



**Human Rights Report**  
**2020**





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## A LETTER FROM STEVE

As a purpose-led, performance-driven enterprise, we strive to leverage the strength of our business and passion of our employees to serve others.

Our focus on human rights is fueled by our commitment to work toward the betterment of people and our planet and be a force for good worldwide. At the same time, we know there's much more that we and others must do to ensure that human rights are upheld throughout the global apparel and footwear industry.

To that end, we formalized our **Human Rights Commitment** in 2019 and outlined our approach to respecting internationally recognized human rights in our business conduct, in full alignment with the United Nations Guiding Principles (UNGP) on Business and Human Rights and with the approval and oversight of the VF Board of Directors. Our commitment applies everywhere we do business, at every level of our company. As we see it, our ability to mitigate social and environmental impacts within our value chain is an obligation. It's what others expect of us, and what we expect of ourselves.

In this inaugural Human Rights report, we share our due diligence efforts, some lessons we've learned along the way, and a few stories about the lives we've touched. The report is aligned with the UNGP Reporting Framework

and covers our human rights activities and interventions during 2019 and 2020. Over the past two years, we worked to identify gaps in our human rights efforts throughout our business that held the potential for negative impacts – from retail store associates to distribution center packers, from supply chain partners to growers and farmers. And we continue to implement policies and processes across a range of human rights topics to address adverse impacts our business may have contributed to or caused. We've made efforts, for example, to verify that exploitive recruitment practices in our supply chain do not exist, to combat gender-based violence and harassment, and tackle issues of racism and discrimination. And in support of those efforts, we've proudly endorsed the Women's Empowerment Principles and the principles of the UN Global Compact.

The COVID-19 pandemic has had an enormous impact on people around the world. We recognize that the pandemic's disproportionate impact on vulnerable and marginalized groups has highlighted a myriad of disparities. In response, we've taken a people-first approach to supporting workers and their families, both in our own operations and throughout our extended supply chain. We remain committed to respecting the rights of all, as we understand and address the long-term effects of the pandemic in the communities where we operate. And we will continue to deliver on our commitment by prioritizing and addressing social injustices – both systemic issues and those caused by COVID-19.

We still have much work ahead of us, as we strive to lift up people throughout our value chain and create a more equitable and just society. We know we can't do this alone. Systemic change can only come through collaboration, which is why we'll continue to join with policymakers, foundations, investors, academia, civil society, NGOs, business partners and other stakeholders to advance people's rights in every part of the world.




**STEVEN E. RENDLE**  
Chairman, President & Chief Executive Officer

## VF COVID-19 Response Timeline

April 3, 2020

 The VF Foundation Contributes \$1.5 Million to Support COVID-19 Relief Efforts

April 7, 2020

 Board of Directors/ Executive Leadership Team Pay Cuts During COVID-19

April 30, 2020

 VF Endorses ILO COVID-19: Action in the Global Garment Industry

 All Major Worker and Community Development Programs Pivot Priorities to Support COVID-19 Mitigation Activities for Worker Communities in Cambodia, Bangladesh, India and China

April 16, 2020

 VF Corporation Statement Regarding Supply Chain Actions During COVID-19 Pandemic

 The Dickies® Brand / VF Corporation Develop Capacity to Produce 3.4 Million Isolation Gowns in Support of U.S. COVID-19 Response

May 13, 2020

 VF Corporation and Brands Donate More Than \$10.3 Million to COVID-19 Relief Efforts

May 20, 2020

 The VF Foundation Donation Supports Thousands of Families Affected by Factory Shutdowns in Bangladesh

June 11, 2020



 VF to Help COVID-19 Healthcare Workers

May 21, 2020

 VF Corporation Health & Safety Team Shares Its COVID-19 Prevention Best Practices

## VF Human Rights At a Glance

### 2013

-  Established Global Responsible Sourcing program
-  Joined Alliance for Bangladesh Worker Safety





### 2014

-  Published first Conflict Minerals report


### 2017

-  Shift Human Rights Risk Assessment conducted
-  Established Worker and Community Development program



### 2016

-  CHEM-IQ<sup>SM</sup> developed and launched
-  Published Cotton Sourcing Policy
-  Joined Paradigm for Parity
-  Published list of global factories

### 2015

-  Sustainable Operations team established


### 2018

-  Signed Mekong Club Business Pledge Against Modern Slavery
-  Signed AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment
-  Joined LABs in India and Vietnam
-  Responsible Recruitment Partnership with IOM
-  First traceability maps published

### 2019

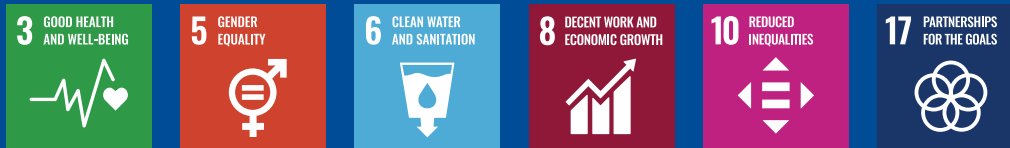
-  Article One Human Rights Risk Assessment
-  Establishment of a Worker Rights and Safety team

### 2020

-  Performed Commodity Risk Assessment
-  Performed Forced Labor Assessment
-  Signed Amicus Brief-Equal Rights Amendment
-  Founded VF's Council to Advance Racial Equity (CARE) Committee
-  Endorsed the United Nations Global Compact

## Strategy

VF supports all the UN Sustainable Development Goals (SDGs). Our work in human rights aligns most closely with the following SDGs:



### VF HUMAN RIGHTS VISION

**VF respects fundamental human rights. We foster inclusive and sustained economic growth and development that offers decent work opportunities to workers throughout our value chain.**

### Decent Work

UN SDG 8 defines decent work as opportunities for work that is productive and delivers:

- A fair income;
- Workplace security;
- Social protection for families;
- Better prospects for personal development and social integration;
- Freedom for people to express their concerns, organize and participate in the decisions that affect their lives; and
- Equality of opportunity and treatment for all men and women.

### VF DUE DILIGENCE PROCESS

VF systematically identifies, prioritizes and mitigates human rights issues. We develop, implement and continuously improve our due diligence approach in alignment with the UNGP on Business and Human Rights and other international standards. Key elements of this process include:



## GOVERNANCE

VF Corporation's Chairman, President and Chief Executive Officer, along with our full Executive Leadership Team (ELT), is responsible for approving the company's Sustainability and Responsibility strategies and goals, including those related to human rights.

Our Chief Human Resources Officer and Executive Vice President of Public Affairs is responsible for human rights issues within the company's direct operations. Our Executive Vice President, Global Supply Chain, oversees the implementation of our human rights commitments in VF's supply chain. Both are members of the ELT and report directly to VF's Chairman, President and CEO. These executives receive annual briefings on human rights risk assessments and our efforts to prevent and mitigate those risks, and approve policies related to human rights.

Our Enterprise Risk Management (ERM) process identifies the most significant risks to achieving our company strategy, and then governs and guides the ongoing management of those risks. Human rights issues are embedded within management of several of our current ERM risks.

The VF Board of Directors' Governance and Corporate Responsibility Committee receives regular updates on human rights issues and approaches to mitigating the related risks.

