 million metric tons of GHG emissions). Even though the emissions are very difficult to measure, HanesBrands is actively engaged with The Sustainable Consortium’s efforts to promote cold water washing and approximately 26% of total product offering provides garment care labels that recommend washing in cold water.
End of life treatment of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
As an apparel company, Hanesbrands recognizes impacts from disposal of our products. However, due to the complexity of understanding consumer behaviors related to waste disposal, it is difficult to accurately calculate the emissions from this category. The company’s effort to divert waste from landfills including reuse/recycle has pointed to multiple possibilities that could generate meaningful results in this category. As part of the company's efforts to celebrate Earth Day, the company recently tested partnering with Good Will where our customers received a pre-paid "Give Back Box" as well as a discount as encouragement to recycle garments.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
All leased assets are included in the upstream leased assets calculations.

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
0

Emissions calculation methodology
Not calculated

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Explanation
Franchises are not applicable to Hanesbrands.
Investments

**Evaluation status**
Relevant, not yet calculated

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
Not yet calculated

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
Hanebrands is a growing company and has made recent acquisition that are not included in the 2018 disclosure; however, acquisitions that were previously excluded in the 2017 disclosure are now included, and work is currently underway to integrate energy and carbon metrics for these more recent acquisitions into the overall corporate accounting of GHG emissions.

Other (upstream)

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
Not calculated

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
We are not aware of any other emissions that are not included in other categories listed

Other (downstream)

**Evaluation status**
Not relevant, explanation provided

**Metric tonnes CO2e**
0

**Emissions calculation methodology**
Not Calculated

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**
0

**Explanation**
We are not aware of any other emissions that are not included in other categories listed

---

C6.7

(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?
Yes

C6.7a

(C6.7a) Provide the emissions from biologically sequestered carbon relevant to your organization in metric tons CO2.
75083
Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.0000396

Metric numerator (Gross global combined Scope 1 and 2 emissions)
256228

Metric denominator
unit total revenue

2017 net sales of $6,471,410 (000)

Metric denominator: Unit total
6471410000

Scope 2 figure used
Market-based

% change from previous year
13.7

Direction of change
Decreased

Reason for change
For reporting year 2016, HanesBrands had gross global scope 1 and market-based scope 2 CO2e emissions of 276,699 metric tons of CO2e and net sales of $6,028,199,000 as reported in the company's 10-k. yielding an intensity of 0.0000459 MT CO2e/$net sales. In 2017, HanesBrands had a gross global scope 1 and market-based scope 2 emissions of 256,228 metric tons of CO2e and net sales of $6,471,410,000 as reported in the company's 10-k; yielding a CO2e intensity of 0.0000396 metric tons of CO2e/$ net sales, a 13.7% decrease versus 2016. The primary reasons for the change in CO2e intensity per revenue is due to 1) an increase in production volume and resultant revenue from 2016 revenue of $6.028 billion to 2017 revenue of $6.471 billion; and 2) an increase in the use of renewable energy from 2016 RE portfolio of 25.8% to 2017 RE portfolio of 33.2% due to increased utilization of the company's biomass-fueled boiler operations required for process steam and 3) implementation of various energy reduction activities within operations. The increase in renewable energy reduced CO2e emissions and was the primary contributor to a lower CO2e intensity.

Intensity figure
0.845

Metric numerator (Gross global combined Scope 1 and 2 emissions)
256228

Metric denominator
Other, please specify (Finished product (000lbs.))

Metric denominator: Unit total
303130.124

Scope 2 figure used
Market-based

% change from previous year
15.7

Direction of change
Decreased

Reason for change
The primary reasons for the decrease in CO2e intensity per finished pound of product is due to 1) an increase in production volume coupled with energy reduction efforts; and 2) an increase in the use of renewable energy from 2016 RE portfolio of 25.8% to 2017 RE portfolio of 33.2%. the increase in renewable energy reduced CO2e emissions. The increase in renewable energy is due to an increase in biomass utilization associated with the thermal steam requirements in our textile operations. Additionally, increased production volume increases the denominator and thus absorbs more of the scope 1 and scope 2 emissions associated with apparel assembly, distribution, and administrative (office) operations.
C7. Emissions breakdowns

C7.1

(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

<table>
<thead>
<tr>
<th>Greenhouse gas</th>
<th>Scope 1 emissions (metric tons of CO2e)</th>
<th>GWP Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO2</td>
<td>90011</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Our scope 1 and scope 2 greenhouse gas emissions are tracked and reported as CO2e for our corporate inventory reports. The methane and nitrous oxide components of are included in these GHG inventory calculations using Global Warming Potentials from IPCC AR5-100 (CO2 = 1, CH4 = 28, N2O = 265). When comparing GWP's from AR5 versus AR4, the impact on our total GHG inventory is a non-relevant 0.02% decrease in CO2e.</td>
</tr>
<tr>
<td>CH4</td>
<td>119</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>N2O</td>
<td>592</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td>SF6</td>
<td>0</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>We do not have any sulfur hexafluoride (SF6)</td>
</tr>
<tr>
<td>HFCs</td>
<td>0</td>
<td>IPCC Fifth Assessment Report (AR5 – 100 year)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HanesBrands has a comprehensive Global Environmental Management System (GEMS) policy that governs the use of refrigerants. Policy dictates that all documents are to be maintained in a central file at the site and include equipment inventory and log of leak repairs. In prior years, an independent verification was performed of HanesBrands’ 2016 greenhouse gas emissions inventory. During the verification, the team examined documentation relating to the company’s refrigerant use to confirm the low proportions this source category contributed to the overall GHG emission profile and deemed not relevant.</td>
</tr>
</tbody>
</table>

C7.2
(C7.2) Break down your total gross global Scope 1 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>0</td>
</tr>
<tr>
<td>Brazil</td>
<td>1005</td>
</tr>
<tr>
<td>Canada</td>
<td>273.4</td>
</tr>
<tr>
<td>China</td>
<td>42.7</td>
</tr>
<tr>
<td>Czechia</td>
<td>191.9</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>15866</td>
</tr>
<tr>
<td>El Salvador</td>
<td>31887.9</td>
</tr>
<tr>
<td>France</td>
<td>4020.3</td>
</tr>
<tr>
<td>Germany</td>
<td>838</td>
</tr>
<tr>
<td>Honduras</td>
<td>571.8</td>
</tr>
<tr>
<td>Italy</td>
<td>235.7</td>
</tr>
<tr>
<td>Mexico</td>
<td>1281</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>5114</td>
</tr>
<tr>
<td>Romania</td>
<td>1948.9</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2605.3</td>
</tr>
<tr>
<td>Spain</td>
<td>196</td>
</tr>
<tr>
<td>Thailand</td>
<td>11.7</td>
</tr>
<tr>
<td>United States of America</td>
<td>23831.5</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>800.9</td>
</tr>
</tbody>
</table>

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By activity

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 1 emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing Operations (Textiles, cut, sew, attribution)</td>
<td>85208.5</td>
</tr>
<tr>
<td>Distribution Center</td>
<td>5190.5</td>
</tr>
<tr>
<td>Administrative offices</td>
<td>323</td>
</tr>
</tbody>
</table>

C7.5
### (C7.5) Break down your total gross global Scope 2 emissions by country/region.

