Our Guiding Principles

At VF, our Guiding Principles influence everything we do. Modeling these behaviors and attitudes in a holistic manner helps our associates and business partners navigate even the most complex situations. We believe in partnering with others who share our values and who understand the importance of always conducting business ethically. VF has made worker wellbeing a priority of our Made for Change strategy, and has set a goal to measurably improve the lives of 2 million workers and others within their communities by 2030. As part of our focus on workers, we are committed to taking steps to address modern slavery.

This statement discusses the activities of VF Corporation and its current consolidated subsidiaries (collectively, “VF,” “we,” “us” and “our”) during 2018 to address forced labor, human trafficking and slavery and servitude (collectively, “modern slavery”) in our business and supply chains. This statement is published pursuant to both the California Transparency in Supply Chains Act and the UK Modern Slavery Act and relates to the fiscal year from April 1, 2018 to March 31, 2019.

Consistent with our values, we have signed numerous public pledges demonstrating our firm opposition to the use of forced labor. We are signatories to the American Apparel and Footwear Industry (AAFA) and the Fair Labor Association’s (FLA) Apparel and Footwear Industry Commitment to Responsible Recruitment. As such, we commit to work with our global supply chain partners to create conditions so that no worker pays for his or her job; workers retain control of their travel
documents and have full freedom of movement; and all workers are informed of the basic terms of their employment. VF has also signed the Mekong Club’s Business Pledge Against Modern Slavery. Together with the Mekong Club, VF enhanced the forced labor section of our **Global Compliance Principles** which outline our expectations for how every business partner and supplier behaves and treats their workers. This includes criteria on human rights, ethical practices, health and safety, transparency, environmental requirements and subcontracting. We conduct routine **Factory Compliance Audits** at every contract supplier facility to confirm their adherence to these principles.

We also have partnered with NGOs and experts from industry and academia to create our Responsible Sourcing Program. In addition, we have collaborated with Shift, a leading center of expertise on the UN Guiding Principles on Business and Human Rights to map our salient issues. VF also partnered with Verisk Maplecroft to further understand the full spectrum of political, economic, human rights and environmental issues within our supply chain. Furthermore, as we expand our supply chain into new countries, we work with local governments to establish rules and standards that enable productive, safe and respectful working environments. For example, in 2017 VF engaged the Cambodian, Kenyan and Ethiopian governments in human rights discussions.

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**Our Business and Supply Chains**

VF is a global leader in branded lifestyle apparel, footwear and accessories. In 2018 we owned and operated 22 manufacturing facilities, in the United States, Mexico, Central America and the Caribbean. In the fiscal year ending March 31, 2019, 21% of our units were manufactured in VF-owned facilities.

In addition to VF-owned and operated factories, we sourced products from approximately 1,200 independent contractor facilities in more than 60 countries. In the year ending March 31, 2019, 79% of our products were obtained from independent contractors. These contractors are engaged through VF sourcing hubs in Hong Kong (with satellite offices across Asia), Switzerland, and Panama. Among
other things, the hubs are responsible for supplier oversight, sustainability within the supply chain and responsible sourcing.

On May 23, 2019, VF completed its previously announced separation of its Jeanswear organization into an independent, publicly traded company. The new company, named Kontoor Brands, Inc., includes the Wrangler®, Lee® and Rock & Republic® brands, and the VF Outlet™ business. This statement excludes the Kontoor Brands business.

For additional information on VF, download our Annual Report. Find out more about our supply chain platform in the Supply Chain section of our website.

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**Policies, Principles and Guidelines**

**Code of Business Conduct**

All VF associates must comply with our Code of Business Conduct, which explicitly forbids the use of forced or involuntary labor in any of our locations or in the operations of facilities that produce goods for us. Violation of our Code of Business Conduct by an associate can result in disciplinary action, including termination of employment.

**Global Compliance Principles**

Our contracted supplier factories are expected to comply with VF’s Terms of Engagement. Contracted factories are also bound by our Global Compliance Principles. Our Global Compliance Principles are informed by the International Labour Organization, the Fair Labor Association, and other international standards on human rights. Consistent with internationally recognized labor standards, the Global Compliance Principles specify minimum working conditions for employees of our suppliers. The Global Compliance Principles expressly provide that contracted factories may not use involuntary or forced labor, including indentured labor, bonded labor or any other form of forced labor, including human trafficking. Among other things, the Global Compliance Principles also address child labor, wages and benefits and working hours. Failure to comply with the Global Compliance Principles
may result in termination of the relationship between VF and the contracted factory.

Contracted factories are prohibited from engaging subcontractors to produce VF products without the written permission of VF, and only after the subcontractor has agreed to comply with the Global Compliance Principles.

Vendor Terms of Engagement

We hold our contracted factories to the same standards of social and environmental responsibilities found in our own facilities. As such, we evaluate potential contracted factories against our standards and require them to agree to VF’s Terms of Engagement, prior to entering our supply chain. Our Terms of Engagement require contracted factories to conduct business in full compliance with all applicable laws, rules and regulations, which include those relating to modern slavery, and comply with the terms of VF’s Global Compliance Principles, which are further discussed below. A contracted factory’s breach of the Terms of Engagement can result in VF taking corrective action, including termination as an approved contracted factory.