### Rights Holders and Stakeholder Engagement

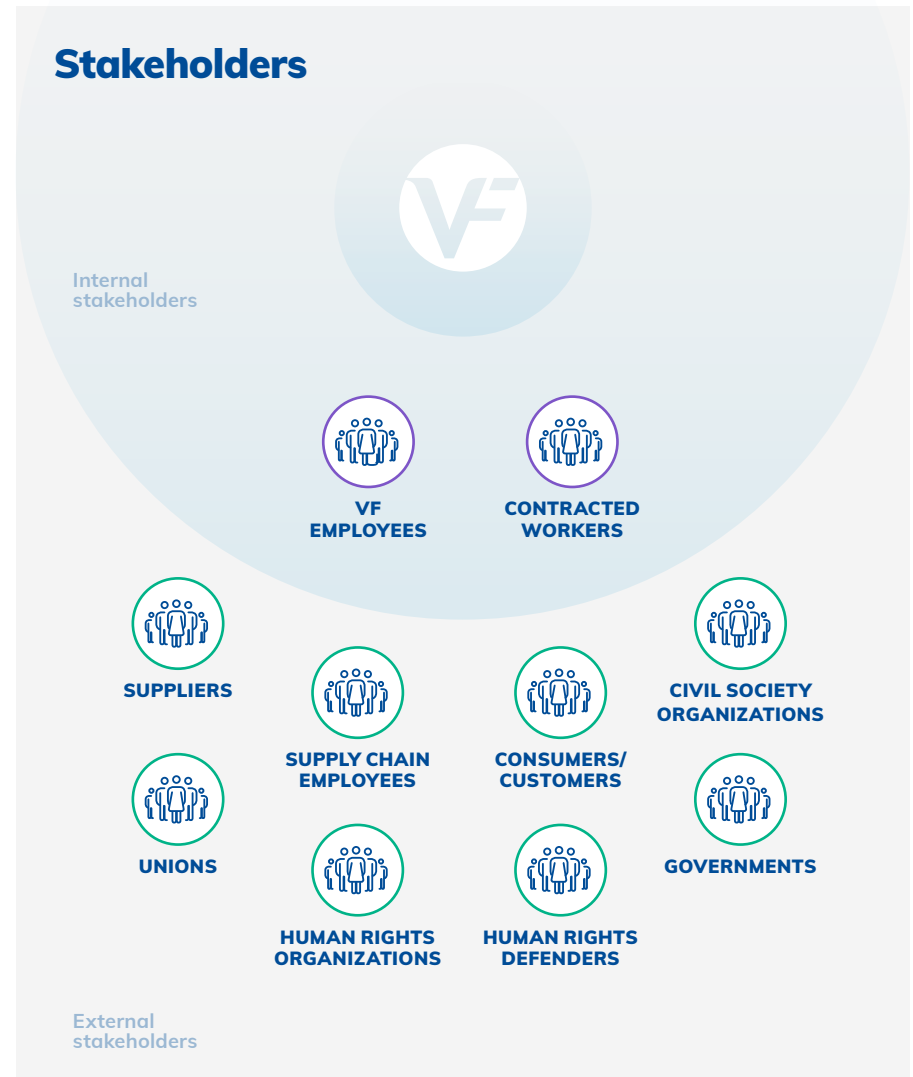
Our stakeholders are individuals or organizations that can affect, or be affected by, VF's actions and decisions. Our human rights efforts work to protect rights holders, which include factory workers, employees and customers.

To learn more about our Stakeholder Engagement process, click [here](#).

### External Stakeholder Partnerships

VF periodically convenes panels and roundtables on important human rights topics to inform our engagement and activations. For example, in 2019 and 2020, after we prioritized women's equity and empowerment as key human rights focus areas, leaders from various VF departments met with NGOs,

civil society organizations, labor rights groups and other experts to understand the root causes of risks to women – including gender-based violence and harassment – to better understand what gaps VF could help fill. We intend to continue these productive multi-stakeholder roundtables with VF executives and external experts going forward.



# DUE DILIGENCE & SALIENT ISSUES

Respecting Human Rights is central to our corporate Purpose: WE POWER MOVEMENTS OF SUSTAINABLE AND ACTIVE LIFESTYLES FOR THE BETTERMENT OF PEOPLE AND OUR PLANET.

VF is committed to respecting the fundamental human rights of everyone involved in our business operations and supply chain. It's a pledge we've outlined in our [Human Rights Commitment](#), which is aligned with the

UN Declaration on Human Rights (UDHR), the UNGP on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines.

The policies and commitments that govern our approach to protecting people include our:

- [Code of Business Conduct](#)
- [Commitment to Eradicating Gender Based Violence and Harassment](#)
- [VF's Terms of Engagement](#)
- [Cotton Fiber Sourcing Policy](#)
- [Forest Derived Materials Policy](#)
- [Global Compliance Principles \(GCP\)](#)
- [Human Rights Commitment \(HRC\)](#)
- [Responsible Recruitment and Anti-Forced Labor Commitment](#)
- [VF Supplier Terms & Conditions](#)

## VF Human Rights Commitment

Our Human Rights related commitments are part of the Master Manufacturing Terms and Conditions that all tier 1 and nominated tier 2 suppliers must acknowledge before accepting a purchase order.



Download



In accordance with the UNGP Reporting Framework, this section of the report focuses on our salient human rights issues. To determine which issues those are, we first seek to identify all potential risks through due diligence with human rights experts, engagement with internal and external stakeholders, and collaboration with industry peers. We then evaluate the saliency of our identified potential risks based on:

- **Scale** – the gravity of the impact on the rights holder;
- **Scope** – the number of individuals who could be affected; and
- **Remediability** – the difficulty of remediating the impact if it were to occur.

Mapping our human rights risks – which includes a robust Human Rights Impact Assessment (HRIA) – enables us to address our most salient issues. We continuously report our HRIA findings to our Executive Leadership Team and use what we learn to guide our human rights strategy. We know that some human rights risks may exist beyond what we’ve determined to be

salient. We intend to address and report on those issues in the future as we make progress on addressing those that are most pressing.

We conduct HRIAs at least every three years at the enterprise level, and on salient human rights topics throughout our supply chain. Understanding where our business may impact rights holders – including VF associates, suppliers and supply chain workers – helps to inform our human rights strategy. That strategy in turn guides our assessment of VF’s ability to mitigate salient risks, while creating a road map for preventing and remediating potential impacts.

As part of our commitment to regularly partner with human rights experts, we engaged Article One in 2019 to conduct a human rights risk assessment of actual and potential human rights impacts that we may cause, contribute to or be linked to via our operations, products, services or business relationships. Article One used stakeholder interviews and desk research, along with our sourcing footprint and audit data, to determine which human rights risks were most salient.

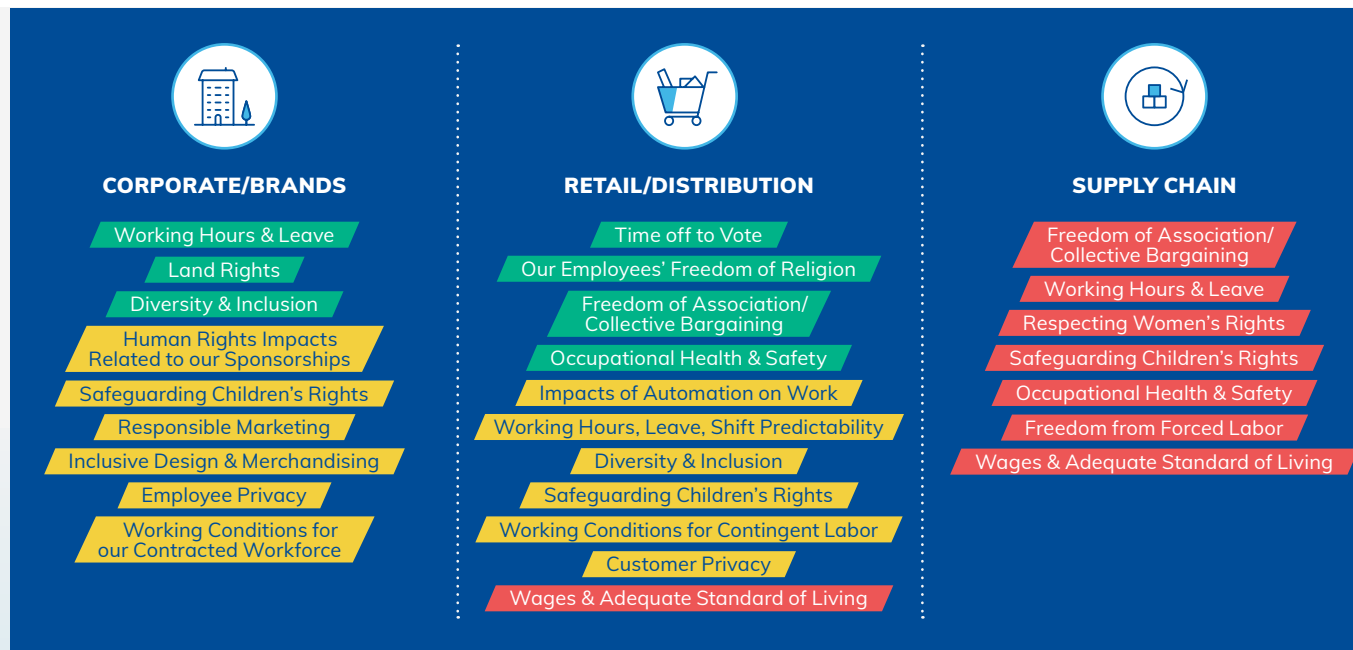
## Post-Management Saliency Mapping

The graphic to the right outlines potential salient human rights risks identified in our human rights saliency mapping.