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Scope 2, location-based (metric tons CO2e)</th>
<th>Scope 2, market-based (metric tons CO2e)</th>
<th>Purchased and consumed electricity, heat, steam or cooling (MWh)</th>
<th>Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>316.3</td>
<td>316.3</td>
<td>805.7</td>
<td>0</td>
</tr>
<tr>
<td>Brazil</td>
<td>386.1</td>
<td>386.1</td>
<td>4157.9</td>
<td>0</td>
</tr>
<tr>
<td>Canada</td>
<td>324.9</td>
<td>324.9</td>
<td>1799.5</td>
<td>0</td>
</tr>
<tr>
<td>China</td>
<td>12911.7</td>
<td>12911.7</td>
<td>33963.3</td>
<td>0</td>
</tr>
<tr>
<td>Czechia</td>
<td>164.3</td>
<td>19.1</td>
<td>174.3</td>
<td>0</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>44953.2</td>
<td>22216.8</td>
<td>68656</td>
<td>0</td>
</tr>
<tr>
<td>El Salvador</td>
<td>20985</td>
<td>2744.7</td>
<td>81681.5</td>
<td>70998</td>
</tr>
<tr>
<td>France</td>
<td>1011.5</td>
<td>1011.5</td>
<td>14217.8</td>
<td>0</td>
</tr>
<tr>
<td>Germany</td>
<td>3615.5</td>
<td>3615.5</td>
<td>7611.5</td>
<td>0</td>
</tr>
<tr>
<td>Honduras</td>
<td>9435.9</td>
<td>9435.9</td>
<td>22636.2</td>
<td>0</td>
</tr>
<tr>
<td>Italy</td>
<td>478.6</td>
<td>478.6</td>
<td>1161.9</td>
<td>0</td>
</tr>
<tr>
<td>Mexico</td>
<td>5387.8</td>
<td>5387.8</td>
<td>11879.8</td>
<td>0</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>7724.2</td>
<td>7724.2</td>
<td>9044.8</td>
<td>0</td>
</tr>
<tr>
<td>Romania</td>
<td>1167.6</td>
<td>1167.6</td>
<td>2427.4</td>
<td>0</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1203.2</td>
<td>1203.2</td>
<td>4233.7</td>
<td>0</td>
</tr>
<tr>
<td>Spain</td>
<td>114.5</td>
<td>114.5</td>
<td>332.9</td>
<td>0</td>
</tr>
<tr>
<td>Thailand</td>
<td>2282.8</td>
<td>0</td>
<td>3632.8</td>
<td>3632.8</td>
</tr>
<tr>
<td>United States of America</td>
<td>54100.3</td>
<td>44508.5</td>
<td>135192</td>
<td>22737</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>51109.6</td>
<td>51939</td>
<td>106202.6</td>
<td>0</td>
</tr>
</tbody>
</table>

**HanesBrands ceased operations of its Nanjing, China textile manufacturing facility and relocated the production equipment to a handful of strategic partners located in Vietnam. Emissions associated with part year are reflected in China and the remainder shown in Vietnam. In the 2017 transition period, historic actual energy and associated carbon emissions from the Nanjing operations were used as a proxy for the relocated operations. Work is underway and evaluations are in progress as how to account for the key suppliers - either, operational control, equity share or as scope 3 supplier.

Czechia

The scope 2 location-based CO2e emissions inventory for Czechia was incorrectly quantified as 19 MT versus the correct value of 164 MT. The difference of 145 MT represents 0.09% of the total scope 2 market-based inventory and is not materially significant with regards to the total. The calculation methodology has been corrected for future reporting periods.

Dominican Republic

A power purchase agreement is in place to provide geothermal-derived electricity to the site.

France

Germany

Honduras

Italy

Mexico

Puerto Rico

Romania

Slovakia

Spain

Thailand

Electricity provided by hydroelectric source and zero scope 2 carbon emissions.

United States of America

Viet Nam

HanesBrands ceased operations of our Nanjing, China textile manufacturing facility mid-year 2017 and relocated the production equipment to a handful of strategic supply partners located in Vietnam. In the back half of the 2017 reporting year, historic energy use and scope 1 and 2 carbon emission factors from our Nanjing China operations were used as a proxy for the textile equipment and operations relocated to Vietnam during the transition and start-up period. Efforts are underway to incorporate actual energy and CO2e emission metrics from these strategic supply partners on a monthly basis. Additionally, the location-based scope 2 inventory for Vietnam used an incorrect emission factor. The correct value should be 51,939 metric tons CO2e (same value as market-based) versus the reported value of 51,109 metric tons. The calculation methodology has been corrected.
C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope 2, location-based emissions (metric tons CO2e)</th>
<th>Scope 2, market-based emissions (metric tons CO2e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing Operations (Textiles, cut, sew, attribution)</td>
<td>195218.1</td>
<td>143196.5</td>
</tr>
<tr>
<td>Distribution Center</td>
<td>17297.4</td>
<td>17152.2</td>
</tr>
<tr>
<td>Administrative offices</td>
<td>5157.3</td>
<td>5157.3</td>
</tr>
</tbody>
</table>

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year? Decreased
(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.

<table>
<thead>
<tr>
<th>Change in emissions (metric tons CO2e)</th>
<th>Direction of change</th>
<th>Emissions value (percentage)</th>
<th>Please explain calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in renewable energy consumption</td>
<td>31620 Decreased</td>
<td>11.4</td>
<td>In 2017 the company significantly increased its total renewable energy portfolio from 25.8% in 2016 to 33.2% in 2017. The increase was primarily from the increased utilization of the company's biomass-fueled CHP and boiler operations to support textile operations. The company's CO2e intensity per MMBTU's in 2017 improved by 10.4% from 0.0724 MTCO2e/MBMTU to 0.0649 MTCO2e/MMBTU. When applying these factors to the company's 2016 energy intensity across all categories of 13.838 MMBTU/000 pounds of production to current year production levels constant, the resultant 31,620 MTCO2e is obtained. Calculation: (0.0724 MTCO2e/MMBTU - 0.0649 MTCO2e/MMBTU) x (13.838 MMBTU/000 pounds production) x 303,130,120 pounds production = 31,620 MTCO2e.</td>
</tr>
<tr>
<td>Other emissions reduction activities</td>
<td>7430 Decreased</td>
<td>2.7</td>
<td>A reduction of 7,430 MT CO2e was achieved through various energy reduction activities as referenced in section C4.3(b). Over 56 projects at multiple locations contributed to energy savings of 87,503 MMBTU's and the resultant CO2e reductions. calculation: 7430 MTCO2e/276,699 = 2.7%</td>
</tr>
<tr>
<td>Divestment</td>
<td>0 No change</td>
<td>0 none</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>0 No change</td>
<td>0 none</td>
<td></td>
</tr>
<tr>
<td>Mergers</td>
<td>0 No change</td>
<td>0 none</td>
<td></td>
</tr>
<tr>
<td>Change in output</td>
<td>27038 Increased</td>
<td>9.8</td>
<td>HanesBrand production volume significantly increased in 2017 versus 2016 by almost 27 million pounds. If no energy or carbon reduction activities would have been implemented, the company would have experienced an increase of 27,038 MTCO2e when applying the 2016 carbon intensity factor of 1.002 MTCO2e/000 pounds of product. calculation: 26,984.4 (000lbs production) x 1.0020 MTCO2e/finished pound of production = 27,038 MTCO2e. 27,038 MTCO2e/276,699 MTCO2e = 9.8%</td>
</tr>
<tr>
<td>Change in methodology</td>
<td>3529 Decreased</td>
<td>1.3</td>
<td>Our calculation methodology has remained the same but CO2e Emission factors for the reporting year have been updated for the USA electricity grid using the latest eGRID 2016 data that was updated February 2018. The pre-updated market-based scope 2 emissions for were 169,035 MTCO2e. When applying the updated factors, the market-based Scope 2 inventory calculates to 165,506 MT CO2e. A differenc eof 3,529 MTCO2e.</td>
</tr>
<tr>
<td>Change in boundary</td>
<td>0 No change</td>
<td>0 none</td>
<td></td>
</tr>
<tr>
<td>Change in physical operating conditions</td>
<td>0 No change</td>
<td>0 none</td>
<td></td>
</tr>
<tr>
<td>Unidentified</td>
<td>0 No change</td>
<td>0 none</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4819 Decreased</td>
<td>1.7</td>
<td>There are several factors that contributed to the company’s gross reduction of 4,818 MT CO2e in the reporting year. The company has a robust energy management program that lowered the overall energy intensity by 5.8% in 2017. When applying this energy intensity reduction to the CO2e intensity as measured in MTCO2e per MMBTU and to a 2016 constant production volume, a resultant 16,163 MTCO2e is obtained. However, this increase in energy efficiency was partially offset by various activities at multiple locations that experienced declining production and as a result experienced increases to their individual energy and CO2e intensities.</td>
</tr>
</tbody>
</table>

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%
(C8.2) Select which energy-related activities your organization has undertaken.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Indicate whether your organization undertakes this energy-related activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstocks)</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>No</td>
</tr>
<tr>
<td>Generation of electricity, heat, steam, or cooling</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Heating value</th>
<th>MWh from renewable sources</th>
<th>MWh from non-renewable sources</th>
<th>Total MWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel (excluding feedstock)</td>
<td>HHV (higher heating value)</td>
<td>231637.5</td>
<td>415402.6</td>
<td>647040.1</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity</td>
<td>&lt;Not Applicable&gt;</td>
<td>97368.3</td>
<td>323508.9</td>
<td>420877.2</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>88934.4</td>
<td>88934.4</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
<td>&lt;Not Applicable&gt;</td>
<td>0</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>&lt;Not Applicable&gt;</td>
<td>329005.8</td>
<td>827845.9</td>
<td>1156851.7</td>
</tr>
</tbody>
</table>

(C8.2b) Select the applications of your organization’s consumption of fuel.

<table>
<thead>
<tr>
<th>Application</th>
<th>Indicate whether your organization undertakes this fuel application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of fuel for the generation of electricity</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of steam</td>
<td>Yes</td>
</tr>
<tr>
<td>Consumption of fuel for the generation of cooling</td>
<td>No</td>
</tr>
<tr>
<td>Consumption of fuel for co-generation or tri-generation</td>
<td>Yes</td>
</tr>
</tbody>
</table>

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

**Fuels (excluding feedstocks)**
- Natural Gas

**Heating value**
- HHV (higher heating value)
### Total fuel MWh consumed by the organization

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fuel MWh consumed by the organization</td>
<td>145539</td>
</tr>
<tr>
<td>MWh fuel consumed for the self-generation of electricity</td>
<td>0</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of heat</td>
<td>40715</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of steam</td>
<td>104824</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of cooling</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>MWh fuel consumed for self-co-generation or self-trigeneration</td>
<td>0</td>
</tr>
</tbody>
</table>

### Fuels (excluding feedstocks)

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Heating value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propane Liquid</td>
<td></td>
</tr>
</tbody>
</table>

### Heating value

<table>
<thead>
<tr>
<th>Description</th>
<th>Heating value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHV (higher heating value)</td>
<td></td>
</tr>
</tbody>
</table>

### Total fuel MWh consumed by the organization

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fuel MWh consumed by the organization</td>
<td>133125.6</td>
</tr>
<tr>
<td>MWh fuel consumed for the self-generation of electricity</td>
<td>0</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of heat</td>
<td>54001.8</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of steam</td>
<td>79123.8</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of cooling</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>MWh fuel consumed for self-co-generation or self-trigeneration</td>
<td>0</td>
</tr>
</tbody>
</table>

### Fuels (excluding feedstocks)

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Heating value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel Oil Number 2</td>
<td></td>
</tr>
</tbody>
</table>

In 2017 HanesBrands used an unusual amount of diesel fuel primarily to operate an emergency generator at our Puerto Rico operations. Under normal conditions minimal amounts of diesel fuel are used to operate and test standby/emergency generators, diesel-fueled fire pumps and switcher tractors for moving trailers.

### Heating value

<table>
<thead>
<tr>
<th>Description</th>
<th>Heating value</th>
</tr>
</thead>
<tbody>
<tr>
<td>HHV (higher heating value)</td>
<td></td>
</tr>
</tbody>
</table>

### Total fuel MWh consumed by the organization

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fuel MWh consumed by the organization</td>
<td>12437.2</td>
</tr>
<tr>
<td>MWh fuel consumed for the self-generation of electricity</td>
<td>10948.2</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of heat</td>
<td>1489</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of steam</td>
<td>0</td>
</tr>
<tr>
<td>MWh fuel consumed for self-generation of cooling</td>
<td>&lt;Not Applicable&gt;</td>
</tr>
<tr>
<td>MWh fuel consumed for self-co-generation or self-trigeneration</td>
<td>0</td>
</tr>
</tbody>
</table>
Fuels (excluding feedstocks)
Fuel Oil Number 5

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
124300.7

MWh fuel consumed for the self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
124300.7

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Fuels (excluding feedstocks)
Wood Chips

Heating value
HHV (higher heating value)

Total fuel MWh consumed by the organization
231637.5

MWh fuel consumed for the self-generation of electricity
0

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
124553

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
107084.5

C8.2d

(C8.2d) List the average emission factors of the fuels reported in C8.2c.
Fuel Oil Number 2

**Emission factor**
0.0742

**Unit**
metric tons CO2e per million Btu

**Emission factor source**

**Comment**
The EPA data source referenced above contains Distillate Fuel Oil No. 2 CO2 emission factor of 73.96 kg/mmBTU, CH4 emission factor of 3.0 grams/mmBTU and N2O emission factor of 0.60 grams/mmBTU. Emission factors for carbon dioxide, methane, and nitrous oxide are in mixed units and are included in calculations to derive a CO2e emission factor based on IPCC AR5 GWP's and in units of MTCO2e/mmBTU.

Fuel Oil Number 5

**Emission factor**
0.0754

**Unit**
metric tons CO2e per million Btu

**Emission factor source**

**Comment**
The EPA data source referenced above contains Residual Fuel Oil No. 5 CO2 emission factor of 72.93 kg/mmBTU, CH4 emission factor of 3.0 grams/mmBTU and N2O emission factor of 0.60 grams/mmBTU. Emission factors for carbon dioxide, methane, and nitrous oxide are in mixed units and are included in calculations to derive a CO2e emission factor based on IPCC AR5 GWP's and in units of MTCO2e/mmBTU.

Natural Gas

**Emission factor**
0.0532

**Unit**
metric tons CO2e per million Btu

**Emission factor source**

**Comment**
The EPA data source referenced above contains Natural Gas CO2 emission factor of 53.06 kg/mmBTU, CH4 emission factor of 1.0 grams/mmBTU and N2O emission factor of 0.10 grams/mmBTU. Emission factors for carbon dioxide, methane, and nitrous oxide are in mixed units and are included in calculations to derive a CO2e emission factor based on IPCC AR5 GWP's and in units of MTCO2e/mmBTU.
Propane Liquid

**Emission factor**
0.0645

**Unit**
metric tons CO2e per million Btu

**Emission factor source**

**Comment**
The EPA data source referenced above contains Liquified Petroleum gas (LPG) CO2 emission factor of 61.71 kg/mmBTU, CH4 emission factor of 3.0 grams/mmBTU and N2O emission factor of 0.60 grams/mmBTU. Emission factors for carbon dioxide, methane, and nitrous oxide are in mixed units and are included in calculations to derive a CO2e emission factor based on IPCC AR5 GWP's and in units of MTCO2e/mmBTU.

Wood Chips

**Emission factor**
0.095

**Unit**
metric tons CO2e per million Btu

**Emission factor source**

**Comment**
Emission factors for carbon dioxide, methane, and nitrous oxide are included in calculations to derive a CO2e emission factor based on IPCC AR5 GWP's

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

<table>
<thead>
<tr>
<th></th>
<th>Total Gross generation (MWh)</th>
<th>Generation that is consumed by the organization (MWh)</th>
<th>Gross generation from renewable sources (MWh)</th>
<th>Generation from renewable sources that is consumed by the organization (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>16573.7</td>
<td>16573.7</td>
<td>5625.5</td>
<td>5625.5</td>
</tr>
<tr>
<td>Heat</td>
<td>96206.1</td>
<td>96206.1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Steam</td>
<td>539885.8</td>
<td>539885.8</td>
<td>231637.5</td>
<td>231637.5</td>
</tr>
<tr>
<td>Cooling</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

C8.2f
(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

**Basis for applying a low-carbon emission factor**
Power Purchase Agreement (PPA) without energy attribute certificates

**Low-carbon technology type**
Other low-carbon technology, please specify (PPA w/ geothermal electricity generator)

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
70998

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
El Salvador Textile Manufacturing Facility and El Salvador Sock Manufacturing Facility - Electricity is provided through a purchase power agreement for electricity that is generated off-site using geothermal sources and from a on-site biomass fired combined heat and power plant. A part of the company's energy management strategy includes increasing use of renewable energy either from self generation or through negotiating supply agreements for renewable energy sources. This strategy impacts the emissions calculations for the two facilities mentioned above. In each case, the basis for the emissions factor applied to electricity consumed is based on a written communication from the electricity supplier detailing the attributes of the electricity provided. The PPA instrument satisfies the definition of Low Carbon energy as outlined in the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard. The geothermal PPA is for 100% geothermal energy. Therefore, an emissions factor of 0.0 is applied to purchased electricity for the site. Similarly, process steam and self generated electricity supplied by the on-site biomass fired combine heat and power plant mentioned previously, is considered to be a renewable energy source with a 0.0 emission factor. When fully utilized, the combined heat an power plant is expected to eliminate the use of approximately 4 million gallons of heavy fuel oil, which will result reducing GHG emissions by 32,750 metric tons.