### KEY

- Low risk
- Medium risk
- High risk

\* Inherent risks **after** considering management processes and policies



The Article One due diligence provided useful insights into our corporate offices, distribution centers, retail stores and contract factories. But we knew that additional risks could lie further up our supply chain – at tiers further beyond our direct engagement or where we have no contractual business relationship.

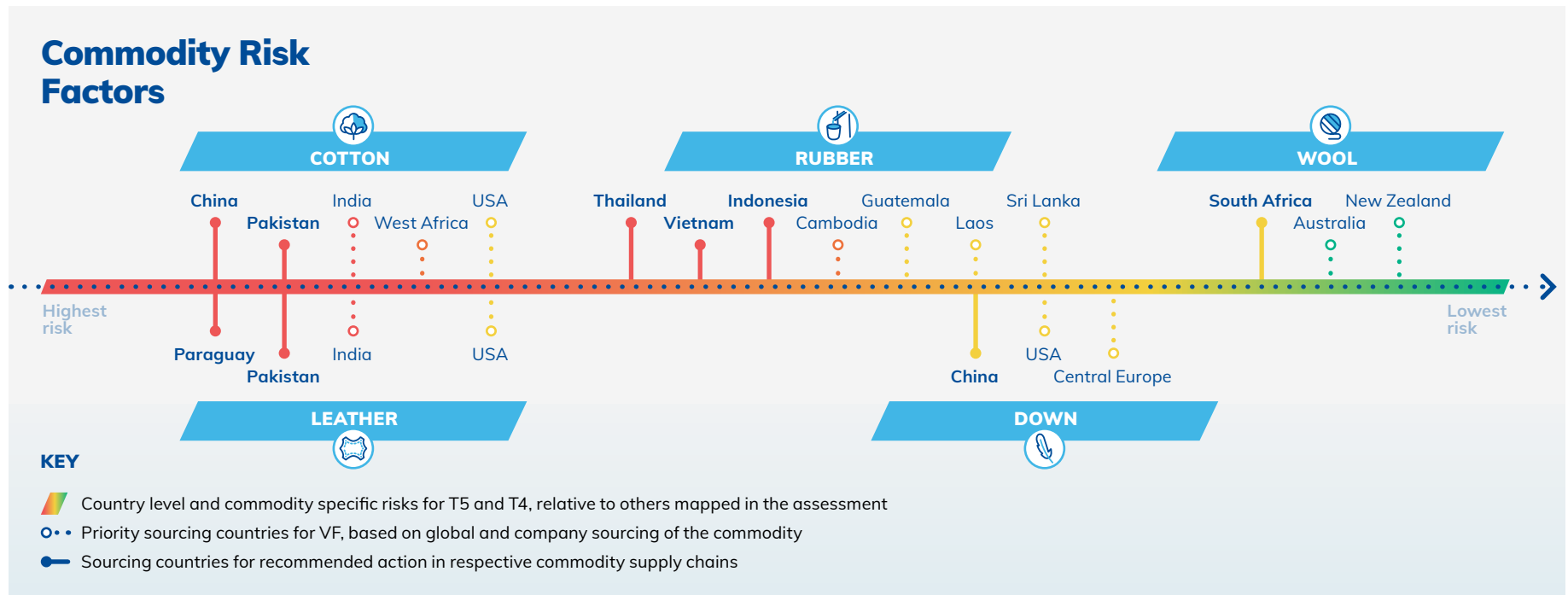


To help us address these potential risks, in 2020 Article One performed a Commodity-Level HRIA on our highest-volume raw material commodities. This comprehensive assessment enabled us to understand and identify upstream human rights risks in our extended supply chain. The analysis used our traceability data, commodity volume and country-level risk assessments to identify risks for labor rights, vulnerable groups and local communities. The assessment offered us recommendations for how we could deepen our visibility into our supply chain and optimize the limited leverage we have at the commodity level, as well as guidance on how we may be able to contribute to systemic change.

Our increased visibility into potential risks helped us focus on those issues that may have the most severe negative impact on rights holders. Taking into account the scale, scope and remediability of the impacts identified in our HRIAs, we are prioritizing risks related to: Forced Labor, Freedom of Association, Rights of Women, Rights of Children, and Occupational Health and Safety. This report focuses primarily on these five topics, but also covers several other human rights risks.

More than 60% of our tier 1 factories are located in Asia. As a result, many of our mitigation and prevention efforts take place in Bangladesh, Cambodia, Vietnam, India and China. We continuously use lessons learned from each of our interventions and leverage them across our global supply chain.

We've learned a lot from this work. But we know we have much more to learn and do. We incorporate rights holders' feedback to further refine and improve our efforts. We speak to affected stakeholders, both through our needs assessment process and our Sustainable Operations team, to understand



## DUE DILIGENCE & SALIENT ISSUES

the needs of our workers and communities. And we incorporate the feedback of affected stakeholders into the design process for programs and policies to address identified gaps.

The issues we're dealing with are often systemic, and we've learned all too well that we can't address them all at once or on our own. As we move from due diligence to action, we continue to involve affected groups and other relevant stakeholders in our journey. We understand that human rights risks may evolve as a result of our dynamic portfolio, and we're committed to ongoing due diligence and remediation.

## TRACEABILITY

While we have performed stand-alone human rights risk assessments associated with our top five raw materials commodities, understanding the actual upstream suppliers of those materials increases our confidence in our supply chain and gives us the opportunity to identify high-risk suppliers or countries of origin. VF is one of just a few companies that nominate (or specify) 80% of our tier 2 suppliers – often fabric suppliers. This relationship, for example, allows us to survey our suppliers to understand the spinners, gins and farms involved in sourcing our cotton. For leather, we can trace the locations of finishing tanneries, wet blue tanneries and slaughterhouses.



**Human Rights Heat Map for Freedom of Association and Collective Bargaining:** Using the Verisk Maplecroft risk indices, we can flag high risk locations on a range of human rights risks, in this case freedom of association.

Using this end-to-end supply chain data, we generate a heat map on which we can overlay human rights indices as well as environmental risk data. This enables us to focus on various areas of risk – from human rights abuses to deforestation, water scarcity and pollution, and protected forest management. The combination of our traceability, supply chain mapping and supply chain transparency strategy helps us better understand, and thus respond to, the most important risks and opportunities in our multitier supply chain. Our goal is to map the complete supply chain of 100 products by the end of 2021.



**Smartwool** Go far. Feel good. **icebreaker**

The **Smartwool**<sup>®</sup> and **Icebreaker**<sup>®</sup> brands were some of the first companies to create long-term contracts with Merino wool growers, enabling both brands to verify the wool used in their products is ethically sourced. With legacies rooted in leading the industry, **Icebreaker**<sup>®</sup> and **Smartwool**<sup>®</sup> partner with the New Zealand Merino Company Ltd. – who developed ZQ-certified wool – to steward environmental, social and economic sustainability, while also safeguarding animal welfare. The program also supports the safety of those who live on, work on or visit ZQ farms. ZQ promotes safe and healthy workplaces and fair wages, and it also provides income stability through long-term partnerships.

# OCCUPATIONAL HEALTH & SAFETY

People's health and safety – regardless of where they are within our value chain – rest at the heart of our decisions. Nothing is more fundamental than providing people with an environment where they feel safe, secure and supported. These are basic human rights.

## CREATING A SAFETY CULTURE WITHIN VF

We believe that empowering people to identify issues, report safety risks and create safety solutions enables VF to build a global safety culture that positively impacts all facets of our business. Our Global Safety Council is responsible for implementing programs and strategies that protect people. The mission of VF Health and Safety Team is simple: Send associates home safely every day.