---

**Basis for applying a low-carbon emission factor**
Power Purchase Agreement (PPA) without energy attribute certificates

**Low-carbon technology type**
Hydropower

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
3633

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
A HanesBrands manufacturing facility in Thailand is supplied by the local utility that generates electricity from hydroelectric sources.

---

**Basis for applying a low-carbon emission factor**
Grid mix of renewable electricity

**Low-carbon technology type**
Hydropower

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**
22737

**Emission factor (in units of metric tons CO2e per MWh)**
0

**Comment**
The energy represented above (22,737 MWh) is the renewable component of the overall generation mix that is distributed by a municipal electricity provider. The energy mix is 57% renewable from primarily hydroelectric sources. Additionally, HanesBrands operates several locations across the United States including North Carolina, Virginia, Delaware, Arkansas, Texas, Kansas, and California. Some states have a renewable energy portfolio standard in place and others, although not regulated, have a mix of renewable energy included in grid electricity. HanesBrands has obtained renewable energy values from EPA and calculated the component of grid supplied electricity that is renewable but is tracked internally and not reflected in the values above. (Values from egrid2016_summary_tables_table 4 State Resource Mix. https://www.epa.gov/energy/egrid-summary-tables)


**C9. Additional metrics**

**C9.1**

(C9.1) Provide any additional climate-related metrics relevant to your business.

**Description**

Energy use

**Metric value**

13.03

**Metric numerator**

total company energy use = 3,949,688 million BTU

**Metric denominator (intensity metric only)**

Finished production (000 pounds) = 303,130.124

% change from previous year

5.8

**Direction of change**

Decreased

**Please explain**

HanesBrands has an active and mature energy management program in place that is supported at the highest levels of the company. Our program is based on US EPA's ENERGY STAR Guidelines for Energy Management. Energy intensity (gross Global Energy/finished production) is a key performance indicator that is tracked and reported monthly to executive leadership during monthly operational reviews. note: there are slight rounding differences of 2,501 million BTU which represents an immaterial difference of 0.06% in the total energy value listed above of 3,949,688 million BTU and the sum of the energy types listed in sections 7 of 3,947,178 million BTU.

**Description**

Waste

**Metric value**

82.7

**Metric numerator**

Recycled waste volume = 101,072,068 pounds

**Metric denominator (intensity metric only)**

Total waste volume = 122,183,517 pounds

% change from previous year

0

**Direction of change**

No change

**Please explain**

HanesBrands diverted 108 million pounds of waste from the landfill in the reporting year. Landfill diversion rate is a key performance indicator that is reviewed monthly by executive leadership.

**Description**

Other, please specify (Water use intensity)

**Metric value**

8.52

**Metric numerator**

Total global water use = 2,584,380,000 gallons

**Metric denominator (intensity metric only)**
Finished production = 303,130,124 pounds

% change from previous year
6.7

Direction of change
Decreased

Please explain
HanesBrands recognizes the importance of water as a valuable natural resource and strives to improve water use efficiency. Water, along with the other mentioned above environmental metrics, is a key performance indicator and is tracked and reported to executive leadership on a monthly basis. Additionally, water correlates very closely with thermal energy use and is a leading indicator of energy use.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

<table>
<thead>
<tr>
<th>Scope</th>
<th>Verification/assurance status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 2 (location-based or market-based)</td>
<td>Third-party verification or assurance process in place</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Third-party verification or assurance process in place</td>
</tr>
</tbody>
</table>

C10.1a
(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.

**Scope**
Scope 1

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
Hanesbrands 2018 Scope 1-2 GHG Verification Statement_FINAL_20180727.pdf

**Page/section reference**
Page 1 Hanesbrands 2018 Scope 1-2 GHG Verification Statement_Final_20180727.pdf

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

**Scope**
Scope 2 market-based

**Verification or assurance cycle in place**
Annual process

**Status in the current reporting year**
Complete

**Type of verification or assurance**
Limited assurance

**Attach the statement**
For Scope 2 market-based verification refer to Page 1 Hanesbrands 2018 Scope 1-2 GHG Verification Statement_Final_20180727.pdf

**Page/section reference**
Page 1 Hanesbrands 2018 Scope 1-2 GHG Verification Statement_Final_20180727.pdf

**Relevant standard**
ISO14064-3

**Proportion of reported emissions verified (%)**
100

---

C10.1b
C10.1b Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope
Scope 3- at least one applicable category

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Attach the statement
Hanesbrands 2018 Scope 3 GHG Verification Statement_FINAL_20180727.pdf

Page/section reference
Page 1 Hanesbrands 2018 Scope 3 GHG Verification Statement_Final_20180727.pdf

Relevant standard
ISO14064-3

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

<table>
<thead>
<tr>
<th>Disclosure module verification relates to</th>
<th>Data verified</th>
<th>Verification standard</th>
<th>Please explain</th>
</tr>
</thead>
<tbody>
<tr>
<td>C5. Emissions performance</td>
<td>Year on year change in emissions (Scope 1)</td>
<td>ISO 14064-3 Greenhouse Gases - Part 3</td>
<td>As part of our annual third party verification process, the third party also reviews and verifies year over year changes in scope 1 and scope 2 calculations</td>
</tr>
<tr>
<td>C5. Emissions performance</td>
<td>Year on year change in emissions (Scope 2)</td>
<td>ISO 14064-3 Greenhouse Gases - Part 3</td>
<td>As part of our annual third party verification process, the third party also reviews and verifies year over year changes in scope 1 and scope 2 calculations</td>
</tr>
<tr>
<td>C4. Targets and performance</td>
<td>Other, please specify (Zero Waste)</td>
<td>Germany's Disposal Operations D1 in ANNEX II of Directive 2008/98/EC</td>
<td>Third party verification has been performed at our Germany location to verify and confirm that all wastes which occur during business activities are sent to recipients for recovery. Rheine zero waste English_Confirmation Hanes-scan.pdf</td>
</tr>
</tbody>
</table>

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes
C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
EU ETS
France carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading systems in which you participate.

**EU ETS**

- **% of Scope 1 emissions covered by the ETS**
  
  16.9

- **Period start date**
  
  January 1 2018

- **Period end date**
  
  December 31 2017

- **Allowances allocated**
  
  35738

- **Allowances purchased**
  
  0

- **Verified emissions in metric tons CO2e**
  
  0

- **Details of ownership**
  
  Facilities we own and operate

- **Comment**
  
  HanesBrands owns and operates a biomass fired industrial steam boiler in the Dominican Republic that is registered with the UNFCCC under the Clean Development Mechanism (CDM) that was established after the Kyoto Protocol (see UNFCCC Project #6929; https://cdm.unfccc.int/Projects/DB/DNV-CUK1344079596.55/view). To date, the plant has not verified CO2e emissions credits because the company currently does not plan to sell the credits generated. Instead, the company tracks actual monthly emissions and applies the CO2e avoidance to the company's CO2e reduction goal to reduce emissions by 40% versus a 2007 baseline and to increase the use of renewable energy to 40% of its total energy usage portfolio.

C11.1c
(C11.1c) Complete the following table for each of the tax systems in which you participate.

<table>
<thead>
<tr>
<th>Tax System</th>
<th>Period Start Date</th>
<th>Period End Date</th>
<th>% of Emissions Covered by Tax</th>
<th>Total Cost of Tax Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>France carbon tax</td>
<td>January 1 2017</td>
<td>December 31 2017</td>
<td>1.9</td>
<td>1</td>
</tr>
</tbody>
</table>

**Comment**

HanesBrands has three facilities in France which are impacted by the France carbon tax. In 2017, these facilities consumed 74,149 mmBTU of natural gas and 14,218 MWh's of electricity. The France carbon tax is embedded in the energy rate and is passed along to the end user by the utility provider. HanesBrands natural gas consumption of 74,149 mmBTU x 0.0523 MT CO2e/DT = 3,948 MTCO2e. HanesBrands electricity consumption of 14,218 MWh x France electricity grid emission factor of 0.071146 MTCO2e/MWh = 1,011 MTCO2e. The France carbon tax was applied to (3,948 MTCO2e + 1,011 MTCO2e) = 4,959 MTCO2e. HanesBrands total scope 1 and market-based scope 2 emissions equate to 90,722 + 165,506 = 256,228 MTCO2e. The percent of total emissions impacted by the France carbon tax is 4,959/256,228 = 1.9%

(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?

HanesBrands strategy is to invest in energy efficiency/conservation projects that mitigate increased energy cost caused by increases in CO2e taxes and/or CO2e emission allowances (EUA) credits. As an example, recent decisions by the European Union where it committed itself to reduce CO2 emissions annually by 2.2% for the period 2021-2030. As a result, EUA prices reacted heavily and moved up from 7 EUR/t in November 2017 to 14 EUR/t in March 2018. The EU expects CO2 emission certificate prices to be in a range of 25-30 EUR/t to generate investments in carbon reduction projects. These EUA cost increases are impacting electricity rates throughout the EU. In response to these increasing electricity rates, HanesBrands has ramped up investments in energy efficiency/conservation projects, which also contributes the EU's overall climate strategy.

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

(C11.2a)
(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit origination

Project type
Biomass energy

Project identification
HanesBrands owns and operates a biomass fired industrial steam boiler in the Dominican Republic that is registered with the UNFCCC under the Clean Development Mechanism (CDM) (see UNFCCC Project #6929; https://cdm.unfccc.int/Projects/DB/DNV-CUK1344079596.55/view ). To date, the plant has not verified CO2e emissions credits because the company currently does not plan to sell the credits generated. Instead, the company tracks actual monthly emissions and applies the CO2e avoidance to the company's CO2e reduction goal to reduce emissions by 40% versus a 2007 baseline and to increase the use of renewable energy to 40% of its total energy usage portfolio.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
35738

Number of credits (metric tonnes CO2e): Risk adjusted volume
15323

Credits cancelled
Not relevant

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit origination

Project type
Biomass energy

Project identification
HanesBrands owns and operates a biomass fired 5.5 Megawatt combined heat and power plant located in El Salvador. When fully utilized, this new facility will reduce heavy fuel oil usage by more than 4 million gallons a year and GHG emissions by 32,750 metric tons. To date, the plant has not registered the CO2e emissions credits because the company currently does not plan to sell the credits generated. Instead, the company tracks actual monthly emissions and applies the CO2e avoidance to the company's CO2e reduction goal to reduce emissions by 40% versus a 2007 baseline and to increase the use of renewable energy to 40% of its total energy usage portfolio.

Verified to which standard
Not yet verified

Number of credits (metric tonnes CO2e)
32750

Number of credits (metric tonnes CO2e): Risk adjusted volume
10588

Credits cancelled
Not relevant

Purpose, e.g. compliance
Voluntary Offsetting

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years
C12. Engagement

C12.1

*(C12.1) Do you engage with your value chain on climate-related issues?*

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a
(C12.1a) Provide details of your climate-related supplier engagement strategy.

**Type of engagement**
Information collection (understanding supplier behavior)

**Details of engagement**
Collect climate change and carbon information at least annually from suppliers
Other, please specify (Major suppliers monthly energy/emissions)

**% of suppliers by number**
29

**% total procurement spend (direct and indirect)**
59.3

**% Scope 3 emissions as reported in C6.5**
42

**Rationale for the coverage of your engagement**
Hanesbrands’ success in delivering quality and value depends to a large extent on strong relationships with our suppliers and business partners. Hanesbrands believes in doing business with suppliers, contractors, joint venture partners, agents, sales representatives, distributors and consultants who embrace and demonstrate high standards of ethical business behavior. Hanesbrands believes in doing business with suppliers who share the company’s commitment to protecting the quality of the environment around the world through sound environmental management. Suppliers will comply with all applicable environmental laws and regulations, and will promptly develop and implement plans or programs to correct any non-compliant practices. Hanesbrands will favor suppliers who seek to reduce waste and minimize the environmental impact of their operations. Note, during the reporting year, HanesBrands closed a textile manufacturing facility in China that supplied cut parts to multiple sewing facilities located in South East Asia. The fabric production was moved to dedicated suppliers operating in Vietnam. For the purposes of this report, the emissions associate with the fabric produced in Asia are included in the company’s Scope 1 and Scope 2 metrics; therefore, this report shows 0% of the Scope 3 emissions as reported in C6.5. Since the emission from this change in supply are significant and would represent a significant shift from Scope 1 and 2 to Scope 3 emissions, the company is currently evaluating whether to report emissions from this key Asia supplier network as inside the company’s control boundary (i.e., Scope 1 and 2) or to shift these emissions to Scope 3. This new Asia fabric supply network represents 22.5% of total Scope 1 and 2 emissions, and 32.5% of Scope 3 emissions defined in C6.5.

**Impact of engagement, including measures of success**
In prior years and again in 2017, key suppliers were invited to participate in a workshop in which Hanesbrands leadership iterated its sustainability strategy and expectations. The workshop was followed by a showcase that highlighted Hanesbrands environmental sustainability efforts and included interactive booths on topics such as consumer insights, energy management, renewable energy, water and wastewater, solid waste and recycling, product development, packaging, corporate social responsibility and ENERGY STAR. HanesBrands understands the need to engage with suppliers and customers to identify opportunities to leverage best practices around energy and water usage conservation, greenhouse gas emissions reductions, and solid waste avoidance. In an effort to promote ongoing business to business collaboration with suppliers, during 2017 HanesBrands launched an annual supplier sustainability questionnaire that requested information about sustainability performance and encouraged suppliers to develop management processes that will improve their environmental performance. The questionnaire spanned topics including energy use, water use, greenhouse gas emissions, wastewater treatment and safety. This questionnaire is designed to inform HanesBrands about supplier performance on specific sustainability metrics and to identify best practices that can be implemented across HanesBrands supply chain. The questionnaire was sent to 274 companies, which represents close to 100% of the companies that supply components found in products that are sold and/or manufactured by HanesBrands. Of the 274 companies that were contacted, 80 responses where received, 42 had energy and environmental goals, 31 could provide energy usage data, and 11 could provide greenhouse gas emissions data. This initial response was considered weak but pointed to the importance of HanesBrands’ leadership in driving toward reducing energy usage and greenhouse gas emissions. The company has plans to repeat the questionnaire annually and will take steps to ensure better participation, to encourage goal setting, to identify best practices, and to drive emissions reductions. In addition to the questionnaire and the summit, Hanes also has a Global Standards for Suppliers program that ensures compliance to Hanesbrands’ expectations. Hundreds of on-site audits are conducted annually.

**Comment**

(C12.1b) Give details of your climate-related engagement strategy with your customers.

(C12.1b)
**Type of engagement**
Education/information sharing

**Details of engagement**
Share information about your products and relevant certification schemes (i.e. Energy STAR)

**Size of engagement**

1

% Scope 3 emissions as reported in C6.5

0

**Please explain the rationale for selecting this group of customers and scope of engagement**
In 2017, HanesBrands’ focus was on generating a yearlong dialogue – with internal and external audiences – about its environmental stewardship program and strong partnership with U.S. EPA ENERGY STAR. Hanes communicated its ENERGY STAR partnership to all customers broadly across print and online media platforms to promote the company’s ENERGY STAR partnership. Hanes started the year by releasing its 2016 environmental results, which played a part in the increased emphasis on domestic press coverage and helped generate a record number of impressions. More than 1,200 placements in a combination of business, trade, consumer, CSR and blogger outlets broadly communicated the company’s commitment to ENERGY STAR and environmental sustainability. Covering media outlets included ABC, NBC, The Wall Street Journal, Bloomberg and The New York Times. In April, the company celebrated Earth Day by announcing its partnership with Give Back Box, an online service that coordinates the shipping of gently used apparel and household donations to charities across the U.S. This ongoing program encourages visitors to www.Hanes.com/GiveBackBox to learn about Hanes’ focus on environmental stewardship, including focus on renewable energy sources, and partnership with ENERGY STAR. Placement of the ENERGY STAR mark and link to www.energystar.gov are part of a direct consumer call-to-action to learn more about the program. New English- and Spanish-language social media channels (Facebook and Twitter) helped Hanes target online customers throughout 2017. Regularly scheduled posts about environmental stewardship included highlights of the company’s energy-management program and ENERGY STAR. Opportunistic posts on events such as Zero Emissions Day and ENERGY STAR’s Light the Moment campaign amplified key messages. Both contributed to generating an increased number of ENERGY STAR brand impressions. Social media and other external efforts also helped drive increased traffic to Hanes’ websites. In 2017, visitors to the company’s corporate site, Hanes For Good corporate responsibility hub and the new Apparel Tip Sheet (www.appareltipsheet.com), an online resource for journalists and bloggers covering the apparel industry, saw the ENERGY STAR logo and new language about the company’s commitment to the program.