For a program of this size to succeed, it's critical that all our safety professionals share a consistent body of knowledge. That's why we joined with North Carolina State University (NCSU) to develop the VF Safety Certification program. It's a strategic investment that's helped us embed a culture of safety, while continuously educating our workforce on the importance of complying with site health and safety standards.



HEALTH AND SAFETY DURING A GLOBAL PANDEMIC

The COVID-19 pandemic led us to evolve our approach to health and safety in retail stores, distribution centers and factories. Read about these measures [here](#).

## SUPPORTING SAFETY BEYOND VF

We also strive to use our influence across our sourcing footprint to drive and advocate for resilient, healthy social-ecological systems that are safe, fair and respectful of people's rights.

We're a founding member of the [Alliance for Bangladesh Worker Safety](#) and its successor organization, [Nirapon](#). We partnered with a leading global compliance company to develop a Critical Life Safety (CLS) Assessment that focuses on high-risk structural, electrical and fire safety risks. For countries with elevated workplace safety risks, we require all factories to undergo this assessment. Since the program began, we've inspected 663 factories and remediated concerns identified.

Meanwhile, our Sustainable Operations team leads a fire safety and emergency evacuation training program that has trained 302,000 workers through March 31, 2020. And our Factory Compliance team conducts nearly 1,500 audits per year to monitor safety performance and the status of safety improvement projects.

Creating systemic change requires collective effort. That's why we actively seek opportunities to collaborate and drive change at the industry and governmental levels. For example, we co-founded the [Life and Building Safety \(LABS\) Initiative](#) to create a scalable program to mitigate preventable fire, electrical and structural safety risks in key apparel- and footwear-producing countries. LABS is currently active in Vietnam and India and has plans to expand further.



**THE CHALLENGE**

**Road Injuries**

According to the AIP Foundation, a nonprofit dedicated to decreasing road crash casualties in low- and middle-income countries, road injury is Cambodia’s sixth-leading cause of premature death. Workers can face enormous risks in their daily commute to and from factories. In Cambodia, insufficient driver education, low helmet use on motorbikes, unsafe and overloaded vehicles, and heavy traffic on poorly maintained roads are prevalent.

**THE SOLUTION**

Regrettably, after several workers from a VF contract factory were severely injured in a road accident while commuting to the factory, we knew we needed to step in and address the issue by improving the road safety knowledge and behaviors of workers, drivers and factory representatives while on the road. Over the past two years we’ve worked collaboratively with other brands and sectors to drive change on this issue. We collectively funded the AIP Foundation to pilot a transportation safety program for workers commuting to and from factories in Cambodia. As part of this effort, we’ve prohibited motorcycle drivers from entering factory gates without a helmet.

**THE RESULTS**

Throughout the year-long pilot program, nearly 5,000 workers participated in formal trainings, workshops and safety awareness campaigns. Average motorcycle helmet use increased at one factory from 25.7% to 74.9%, and across all piloted factories, driver license rates increased to 79% from 64%.

In late 2020, in collaboration with VF and the Cambodian government, the AIP Foundation launched the Prevention and Participation (P&P) program focused on safe commutes, building on the success of the 12 month pilot. The P&P program will be implemented sequentially at 13 factories and reach approximately 41,000 workers and drivers across six provinces. The aim is to improve worker transport (vehicle and driver licensing), reduce dangerous driving behaviors – like overtaking, distracted driving and not wearing a helmet – and improve infrastructure and traffic management around factories. Going forward, the program will include post-crash care that will provide awareness of and accessibility to social benefits for those who are injured or have suffered a disability.



© AIP Foundation

# FORCED LABOR

The International Labour Organization (ILO) defines forced labor as “all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.”

The 2018 Global Slavery Index estimates that today there are more than 40 million victims of modern slavery<sup>1</sup>. Since the textile and apparel sectors are at high risk for forced labor, we’ve put considerable effort into understanding where it may exist in our value chain. We regularly and comprehensively audit our global supply chain partners for indicators of forced labor. These include excessive recruitment fees, excessive working hours and restrictions on freedom of movement, as well as the absence of formal contracts, document retention and on-time payment of wages.

We believe in using our scale as a force for positive change in the world. We owe it to the millions of people in our extended supply chain to relentlessly strive to eliminate all forced labor issues. To make the most of our efforts, it’s imperative that we understand where our products and materials are made, how those products are produced, and who is manufacturing them.

**VERITÉ**  
Fair Labor. Worldwide.

In late 2019, we contracted with the fair-labor organization, Verité, to compile and analyze information regarding documented forced labor incidents and vulnerabilities in 44 countries – including countries that supply finished products to VF. The research also covers countries further upstream in our supply chain, including places where spinning mills and farms are located. This deeper analysis enables us to prioritize actions to mitigate

forced labor risks, as well as to identify and engage with credible partners or initiatives to implement solutions.

## MIGRANT WORKER VULNERABILITIES

Migrant workers, especially in upstream supply chains, face unique vulnerabilities.

Recruitment fees, which prospective employees sometimes pay to secure work, may leave workers in debt bondage. Solutions such as the Employer Pays Model help to reduce abuse and exploitation of migrant workers. Elimination of recruitment costs and fees charged to workers is a key intervention point for promoting ethical recruitment. Making that happen, however, requires systemic change for our supply chain partners and their associated labour recruiters.



We continue to partner with the International Organization for Migration (IOM) to drive the adoption of responsible recruitment practices and ethical treatment of migrant workers, including a “zero-fee” requirement for migrant worker recruitment to ensure that no worker pays for a job. Our teams on the ground have undergone two modules of training with the IOM on forced labour indicators, the migrant worker journey and best practices for responsible recruitment.

We’ve also set up country-specific briefings with local subject matter experts to better understand the potential negative impacts on domestic migrant workers in China and India. Our commitment to ethical recruitment is embedded in our **Responsible Recruitment and Anti-Forced Labor Commitment**, and we’ve committed that by 2026 no worker in VF’s supply chain will pay any recruitment-related fees.

4,500+

VF associates have been trained on human trafficking.

This training includes an introduction to human trafficking and its impact around the world. VF associates learn how victims can be trapped in modern slavery, the common indicators of human trafficking, and the importance of recognizing and reporting these warning signs.

## ILO GLOBAL BUSINESS NETWORK ON FORCED LABOUR

VF is a member of the ILO Global Business Network on Forced Labour, an organization that brings together businesses of all sizes and sectors, as well as their networks, to eradicate forced labor – driving action, scale and sustainability through collaboration.

icebreaker®



*Understanding and sustainably eliminating modern-day slavery is a significant challenge across many industries. The Icebreaker® brand has recently partnered with Walk Free, an initiative of Minderoo Foundation, to help eradicate forced labor from global supply chains. The Icebreaker® brand participated in the Bali Process Government and Business Forum, which brings together government ministers and business leaders from around the world to determine methods of addressing human trafficking and forced labor. We understand that businesses have a moral and legal obligation to combat forced labor. This is one more way we're committed to working with other businesses and governments to defeat modern slavery.*



**COVID-19:** According to the IOM, approximately 164 million migrant workers across the globe are among those most impacted by the COVID-19 pandemic. After engaging both the IOM and the Mekong Club, a global organization dedicated to eradicating modern slavery, we embedded specific questions into our COVID-19 Preparedness Survey to better assess and monitor risks to migrant workers. These included the potential inability to return to their country of origin, challenges related to expired work visas and the difficulty of quarantining in shared dormitories. Insights from the survey guided development of effective measures that we and our suppliers have implemented to mitigate these impacts.

For example, the survey helped us identify migrant workers across seven factories whose work permits were expiring or already expired. We also confirmed that factories with migrant workers would continue to provide living accommodations if migrant workers were unable to return to their home countries and that they would pay for migrant worker travel to their home countries. In particular, we continue to closely monitor factories with migrant workers in our tier 2 fabric mills to ensure that they continue to operate in accordance with all applicable legal requirements – including paying for required health insurance and sick leave – as well as other local laws and regulations that apply to migrant workers.

<sup>1</sup> Walk Free. 2018. *The Global Slavery Index. Global Findings.*

# FREEDOM OF ASSOCIATION

Freedom of Association (FOA) is one of the International Labour Organization's (ILO) core labor standards and a fundamental human right.