**Impact of engagement, including measures of success**
Our measures for success include the total number of impressions generated by each placement and overall ENERGY STAR Partnership campaign. To illustrate the impact of our engagement, our approach resulted in more than 916 million total U.S. EPA ENERGY STAR brand impressions – a 40 percent increase versus 2016.

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**Type of engagement**
Collaboration & innovation

**Details of engagement**
Run a campaign to encourage innovation to reduce climate change impacts

**Size of engagement**

18

% Scope 3 emissions as reported in C6.5

0

**Please explain the rationale for selecting this group of customers and scope of engagement**
Hanesbrands recognizes that the scope of our product’s environmental impacts extends beyond our manufacturing footprint and into our value chain - both upstream with raw materials and downstream with consumer care. One of our largest customers, which accounted for 18% of our total net sales in 2017, also has recognized and understands that the biggest sustainability issues fall mostly outside their direct control. As a result, the customer has launched a project with a goal to reduce emissions within their supply chain 1 gigaton by 2030. Hanes has partnered with the “targeted” customer on this initiative and is now engaged with them on four projects, each with a goal to reduce environmental impacts. These were: 1) Increase the Adoption and Usage of Soil Moisture Sensors in Cotton Agriculture - Across the US, water tables are decreasing and there is increasing competition for water across agricultural, industrial, and urban uses. Therefore farmers must be more precise with water use than ever before. Not only does misuse account for wasted water, it also leads to wasted energy which increases greenhouse gas emissions, increase production costs and potential loss of yield, and can increase the potential for water runoff from the field. The increased use of water sensors will help to address these issues. Currently, there is a low adoption rate of the use of water sensors due to complexity of equipment use and the magnitude of the return on investment is not clearly understood. The adoption of water sensors will allow farmers to irrigate only when needed and lead to reduced runoff and leaching. 2) The Wastewater Challenge - The mission is to improve water quality associated with wastewater treatment processes in textiles manufacturing by creating and
building awareness of the long term business value and social responsibility associated properly treating wastewater. 3) Cold Water Wash Initiative - In the United States, heating water and running a washing machine accounts for approximately 2% of a household's annual energy use. The average household washes 5 loads of clothes per week, 55% of which use warm or hot water.

4) Every Day Low True Cost Hanes sock - a collaborative engagement with a large retailer to improve the sustainability of the product without raising the price and engage customers by highlighting key sustainability attributes.

**Impact of engagement, including measures of success**

Each of the 4 projects has been managed in a collaborative approach with participants including brands, manufacturers, govt and NGO’s, trade groups, academia, and a large retailer. Measures of success include increasing cotton soil productivity and uptake of the Wastewater 101 toolbox.

1) Increase the Adoption and Usage of Soil Moisture Sensors in Cotton Agriculture - The goal of the project is to increase irrigation water use efficiency by 20%, maintain or increase productivity, and provide growers a positive return on sensor investment. Success will be measured by percent adoption of sensor technology; change in irrigation water use efficiency; improved yield and fiber quality; positive return on sensor investment. Completion of pilot test in Georgia and development of education materials for U.S.

2) The Wastewater Challenge - The high-level goal of this project is that 100% of textiles plants will have access to information and training needed to adequately treat wastewater discharge. Scope and measuring Success - The project encompasses the full spectrum of the global textiles manufacturing supply chain, including all industrial processes, such as yarn production, textile manufacturing, and wet processing. In order to measure successful uptake of the Wastewater 101 Toolbox by the intended audiences, the download rate and the number of views of the Toolbox will be analyzed, as well as attendance at on-site trainings. The Wastewater 101 content will be tested and refined through pilot trainings before fully scaling across supply chains and regions.

3) Cold Water Wash Initiative - The average household washes 5 loads of clothes per week, 55% of which use warm or hot water. Changing one load of laundry a week from warm or hot to cold can save 175kWh per year and when considering 100 million US households have a washing machine, a potential CO2 savings associated with 17,500 million kWh per year. For more information visit [https://www.coldwatersaves.org/](https://www.coldwatersaves.org/)

4) Every Day Low True Cost Hanes Socks - Used The Sustainability Consortium's sustainability index as a guide to quantify and third-party verify sustainable attributes of the product. Product labeling with call-outs to the sustainable attributes was developed.

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C12.1c

(C12.1c) Give details of your climate-related engagement strategy with other partners in the value chain.

Environmental Sustainability is one of five key pillars (1. Global Ethics, 2. Facility Compliance, 3. Environmental Sustainability, 4. Product Safety, 5. Communities and Philanthropy) that defines HanesBrands' Corporate Social Responsibility (CSR) program called Hanes for Good. Each of these pillars are overlapping and provide a platform to encourage employee engagement in multiple corporate initiatives including climate-related engagement. For example, revenue generated from the sale of waste to recycling companies is used to fund community projects that are focused on fundamental needs in communities where the company operates. We call the program Green for Good. Green for Good projects include funding employee education, funding medical support, building medical clinics and classrooms, participating in climate related activities such as energy treasure hunts, beach cleanup, and planting trees. Green for Good has been in place for years and at the end 2017 the results are impressive:

- since 2010, millions have been invested in nearly 100 projects with over 500,000 employee volunteer hours
- nearly half of the company's energy reductions are the result of employee engagement efforts stemming from energy treasure hunts where low cost or no cost energy conservation projects are identified and implemented
- employee volunteers have planted over 88,000 trees and cleaned up multiple beaches
- over 2,150 high school (GED equivalency) have been earned by employees
- nearly 900 life changing surgeries have been preformed

By investing money that is generated from the sale of waste in the communities where we live, employees are continually incentivized to effectively manage waste and reduce energy. In addition employees feel a growing sense of ownership and participation in the company's overall environmental sustainability initiatives.
(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?
- Trade associations
- Other

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?
- Yes

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

**Trade association**
- Business Roundtable

**Is your position on climate change consistent with theirs?**
- Consistent

**Please explain the trade association’s position**
HanesBrands actively participates in the Business Roundtable (BRT). BRT is an association of chief executive officers of leading U.S. Companies working to promote sound public policy and expanded opportunity for all Americans through sound public policy. Business Roundtable CEOs are focused on ten key issues at the intersection of the economy and business. In the Business Roundtable’s Energy and Environment Committee Policies and Priorities, they state the following: “Access to reliable, affordable energy undergirds US national and economic security, and a clean, healthy environment is essential for economic prosperity now and for future generations. Business Roundtable supports policies that capitalize on America’s strengths in technology and energy diversity to maximize U.S. energy options and preserve environmental quality. The business community has a special obligation to step forward and help build an economically sustainable future.”

**How have you, or are you attempting to, influence the position?**
HanesBrands is fully supportive of BRT’s calls on Congress and the Administration to adopt policies that “focus research and development on cost-effective technologies that have the potential to improve energy efficiency while diversifying energy sources.” Hanesbrands encourages the adoption of environmentally responsible manufacturing and business practices by sharing our approach to energy management, chemical management and employee engagement. It is the intent of the company to influence our suppliers and other companies to leverage best management practices thereby further reducing energy usage, GHG emissions, water usage, and costs.
(C12.3e) Provide details of the other engagement activities that you undertake.

HanesBrands is an active member of the American Apparel and Footwear Association (AAFA).

The AAFA has moved to the forefront of sustainability in recent decades. The industry has found that being a good corporate citizen and producing sustainably is a great business decision. Various sustainability initiatives have brought together the industry and led to a collective push towards ever-more sustainable products and manufacturing processes.

HanesBrands is aligned with the American Apparel and Footwear Association's position and supports it through regular engagement with the organization. Our Group President Global Supply Chain, IT and e-Commerce serves on the AAFA's Board of Directors and is a member of their Executive Committee, and our Vice President, Corporate Social Responsibility (as well as other employees) are members of the Environmental Committee.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

HanesBrands' alignment process is driven by our organizational hierarchy, which is structured so that relevant reporting relationships and day-to-day interactions drive alignment between policy and actions. Policy decisions are made at the highest levels of the organization and driven down through the close working relationships of our supply chain, corporate social responsibility, legal and government relations teams. Frequent communication within and between the organization's business units promotes consistency in our activities as they relate to overall climate strategy.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

| Publication | In mainstream reports |
| Status | Complete |
| Attach the document | 2017 Annual Report.pdf |
| Content elements | Governance, Risks & opportunities |

| Publication | In voluntary sustainability report |
| Status | Complete |
| Attach the document | HBI-EnvironmentalPerformance-2018-Chart (1).pdf |
| Content elements | Emissions figures, Emission targets, Other metrics |
C14. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C14.1

(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.

<table>
<thead>
<tr>
<th>Job title</th>
<th>Corresponding job category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group President Global Supply Chain, Information Technology and E-Commerce</td>
<td>President</td>
</tr>
</tbody>
</table>

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

See Introduction in C0

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

<table>
<thead>
<tr>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>6471410000</td>
</tr>
</tbody>
</table>

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

<table>
<thead>
<tr>
<th>ISIN country code (2 letters)</th>
<th>ISIN numeric identifier and single check digit (10 numbers overall)</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>4103451021</td>
</tr>
</tbody>
</table>
SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Target Corporation

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e
11794

Uncertainty (±%)
5

Major sources of emissions
The major sources of scope one emissions are petroleum based fuels such as fuel oils (light and heavy), propane, and natural gas, and biomass. These fuels are consumed in industrial boilers used in the textile manufacturing and finishing processes, consumed in direct fired processes such as driers or used for building heat. Fuel types include propane, natural gas, heavy fuel oil, diesel, and biomass (primarily wood chips)

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Hanesbrands owns and operates the majority of their supply chain and as such, has control of the textile knitting, dyeing, finishing, cut, sew, packaging and distribution processes. This ownership allows for a high level of transparency and provides direct operational control to implement our key initiatives and policies within our 70+ supply chain factories and distribution centers. HanesBrands has an Energy Management Policy that is endorsed by executive leadership. Requirements of the policy include a host of energy management activities ranging from energy assessments, establishing facility-level key performance indicators and goals, energy data collection by energy type and reporting on a regular basis (at least monthly). Energy and carbon emissions data for each supply chain location are rolled up, reported, and reviewed at the corporate level on a monthly basis. Additionally, the corporate engineering staff makes frequent visits to our facilities and remain in frequent contact with facility staff on energy related topics. Energy data collection and resultant greenhouse gas emission inventory development is a difficult task but Hanes has appropriate measures in place to ensure a high quality of data. The company conducts annual third party verification of underlying energy data and procedures used to develop our corporate-level greenhouse gas emission inventory.

Requesting member
Wal-Mart Stores, Inc.

Scope of emissions
Scope 1

Emissions in metric tonnes of CO2e
16330

Uncertainty (±%)
5

Major sources of emissions
The major sources of scope one emissions are petroleum based fuels such as fuel oils (light and heavy), propane, and natural gas, and biomass. These fuels are consumed in industrial boilers used in the textile manufacturing and finishing processes, consumed in direct fired processes such as driers or used for building heat. Fuel types include propane, natural gas, heavy fuel oil, diesel, and biomass (primarily wood chips)

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Hanesbrands owns and operates the majority of their supply chain and as such, has control of the textile knitting, dyeing, finishing, cut, sew, packaging and distribution processes. This ownership allows for a high level of transparency and provides direct operational control to implement our key initiatives and policies within our 70+ supply chain factories and distribution centers. HanesBrands has an Energy Management Policy that is endorsed by executive leadership. Requirements of the policy include a host of energy management activities ranging from energy assessments, establishing facility-level key performance indicators and goals, energy data collection by energy type and reporting on a regular basis (at least monthly). Energy and carbon emissions data for each supply chain location are rolled up, reported, and reviewed at the corporate level on a monthly basis. Additionally, the corporate engineering staff makes frequent visits to our facilities and remain in frequent contact with facility staff on energy related topics. Energy data collection and resultant greenhouse gas emission inventory development is a difficult task but Hanes has appropriate measures in place to ensure a high quality of data. The company conducts annual third party verification of underlying energy data and procedures used to develop our corporate-level greenhouse gas emission inventory. Greater than 70% of scope 1 and scope 2 emissions are verified and significant amount of scope 3 emissions as well. Hanes has good visibility of point of sale data and is able to generate reports based on customer volumes. This sales data from Retail Link is used to develop an accurate allocation of greenhouse gas emissions based on the market value of products purchased.

Requesting member
Target Corporation

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e
21516

Uncertainty (%)
5

Major sources of emissions
The major sources of scope 2 emissions are electricity provided by off-site electric generation companies owned by municipalities or other private/public external utility companies. Offsite electricity generated by others accounts for over 85% of scope 2 emissions. The other major source of scope 2 emissions comes from off-site steam generated and provided by a municipality. The electricity associated with scope 2 emissions is used to power industrial processes required in textile manufacturing, building lighting, Heating Ventilation and Air Conditioning (HVAC), material handling equipment within distribution centers, etc. The municipal-provided steam associated with scope 2 emissions is used for textile manufacturing processes such as dyeing, drying, and finishing.

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Similar to scope 1 above - HanesBrands owns the majority of their supply chain. This ownership provides greater transparency and control over operations versus a sourced supply chain model as well as the ability to implement policies and procedures within these locations. Hanes has a corporate energy management policy in place that outlines specific energy management activities that are required. Energy data from each site is reported on a frequent (at least monthly) basis and rolled up, reported, and reviewed at the executive level on a monthly basis. The corporate engineering team has direct contact with each location and makes frequent in-person visits as well as email and telephone/web-based conferencing. The company also conducts annual third party verification of underlying energy data and procedures used to develop our corporate-level greenhouse gas emission inventory. Greater than 70% of scope 1 and scope 2 emissions are verified and significant amount of scope 3 emissions as well. Hanes has good visibility of point of sale data and is able to generate reports based on customer volumes. This sales data from Retail Link is used to develop an accurate allocation of greenhouse gas emissions based on the market value of products purchased.

Requesting member
Wal-Mart Stores, Inc.

Scope of emissions
Scope 2

Emissions in metric tonnes of CO2e
Major sources of emissions
The major sources of scope 2 emissions are electricity provided by off-site electric generation companies owned by municipalities or other private/public external utility companies. Offsite electricity generated by others accounts for over 85% of scope 2 emissions. The other major source of scope 2 emissions comes from off-site steam generated and provided by a municipality. The electricity associated with scope 2 emissions is used to power industrial processes required in textile manufacturing, building lighting, Heating Ventilation and Air Conditioning (HVAC), material handling equipment within distribution centers, etc. The municipal-provided steam associated with scope 2 emissions is used for textile manufacturing processes such as dyeing, drying, and finishing.

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Similar to scope 1 above - HanesBrands owns the majority of their supply chain. This ownership provides greater transparency and control over operations versus a sourced supply chain model as well as the ability to implement policies and procedures within these locations. Hanes has a corporate energy management policy in place that outlines specific energy management activities that are required. Energy data from each site is reported on a frequent (at least monthly) basis and rolled up, reported, and reviewed at the executive level on a monthly basis. The corporate engineering team has direct contact with each location and makes frequent in-person visits as well as email and telephone/web-based conferencing. The company also conducts annual third party verification of underlying energy data and procedures used to develop our corporate-level greenhouse gas emission inventory. Greater than 70% of scope 1 and scope 2 emissions are verified and significant amount of scope 3 emissions as well. Hanes has good visibility of point of sale data and is able to generate reports based on customer volumes. This sales data from Retail Link is used to develop a accurate allocation of greenhouse gas emissions based on the market value of products purchased.

Requesting member
Target Corporation

Scope of emissions
Scope 3

Emissions in metric tonnes of CO2e
128663

Uncertainty (±%)
10

Major sources of emissions
Hanesbrands disclosed data on 9 of the 15 available scope 3 categories on CDP. The most significant scope 3 sources are purchased goods and services (65%), Upstream transportation and distribution (16%) and capital Goods (6%). This data was collected using a combination of direct data submission from our raw-material suppliers and service providers, and from the development of models using input data from our procurement department and model development in accordance with CDP guidance using Quantis’ Scope 3 evaluator tool.

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
HanesBrands has a thorough understanding of our value chain. We have consulted the GHG Protocol and have developed appropriate models based on Quantis resources that captures the most significant scope 3 ghg emission categories. Inputs to this scope 3 ghg emissions model is based on procurement spending with the addition of transportation and supplier specific data. Very high quality data for transportation was obtained from our transportation/logistic group that records product movement by mode. The distances and weights were used in conjunction with EPA emission factors for transportation to develop a comprehensive ghh emissions associated with transportation. Additionally, key raw material suppliers submit monthly production and ghg emissions data.
Requesting member
Wal-Mart Stores, Inc.