It encompasses both an individual's right to join or leave groups voluntarily and the right of a group to take collective action to pursue the interests of its members. FOA gives workers a stronger voice when negotiating with their employers on key employment-related concerns, and functioning FOA systems are an especially important tool for empowering vulnerable groups and ensuring individual rights.

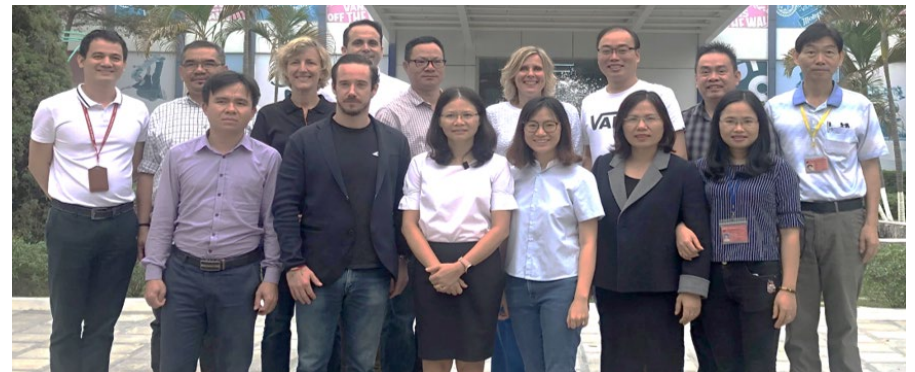
We're committed to the ILO's core conventions for Freedom of Association and Collective Bargaining, and we uphold these conventions in the facilities from which we source product. Our 2017 and 2019 human rights risk assessments both clearly identified FOA as a salient human rights risk in global apparel and footwear supply chains. In addition, our own factory assessments reveal FOA risk factors in countries where VF operates. In response, we are strengthening FOA throughout our supply chain.

In 2018, we collaborated with Growth Squared Consulting LLC and Better Factories Cambodia (BFC) to fund an Industrial Relations Leadership Pilot that enhances collaboration and communications at VF's strategic factories while building capacity for factory workers, their representatives and their management. The program centered on strengthening the internal structures

and policies for building a stronger environment for social dialogue. Worker and management testimony from the pilot showed that the program delivers positive impact on key workplace issues, including FOA risks. This progress has been confirmed by the BFC workplace assessment, by VF's internal audits and by complaints received through the factory's internal grievance mechanism, which signal worker trust in the system.

Following the pilot program's success, we expanded the program to two more factories in Cambodia and Vietnam that collectively employ over 10,000 workers.

As we continue to expand this program, we're well aware of the challenges involved in closing FOA gaps. Changing management culture, overcoming unconscious bias, breaking down silos, building trust, scaling similar projects in different regions ... none of this is easy, nor can it be done quickly. Therefore, over the next few years, we will continue to incorporate feedback and lessons learned as we work to scale this project through our partnership with Better Work. Together, we'll continue to promote freely elected worker representatives, including trade unions, while enhancing representation by women proportionately to worker gender ratios across each specific factory.



**Sun Jade and Vans® Advance Industrial Relations:** The Industrial Relations Leadership Pilot project was expanded to the Vans® brand's largest supplier in Vietnam, Sun Jade, and rolled out to more than 8,000 factory workers with the Better Work Vietnam team. The factory brought together workers and management to complete an extensive mapping process highlighting potential industrial relations gaps and identified improvement opportunities.

The project will continue through February 2021 and place additional focus on building knowledge on the rights and responsibilities of trade unions and management, dispute resolution mechanisms, and strategic and effective negotiation of collective bargaining agreements.



# WOMEN'S RIGHTS

Upholding human rights, particularly worker rights, is a core VF priority. We strive to enable our operations to promote dignified work through all levels of our supply chain. Women account for an estimated 80% of the apparel sector workforce, and we place a heavy emphasis on protecting and promoting women's rights in the workplace<sup>1</sup>.

Of our 40,000 global associates, 51% are female, and the workers in our supply chain factories are predominately women, as well. Their significant presence gives us a big opportunity to create a positive impact on women's economic empowerment and well-being around the world.



In December 2016, VF joined the Paradigm for Parity coalition, which has pledged to reach organizational gender parity by 2030. For us, it

was one additional way to recognize and address the need for greater diversity in leadership. Given the importance of inclusion and diversity to our business, we decided to take that 2030 pledge a step further. In 2017, we created a goal of reaching organizational gender parity at the Director and above levels by 2030.

In 2020, we increased our representation of women leaders by 3%, from 35% to 38%, recording our highest representation since we began tracking this metric in 2015.

Meanwhile, we continue to look for more ways to empower our women associates. VF's Employee Resource Group, Women of VF Empowerment Network (WOVEN), has nine chapters across our company that focus on empowerment, allyship and support for the women of VF.



WOMEN OF VF EMPOWERMENT NETWORK  
APAC | Denver | Fort Worth | Greensboro | Stratham

Removing barriers to uplifting women is a key priority for VF. We recognize that work-life balance is an especially important factor in empowering women who are caregivers. Research shows that more than 25 million women in the U.S. – one in seven – provide care to family or friends<sup>2</sup>. In the U.S. over the last two and a half years, VF has added and expanded resources to support women in the workplace, including an updated flexible workplace policy, an Adoption Assistance Program and expanded Paid Parental Leave to eight weeks. We've also implemented additional supports for families including fertility benefits with egg freezing, expanded Bright Horizons child and elder back-up caregiving programs, access to specialized support for parents of children with neuro-diverse learning, social and behavioral challenges and a virtual homework help and tutoring support program.



Empowering women throughout our global supply chain is also a key focus. In 2019, VF partnered with the International Center for Research on Women (ICRW) to review and prioritize strategies

for advancing women's rights within our supply chain. ICRW helped us identify the following priorities:

1. Address gender-based violence and sexual harassment in the workplace;
2. Eliminate discrimination and promote women's leadership; and
3. Support parents and expand child care options.

Many initiatives we already had underway fell into one of these three priority areas, and we plan to expand these and other efforts in the future. Integrating ICRW's guidance into our practices is one more important way we can foster a more gender-equitable workplace culture throughout our supply chain.

In support of

## WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



BSR

We partnered with Business for Social Responsibility (BSR) in 2020 to identify alignment and gaps between our practices and women's empowerment standards, including the seven principles of the **UN Women's Empowerment Principles**. Together, we developed a women's empowerment vision, strategy and road map to drive greater impact and honor our commitment to the Women's Empowerment Principles.

### ADDRESSING GENDER-BASED VIOLENCE AND HARASSMENT

The UN estimates 35% of women worldwide have been the victim of sexual violence<sup>3</sup>. Our commitment to eradicate gender-based violence and harassment (GBVH) in the workplace extends beyond VF associates to workers in our supply chain contract factories.

Young women constitute the majority of the garment industry workforce and are often vulnerable to GBVH and other human rights violations. Because traditional factory audits don't always uncover these violations, we know this is an area where we have more work to do.



During 2020, we finalized a five-year GBVH strategy for our supply chain for proactively tackling this often-systemic issue.

Care International provides technical assistance for implementing VF's GBVH strategy throughout our global supply chain. In 2021, they will develop GBVH Operational Guidance for VF and our suppliers to respond to GBVH cases, in alignment with survivor-centered principles and approaches.

For VF associates, we launched harassment and prevention training, with specific emphasis on sexual harassment prevention. Since we initiated the training program in 2019, associates have completed over 20,000 hours of training. This program is complemented by our **Commitment to Eradicating Gender-Based Violence and Harassment**, which we released in late 2020 in alignment with the International Labour Organization's Convention 190.

### INCLUDING THE VOICE OF THE WORKER

In 2018, we conducted VF's biannual Worker and Community Development needs assessment, which included 5,164 worker interviews at 141 factories in 14 countries. This direct worker engagement enables us to better understand their unique needs, as well as to determine localized, community-specific interventions to improve their livelihoods.



For example, after speaking with workers at a factory in India as part of the needs assessment, we identified a gap in meeting

VF's expectations for women's individual health and well-being. In 2019 and 2020, VF partnered with Swasti (which means well-being in Sanskrit), leveraging their technical and programmatic expertise to deliver quality and affordable primary health and well-being services for women workers at three factories in Chennai, India.