Scope of emissions
Scope 3

Emissions in metric tonnes of CO2e
178148

Uncertainty (±%)
5

Major sources of emissions
Hanesbrands disclosed data on 9 of the 15 available scope 3 categories on CDP. The most significant scope 3 sources are purchased goods and services (65%), Upstream transportation and distribution (16%) and capital Goods (6%). This data was collected using a combination of direct data submission from our raw-material suppliers and service providers, and from the development of models using input data from our procurement department and model development in accordance with CDP guidance using Quantis’ Scope 3 evaluator tool.

Verified
Yes

Allocation method
Allocation based on the volume of products purchased

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
HanesBrands has a thorough understanding of our value chain. We have consulted the GHG Protocol and have developed appropriate models based on Quantis resources that captures the most significant scope 3 ghg emission categories. Inputs to this scope 3 ghg emissions model is based on procurement spending with the addition of transportation and supplier specific data. Very high quality data for transportation was obtained from our transportation/logistic group that records product movement by mode. The distances and weights were used in conjunction with EPA emission factors for transportation to develop a comprehensive ghg emissions associated with transportation. Additionally, key raw material suppliers submit monthly production and ghg emissions data.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

For more information about the company’s social responsibility initiatives, including environmental, greenhouse gas emissions, social compliance and community improvement achievements go to www.http://hanesforgood.com/

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

<table>
<thead>
<tr>
<th>Allocation challenges</th>
<th>Please explain what would help you overcome these challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>We face no challenges</td>
<td>Allocation based on market value of products purchased is the methodology used by HanesBrands. There are no significant challenges that we face in obtaining customer level sales data.</td>
</tr>
</tbody>
</table>

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes
SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

HanesBrands embraces the notion of continuous improvement and has applied this principle to greenhouse gas emissions reporting. As customer and consumer requests for emissions data increases, we will continue to refine our data collection and reporting capabilities to provide appropriate customer data. We manufacture a broad array of products within our company-owned and operated supply chain that are distributed to multiple customers. We currently allocate emissions based on the market value of products purchased but we have begun to explore the development of product-based emissions.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

**Requesting member**
Wal-Mart Stores, Inc.

**Group type of project**
Other, please specify (Partnership to reduce fertilizer carbon)

**Type of project**
Please select

**Emissions targeted**
Actions that would reduce both our own and our customers’ emissions

**Estimated timeframe for carbon reductions to be realized**
1-3 years

**Estimated lifetime CO2e savings**
775000

**Estimated payback**
Cost/saving neutral

**Details of proposal**
The U.S. Environmental Protection Agency ENERGY STAR program is currently working to develop a fertilizer focus group that seeks to reduce energy usage intensity and GHG emissions through superior energy management. With Wal-Mart’s participation, ENERGY STAR and their industrial partners could collaborate to develop tools for tracking energy used to produce fertilizer. Wal-Mart’s participation could motivate action through a collaborative approach that ties the exercise back to Project Gigaton and reporting avoided emissions through CDP. Overall, the partnership could bring a variety of stakeholders to the table to positively impact the production and potentially the use of fertilizer. ENERGY STAR estimates U.S.> nitrogenous fertilizer emitted 15.5 million tons of CO2 in 2010. If an initiative as described above could address just 5% of this, it would lead to a reduction of 775k tons CO2 annually. See the following link for further information:
https://www.energystar.gov/sites/default/files/tools/Fertilizer_guide_170418_508.pdf

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Yes

SC2.2a
(SC2.2a) Specify the requesting member(s) that have driven organizational-level emissions reduction initiatives, and provide information on the initiatives.

**Requesting member**
Wal-Mart Stores, Inc.

**Initiative ID**
2017-ID1

**Group type of project**
Other, please specify (Environmental Sustainability Initiatives)

**Type of project**
Other, please specify (Global Energy Management)

**Description of the reduction initiative**
HanesBrands has a robust energy management program that serves as a key pillar of our overall sustainability initiative. The holistic elements of our successful program include environmental compliance, energy management, water reduction, renewable energy, and community engagement. As noted in our “Global Code of Conduct,” we believe in being a responsible environmental steward and minimizing our emissions to the environment. We recognize the need to conduct business in a way that protects and improves the quality of life in our communities and improves the state of the environment for future generations. Energy management is foundational to our overall sustainability program because energy represents a significant and rising cost to our company and also is the majority contributor to carbon emissions. Our energy management strategic course was set by: 1) the business case of offsetting rising energy costs, and 2) our customers and consumers’ increasing level of environmental awareness, and their expectation that companies be responsible environmental stewards. We recognize that “one-off” projects are insufficient to accomplish meaningful and sustainable environmental emissions improvements; therefore, a comprehensive strategy is necessary. Our success is not attributed to a single project or initiative, but instead is the culmination of over 68,000 employees from around the globe who have adopted energy management as a value and continuously contribute to reducing our company’s impacts on the environment. Having supply chain members that support these values helps to provide momentum to initiatives and keeps them in the forefront. Additionally, the CDP questionnaire also provides a standardized framework in which companies can remain focused on tracking and reporting environmental metrics which are relevant to the investment community and key customers. We are pleased to report in total we avoided 137,210 MT CO2e emissions overall relative to our 2007 baseline, which is a 16,942 MT CO2e improvement during the reporting year.

**Emissions reduction for the reporting year in metric tons of CO2e**
16942

**Did you identify this opportunity as part of the CDP supply chain Action Exchange?**
No

**Would you be happy for CDP supply chain members to highlight this work in their external communication?**
Yes

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**Requesting member**
Target Corporation

**Initiative ID**
2017-ID2

**Group type of project**
Other, please specify (Environmental Sustainability)

**Type of project**
Other, please specify (Global Energy Management)

**Description of the reduction initiative**
HanesBrands has a robust energy management program that serves as a key pillar of our overall sustainability initiative. The holistic elements of our successful program include environmental compliance, energy management, water reduction, renewable energy, and community engagement. As noted in our “Global Code of Conduct,” we believe in being a responsible environmental steward and minimizing our emissions to the environment. We recognize the need to conduct business in a way that protects and improves the quality of life in our communities and improves the state of the environment for future generations. Energy management is foundational to our overall sustainability program because energy represents a significant and rising cost to our company and also is the majority contributor to carbon emissions. Our energy management strategic course was set by: 1) the business case of offsetting rising energy costs, and 2) our customers and consumers’ increasing level of environmental awareness, and their expectation that companies be responsible environmental stewards. We recognize that “one-off” projects are insufficient to accomplish meaningful and sustainable environmental emissions improvements; therefore, a comprehensive strategy is necessary. Our success is not attributed to a single project or initiative, but instead is the culmination of over 68,000 employees from around the globe who have adopted energy management as a value and continuously contribute to reducing our company’s impacts on the environment. Having supply chain members that support these values helps to provide momentum to initiatives and keeps them in the forefront. Additionally, the CDP questionnaire also provides a standardized framework in which companies can remain focused on tracking and reporting environmental metrics which are relevant to the investment community and key customers. We are pleased to report in total we avoided 137,210 MT CO2e emissions overall relative to our 2007 baseline, which is a 16,942 MT CO2e improvement during the reporting year.
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**Emissions reduction for the reporting year in metric tons of CO2e**

16942

**Did you identify this opportunity as part of the CDP supply chain Action Exchange?**

No

**Would you be happy for CDP supply chain members to highlight this work in their external communication?**

Yes

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**SC3.1**

(SC3.1) **Do you want to enroll in the 2018-2019 CDP Action Exchange initiative?**

No

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**SC3.2**

(SC3.2) **Is your company a participating supplier in CDP’s 2017-2018 Action Exchange initiative?**

No

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**SC4.1**

(SC4.1) **Are you providing product level data for your organization’s goods or services, if so, what functionality will you be using?**

No, I am not providing data

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**SC4.2d**

(SC4.2d) **Have any of the initiatives described in SC4.2c been driven by requesting CDP Supply Chain members?**

No

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**Submit your response**

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

<table>
<thead>
<tr>
<th>I am submitting my response</th>
<th>Public or Non-Public Submission</th>
<th>I am submitting to</th>
<th>Are you ready to submit the additional Supply Chain Questions?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public</td>
<td>Investors</td>
<td>Yes, submit Supply Chain Questions now</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customers</td>
<td></td>
</tr>
</tbody>
</table>

**Please confirm below**

I have read and accept the applicable Terms