Well-being is a journey that requires a multipronged approach. This partnership has been crucial in providing workers the opportunity to elevate their health and well-being. Workers, both women and men, now receive primary care treatment, systematic screening and treatment for highly prevalent but often ignored conditions that affect their daily lives such as anemia, diabetes and hypertension, along with family planning and

## WOMEN'S RIGHTS

reproductive health education and services. In addition, the workers receive support to advance their careers through robust approaches that build their life skills and resilience.

Our partnership with Swasti is an example of how partnerships can enable everyday well-being for some of the most marginalized people in the world while also contributing to UN Sustainable Development Goals 3 (Good Health and Well-being), 5 (Gender Equality) and 8 (Decent Work and Economic Growth).



SUPPLY CHAIN  
STORY



### EL SALVADOR

One of VF's strategic suppliers was facing challenges in addressing and remediating grievances in their factory in El Salvador.

In alignment with VF's expectations, the supplier has undergone an in-depth assessment of gaps in management systems, policies, worker communication, grievance mechanisms and proper remediation. The assessment included support from a third-party expert and trade union representatives. Together they developed the factory's new Zero Harassment and Abuse policy and Communication policy, which support proper investigation procedures and clear protocols for disciplinary actions and training of all employees.

Today, any cases that surface through the enhanced grievance mechanism are properly addressed. This supplier is now taking the lessons learned in El Salvador and applying the same procedures to their global factories.



To celebrate International Women's Day (IWD) in 2020, **The North Face**® brand launched an all-female designed, manufactured and marketed collection. The special collection was made in a recently opened all-women factory in Jordan, providing hundreds of jobs in the local area.



<sup>1</sup> ILO. 2020. *Gendered Impacts of COVID-19 on the Garment Sector*.

<sup>2</sup> AARP. 2015. *Caregiving in the U.S. Research Report*.

<sup>3</sup> World Health Organization. 2017. *Violence Against Women*.

# DISCRIMINATION

“All human beings are born free and equal in dignity and rights.” Words so important that they are codified into Article One of the Universal Declaration of Human Rights.

These words that have since established the foundation for international human rights laws for decades. While the Declaration dates back to 1948, the fight against discrimination and for equality remains a daily struggle for millions around the globe.

## INCLUSION & DIVERSITY

At VF, we're committed to building and maintaining a workplace that celebrates the diversity of our associates, regardless of race, gender, nationality, ethnic origin, religion, world view, abilities, age, sexual orientation or identity. We strive to provide an environment that allows them to bring their authentic selves to work every day, and we're determined to fight discrimination against any people or group. Our efforts are underpinned by our global Inclusion and Diversity strategy. Click [here](#) to read VF's Inclusion & Diversity Annual Profile 2020.

### Addressing Systemic Racism

Racism is a pandemic that long predates COVID-19 and one that's immensely debilitating to our society and abhorrent to our values of inclusion and equality. Simply put, racism is not tolerated at VF Corporation. It never has been and never will be. As a company we will do our part to lead with purpose, inspire others with our actions, and break down racial and ethnic barriers to be part of the solution.

The VF family of brands have long championed equity, equality and belonging, whether that's through specific support for initiatives and organizations from

our individual brands or by supporting dozens of minority-led and focused organizations through The VF Foundation and other forms of support.

But systemic racism is an area where we know we can and must do more. To that end, we've formed a new advisory team: the Council to Advance Racial Equity (CARE), which is sponsored by our Executive Leadership Team with the charge to develop short- and long-term strategies and actions that will address racial injustice in meaningful and authentic ways. CARE is developing a detailed plan that covers a combination of internal actions and programs, community partnerships and public policy initiatives to support three specific gaps: access to education and advancement, economic equity and environmental justice.



VF was named to the 2020 Forbes Magazine America's Best Employers for Diversity.

### Unconscious Bias Training

In the summer of 2020, as part of our efforts to roll out new content within our unconscious bias training, associates across North America took part in a variety of learning opportunities. These included listening sessions, discussions and self-guided learning demonstrating our commitment to change and helping to eradicate racial inequities. To continue elevating the work of inclusion and diversity at VF, Unconscious Bias learning sessions are being offered to associates on an ongoing basis. We are excited to roll out this new educational experience, first in the United States and Canada, for our leaders and associates to engage in together.

During these highly interactive sessions participants will:

- Define inclusion, diversity, belonging and bias;
- Describe an inclusive environment and how bias can influence it;
- Recognize common types of unconscious bias and how they can arise at work;
- Commit to taking at least one action to mitigate the influence of unconscious bias in everyday life.

## JANSPORT

In 2020, the **JanSport**® brand forged a multiyear partnership with the United Negro College Fund (UNCF), whose mission is to ensure all Americans have equal access to a college education. The **JanSport**® brand grants annual college scholarships to students attending historically Black colleges and universities. The **JanSport**® brand also accelerated previously established efforts to promote inclusion and diversity internally and within all parts of the business. That includes a commitment to advancing the tradition of elevating Black, Indigenous, and people of color (BIPOC) in advertising, marketing and communication platforms.



### Supporting the LGBTQ+ Community

VF supports the UN Human Rights Office's LGBTI Standards of Conduct for Business to provide equal rights and fair treatment standards for lesbian, gay, bisexual, transgender and intersex (LGBTI) people. Since 2017, VF has been recognized by the Human Rights Campaign for receiving a perfect

score of 100 on the Corporate Equality Index, earning the distinction as a Best Place to Work for LGBTQ Equality.

Our VF Pride Employee Resource Group (ERG) is focused on creating an inclusive environment for LGBTQ+ employees and allies that supports and enhances authenticity and individuality. This ERG connects, engages and empowers the VF Pride community.



### Disability Employment Program

In recognition of the lack of employment opportunities for the disability community, VF launched its first Universal Design and Inclusion program at our Distribution Center (DC) in Jonestown, Pennsylvania, in 2020. This 13-week program trained adults with disabilities and offered them opportunities for employment with VF. The training occurred in a simulation learning lab at the DC, where we worked to acclimate trainees to the work environment and enable them to learn the roles and strengthen the skills they would need to engage in meaningful work at the DC. Our first transitional work group of eight individuals was eager to begin a new experience at VF. We plan to replicate the program in other DCs as well as in other areas of our business.

### Equal Rights Amendment

While the U.S. Constitution was founded on the principle of equality for all, the right to be free of discrimination based on sex is not currently an explicit right provided to Americans in the Constitution. The Equal Rights Amendment (ERA) seeks to remedy that gap and explicitly guarantee equality on the basis of sex, making gender equality a basic constitutional right. VF joined a number of other companies as an amicus curiae in support of ratifying the Equal Rights Amendment to the U.S. Constitution.

# CHILD RIGHTS

UNICEF estimates that more than 100 million children are touched by the garment and footwear supply chain globally – as workers, children of working parents and community members near farms and factories.

We believe children belong in schools, not at work. As outlined in our Global Compliance Principles, we require our VF Authorized Facilities to comply with all working age legal requirements. Further, no children below 15 years of age, or below the age of compulsory education, can be employed in a VF Authorized Facility, even where it's permitted by law.

In partnership with the Centre for Child Rights and Business (formerly known as the Center for Child Rights and Corporate Social Responsibility), a global leader in child rights in supply chains, we developed our child labor policy and procedures. The Centre and its principles are embedded in VF's policy and procedures. The group's expert child labor remediation team engages whenever there's any indication of child labor in our supply chain. The Centre will investigate the situation and, if needed, create a child labor remediation plan that includes progressive actions to support the safety and development of any child involved.

In addition to our commitment to eradicate child labor from global apparel supply chains, we understand that child rights extend beyond child labor. They include specific protections for working parents, especially mothers, and other needs children have, such as education. As one of the largest apparel and footwear companies in the world, we acknowledge the important role we play in advocating for those rights. Together with stakeholders and industry partners, we strive to promote decent work and family-friendly policies that support adults and keep children out of the workforce and in school.

## CHILD-FRIENDLY SPACES

In pursuit of economic opportunities, many factory workers leave their rural homes, and children, to find work in urban centers. In China, these children are known as the "left behind-children," and there are 61 million of them living under the care of extended family members throughout the country.

VF understands the hardship that can result from this type of separation. Needs assessments show that workers feel guilty for not playing a greater role in their children's lives, and the majority believe they spend too little time with them. A great number of parents who live with their children even indicated that they don't know their children well enough. In 2018, together with the Centre for Child Rights and Business, VF rolled out a summer-school program that brings children to their parents' factories.

In 2018, 85 children aged 4 to 12 years old visited their parents working in two factories that supply VF product. In 2020, VF scaled the program to extend to different topics related to supporting migrant parents, involving five factories and over 240 "left behind-children." Nearly 80 VF associates from the *Kipling*® brand, the *Timberland*® brand, the *Dickies*® brand and *The North Face*® brand volunteered. These associates observed family days at the factories and were present during other worker well-being activities, such as migrant parent training and PhotoVoice, a project that encourages workers to use photography as a medium to meaningfully engage with their children while at the same time preserving lasting memories.



**In 2020 due to COVID-19, instead of a month-long summer camp, a Kipling® brand factory held a virtual family day where children painted toy monkeys and received the Kipling® brand backpacks. Following the success of these interventions, VF will continue to scale the program in the coming years.**

## THE CHALLENGE



As identified through our surveys, half of VF supplier factory workers in Bangladesh have children, and one in four are young working mothers. Many face challenges

including limited child care options, poor health and nutrition, inadequate maternity protection and non-existent breastfeeding provisions. With this in mind, we joined the **Network on Children's Rights in the Garment & Footwear Sector**. This is a platform convened by Norges Bank Investment Management (NBIM) and UNICEF for international brands, retailers and experts to identify and share innovative practices and explore solutions to improve the sector's impact on children. One of the key outputs of the Network is a **child rights guidance tool**, which includes steps and comprehensive metrics for companies to assess and promote child rights in the supply chain.

We participate in UNICEF's Better Business for Children Initiative in Bangladesh and Vietnam. The program, active in more than 35 factories, including five VF supplier factories, aims to drive change by developing, piloting and scaling child-friendly business models that meet the needs of working parents, especially mothers, and their children. We also help strengthen communities where workers and their children live by building the capacity of local authorities to provide access to child-focused services.



The Little Sun Kindergarten has capacity to accommodate 750 children from 2 to 5 years of age, and gives priority to the parents of Pou Yuen, one of VF's Authorized Facilities.



SUPPLY CHAIN  
HIGHLIGHT



## GOODWEAVE INTERNATIONAL

In response to the unprecedented impact the COVID-19 crisis has had on garment workers globally, we partnered with GoodWeave International to provide marginalized Bangladeshi apparel workers immediate COVID-19 relief and support research regarding the impact of the pandemic on these workers. GoodWeave International is a leading nonprofit that works to end child, forced and bonded labor in global supply chains.

GoodWeave created a one-year project that is anticipated to uncover hidden supply chains in Bangladesh's apparel sector, remediate identified cases of child, forced and bonded labor, and build partners' capacity to prevent these human rights issues in the future.

At the end of the project, GoodWeave will submit a report to funders, policymakers and participating brands, which will facilitate implementation of due diligence laws such as the UK Modern Slavery Act. The project is funded by the Vulnerable Supply Chains Facility (VSCF), a rapid COVID-19 response fund set up by the UK Foreign, Commonwealth and Development Office (FCDO), and managed by Mott MacDonald Ltd. The Facility has partnered with 20 UK and international retailers and brands, supporting over 100 suppliers across Bangladesh, Ethiopia, Ghana, Kenya, Myanmar, Tanzania and Zimbabwe. It will provide economic, social and health benefits to around 1 million women and men directly and indirectly.

# ADEQUATE STANDARD OF LIVING: WAGES, HOURS & LEAVE, ACCESS TO WATER

## WAGES

The international community considers adequate standard of living, inclusive of fair wages, a human right. Article 23 of the Universal Declaration on Human Rights states:

*“All workers have the right to just and favourable remuneration ensuring for themselves and their family an existence worthy of human dignity’.”*

This declaration is complemented by Article 25 which states:

*“Everyone has the right to a standard of living for the health and well-being of themselves and their family, including food, housing, medical care and necessary social services.”*

We employ nearly 40,000 associates globally, with over 1 million workers manufacturing VF products throughout our global supply chain. We believe in the importance of decent work and fair pay as a way to achieve the goals of ending poverty, ensuring decent work and reducing inequality.

The ILO notes there is currently neither a generally accepted definition of a living wage, nor is there a generally agreed methodology on how to measure it<sup>2</sup>. While there is not a universally accepted definition of a living wage, we believe fair wages are a core tenet of worker well-being and responsible business. Providing fair wages for VF associates is a long-term investment in people and supports our Purpose. Being an employer of choice and attracting and retaining talent is critical to our business strategy. In 2020, we finalized a global job framework initiative aligning employee wages to the market standard, upholding pay equity and consistency.

While VF does not provide direct remuneration to factory workers within our supply chain, every worker has a right to compensation for a regular work week that is sufficient to meet the basic needs of workers and their families and provide some discretionary income. We understand that wages in the developing world are often the only source of income for workers and their families. We require our suppliers to provide compensation packages comprising wages and benefits that, at the very least, comply with legally mandated minimum standards or the prevailing industry wage, whichever is higher, and provide any benefits required by law. Supply chain workers must be fully compensated at a premium rate for overtime according to local law, and each worker must be provided with clear, written accounting for each pay period. Where compensation does not meet workers’ basic needs and provide some discretionary income, VF Authorized Facilities should work





with VF to make improvements and take other appropriate actions that seek to progressively realize a level of compensation that does.

While payment of fair wages remains a challenge for the apparel and textile industry as a whole, we are doing our part to understand the wages and potential gaps for our associates and our global supply chain workers. In 2021, we will initiate a program to collect and compare wage data for both VF associates and supply chain workers against credible wage methodologies and benchmarks. We commit to use our scale to meet the basic needs of workers and their families. We will do this through a new living wage project and analysis, continued dialogue with factories and workers, promotion of strong industrial relations, and meaningful engagement with our industry peers and governments.

## HOURS OF WORK AND LEAVE

We believe associates have the right to appropriate rest and leisure, which includes limits on working hours. We engage with suppliers to confirm that our planned production volumes do not cause factories to exceed maximum working hour limits.

However, we recognize that long working hours and forced overtime are significant issues in the garment industry, and we know that industry norms can violate reasonable work hours.

To mitigate working hour violations, VF's [Global Compliance Principles](#) state that all "VF Authorized Facilities must comply with the legal limitations on regular and overtime hours in the jurisdiction in which they manufacture. Employees must not be required, except in extraordinary circumstances, to work more than 60 hours per week including overtime or the local legal requirement, whichever is less." We also believe overtime should be voluntary.

VF's Facility Guidelines also require that workers are provided timecards and allowed to record their own start and stop times. In addition, we require that all workers receive at least one day off in every seven consecutive days.

Through strict enforcement in accordance with local laws regarding hours of work, we aim to reduce undue pressure on workers regarding unrealistic working hours.

## WORKER AND COMMUNITY DEVELOPMENT

While we believe that wages should cover worker's basic needs, in many instances that is not the case. Therefore, we use our Worker and Community Development (WCD) program to support worker's basic needs. Through WCD we identify and address local issues, with a focus on three key aspects: access to water & sanitation; adequate health & nutrition; accessible childcare & education. We currently operate in high-need sourcing regions, including; Bangladesh, Cambodia, India, Vietnam, China, Indonesia, Kenya and the Dominican Republic. We aim to impact the lives of 1 million workers and community members by 2025.

## ACCESS TO WATER

According to the United Nations, water scarcity affects more than 40% of people around the world<sup>1</sup>. We conducted a risk assessment in partnership with the World Resources Institute to identify areas that are prone to clean water scarcity.

The right to water, as proffered by the UN Committee on Economic, Social and Cultural Rights, means that everyone is entitled access to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic use. Water and Sanitation are a key pillar of our Worker and Community Development program, which is intrinsically tied to human rights.

In Bangladesh, we are working with Water & Sanitation for the Urban Poor (WSUP) to construct and upgrade water and sanitation facilities. Our needs assessment showed that 61% of workers in Chittagong had unreliable access to water, compared with 15% globally. Similarly, 47% reported living in a household without a toilet, compared with 15% globally. Together with WSUP and local stakeholders, we're developing operation and maintenance models for water and sanitation facilities in Chittagong, with a goal of positively impacting 30,500 worker and community members.

<sup>1</sup> United Nations. [Universal Declaration of Human Rights](#).

<sup>2</sup> International Labour Office. [Estimating a Living Wage: A Methodological Review](#).

<sup>3</sup> United Nations Development Program. [Sustainable Development Goal 6: Clean Water and Sanitation](#).

# TRACKING PERFORMANCE & ACCESS TO REMEDY

Our human rights due diligence, grievance mechanisms and audit data provide insights we use to track the performance of VF's work to respect and promote human rights.

This tracking and monitoring is vital to our ability to remediate and address grievances, enabling us to fulfill another core component of the UNGP Framework: access to remedy.

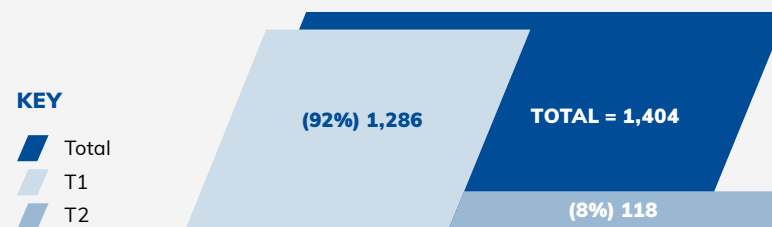
## 1) Audit

Factory compliance audit data provides us with quantitative compliance information on salient human rights issues, including wages, overtime, discrimination and freedom of association. All areas of noncompliance we identify are addressed with a Corrective Action Plan (CAP). We track remediation against these plans and we audit factories in accordance to our audit cadence; factories with Moderate or High issues are audited at twice the frequency. Our Sustainable Operations team elevates factory compliance with our rigorous standards, and factory compliance rates are discussed quarterly with our Board of Directors.

In fiscal year 2020, VF conducted 1,404 audits at tier 1 and tier 2 facilities.

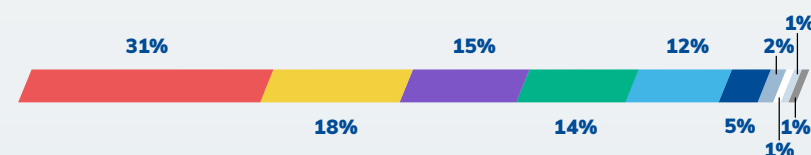
## Factory Compliance Audit Overview – FY2020

### NO. OF AUDITS CONDUCTED IN FY2020



No. of factories audited in FY2020 = 1,404

### TOP 10 HIGH SEVERITY ISSUES FOUND IN FY2020 AUDITS



#### KEY

- Wages & benefits
- Monitoring & compliance
- Health & safety
- Subcontracting
- Hours of work
- Worker residence (dormitory)
- Environment
- Forced labor indicators
- Legal compliance
- Child labor

\*When a code violation is discovered at an existing VF Authorized Facility, the factory must remediate that violation according to the agreed-upon CAP. Failure to remediate a code violation results in factory designation downgrades and potential contract termination. We prefer remediation instead of factory contract termination and audit data and remediation plans provide crucial direction for facilities' compliance with our Global Compliance Principles and Facility Guidance.

## 2) Worker Voice

Worker voice is a central part of monitoring our performance on human rights issues. As outlined in our Facility Guidelines, grievance mechanisms in facilities are not only required, but “must be accessible, predictable, reasonable, transparent, confidential, and based on engagement and dialogue.” A history of grievances must be available to any VF associate who visits facilities, and factory compliance includes the ability of VF auditors to identify that a facility’s grievance mechanism is properly built to receive and respond to grievances. Grievance mechanisms help provide us with the affected stakeholder’s point of view on key human rights topics.



In December 2020, we launched the pilot project “Your Voice Matters,” with our partners **Ulula** and **Quizrr** and with support from the IOM. Through this project, we will engage our tier 2 suppliers in Jordan, Taiwan and Thailand to proactively learn, understand and discuss recruitment processes, conditions for migrant workers, and how we can

work together on improvements. To ensure that we hear from the workers themselves and to understand the impact of the project, we are working in partnership with Ulula and Quizrr to roll out digital solutions for remote impact assessment, more effective communication and online training for both management and workers.

## 3) VF Ethics Helpline

Our Ethics Helpline allows anonymous reporting 24/7, by phone or internet and in more than 150 languages, through a third-party provider. Associates, consumers and third parties have access to the VF Ethics Helpline and web reporting tool. We take complaints seriously, and thoroughly investigate each one. Our Ethics and Compliance Team oversees investigations to confirm that they are addressed and remediated in a thorough, timely and consistent manner. Our Code and our Non-Retaliation Policy strictly forbid retaliation of any kind, and we escalate any reports of retaliation to senior management.

In 2019, VF investigated a total of 1,021 reports received globally through the Ethics Helpline and our VF Open Door Policy. Of those reports:

- Eight were substantiated reports of Environmental, Health and Safety Issues.
- Seven were substantiated reports of Supplier, Contractor or Third-Party Misconduct.
- Seventy-eight were substantiated reports of Discriminatory or Harassing Conduct.
- Substantiated cases of noncompliance with our Code, policies, or the law are tracked, and appropriate action is taken in each instance. This action can range from training and coaching to discipline and, in severe cases, termination of employment or a business relationship.

## Looking Forward

As we continue to move forward on all these fronts, we know that despite our best efforts, human rights issues remain across our value chain. We pledge to continue addressing these pervasive and systemic issues, with a strong focus on continuous improvement – implementing what we learn from past experience into future interventions. As our journey continues, we remain committed to listening and learning.

### IDENTIFYING ISSUES

We can't fix what we don't know. While we've made progress in understanding where many of our key risks exist, we continue to look deeper into our supply chain.

As part of this effort, we'll conduct country-specific assessments, as well as individual rights assessments, much like the forced labor project we completed in 2020.

### POLICIES & MANAGEMENT SYSTEMS

Policies on salient issues drafted, reviewed, updated and approved at the executive level codify our commitment to respect fundamental human rights.

We look forward to working with the industry on certification schemes that incorporate both environmental and social aspects.

And we'll work with our certification bodies on improvements that protect people and the planet.

### INTERNAL CAPACITY BUILDING

We'll continue to embed protection of human rights throughout our company via training, communications and strengthened management systems.

### PREVENTION, MITIGATION & REMEDIATION

We seek to proactively avoid negative human rights impacts via our due diligence process, and when complaints are raised, they are investigated through a defined process.

With our increased focus on key human rights issues, we may experience increased violations initially. However, over time we will improve and standardize our mitigation activities.

In partnership with leading human rights experts, we will implement and scale our programs to mitigate VF's salient human rights risks.

### TRACK & MONITOR

Through tracking of results, we seek continuous improvements that inspire enhanced approaches to identifying, preventing and mitigating harm.

### STAKEHOLDER ENGAGEMENT

VF will demonstrate a sincere commitment to respect and support human rights throughout every place our business touches.

Stakeholders, including affected rights holders, are made aware of VF's human rights commitments and actively engage to pool knowledge, increase leverage and scale effective measures.

We look forward to participating in multi-stakeholder initiatives that address systemic human rights issues.

### ADVOCACY

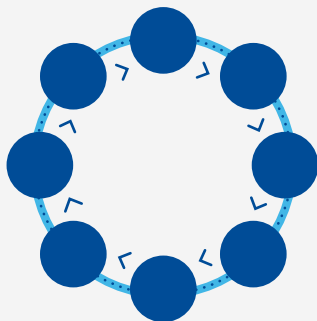
Business alone cannot solve human rights violations globally.

We call on governments to support the rule of law and adhere to the UNGP's stipulation that the state has a duty to protect human rights.

We will proactively advocate for change when needed.

### COMMUNICATION

We will clearly, accurately and regularly communicate our human rights efforts to internal and external VF stakeholders.



# The UN Guiding Principles Reporting Framework Index

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