Facility Guidelines

The Global Compliance Principles are supported by Facility Guidelines, which provide more detailed compliance requirements relating to each of the Principles, including the Principle prohibiting forced labor. The Facility Guidelines are updated annually.

The Facility Guidelines prohibit recruitment or employment practices that result in forced labor. In addition, among other things, the Facility Guidelines require a written policy regarding migrant labor, if it is used by the contracted factory, and contain general requirements regarding contracts of employment for migrant laborers. The Facility Guidelines prohibit deducting recruitment fees and expenses from wages, access to or control over bank accounts and withholding identity documents. The Facility Guidelines also require freedom of movement and access to grievance mechanisms.

Cotton Fiber Sourcing

Due to concerns associated with established forced labor, child labor and militant groups for cotton farming in Uzbekistan, Turkmenistan and Syria, we have banned
groups for cotton farming in Uzbekistan, Turkmenistan and Syria, we have banned the use of cotton from these countries. Our Cotton Fiber Sourcing Policy details mandatory steps that all VF suppliers must take to track the origin and flow of material through each stage of their cotton supply chains.

North Korean Labor Prohibition

The United States has adopted measures that create a presumption that all goods produced in whole or in part by North Korean labor, wherever located geographically, involve the use of forced labor and may not be imported into the United States. Authorized facilities and their supply chains for VF goods may not use North Korean labor located anywhere, including outside of North Korea, unless it can be demonstrated by the facility to our satisfaction in advance that the North Koreans employed in making the goods were not subject to conditions of forced labor.

Factory Audits

Factory Compliance Audits

Before conducting business with VF, each contracted factory must undergo a Factory Compliance Audit. Our on-site audit process includes scheduled and unannounced audits by our trained factory compliance auditors and third-party auditors. We use our own trained factory compliance auditors as well as accredited third-party auditors to assess vendor compliance with our Terms of Engagement and Global Compliance Principles. We inspect for evidence of health and safety concerns, wage and social compliance, forced labor and human trafficking, child labor issues, harassment-free workplace policies, and environmental issues. Our audit procedures also apply to nominated Tier-2 factories, cutting facilities, sewing plants, screen printers, embroiderers, laundries, licensee factories and key fabric mills. VF’s Facility Guidelines provide direction for our contracted factories to assist in compliance with our audit program.

To receive an “accepted” rating, a factory must not have any serious health, safety or labor issues in its facility. A factory receiving an accepted rating is audited...
A factory receiving an accepted rating is audited annually. A factory receiving a “developmental” rating may still produce our products, but a follow-up audit will be scheduled after six months and the factory is expected to remediate issues noted in the corrective action plan. A factory with persistent safety, health or labor issues that fails to remediate issues in an acceptable manner will be rejected as our supplier and unauthorized to supply product for VF. VF has piloted the Apprise Victim Identification Mobile App developed by the United Nations University for Computing and Society. Apprise is being tested in our audits to help front-line responders screen potential victims of exploitation.

Under our Global Compliance Principles, contracted factories must allow VF representatives full access to production facilities, employee records and employees for confidential interviews in connection with monitoring visits. Contracted factories that produce goods for the U.S. collegiate market also may be subject to unannounced audits by the Fair Labor Association, a collaborative effort of universities, civil society organizations and socially responsible companies dedicated to protecting workers' rights around the world.

Audit Results and Response

In calendar year 2018, approximately 2,368 audits were conducted globally. Among other things, the audits included an assessment of compliance with our labor standards. Of those, 187 factories were rejected for failing to meet one or more of our standards. In some parts of the world, supplier factories may face unique challenges in conforming to our Global Compliance Principles, although they try very hard. In these cases, we work to help those factories understand their deficiencies and how to resolve the issues that exist. Our Sustainable Operations Team members serve as coaches to help factory management understand how they can make improvements to meet VF's compliance requirements.

VF-Owned and Operated Factory Certifications

All VF-owned and operated factories also undergo independent certification by Worldwide Responsible Accredited Production (“WRAP”). WRAP is an independent, objective, non-profit team of global social compliance experts dedicated to promoting safe, lawful, humane and ethical manufacturing around the world.
dedicated to promoting safe, lawful, humane and ethical manufacturing around the world through certification and education.

Training

VF associates are required to complete online and facilitator-led training on our Code of Business Conduct during their first 30 days and sign an agreement to abide by its principles, including those related to modern slavery. For our associates and management who have direct responsibility for monitoring, auditing and enforcing our Global Compliance Principles, we provide additional training conducted by our staff or a third party. Training includes topics such as identifying child labor, involuntary or forced labor and preventing human trafficking.

In addition, our Sustainable Operations Team assists factory management at VF-owned and contracted factories in understanding how they can make improvements to meet our modern slavery compliance requirements.

Grievance Mechanism and Ethics Helpline

VF is committed to fostering dialogue and communication through multiple channels, including our Open Door Policy and our Ethics Helpline. Labor issues can be reported through the VF Ethics Helpline, which includes multiple channels for raising concerns. The Helpline is a free, confidential way for anyone to seek guidance, ask a question or raise a concern. It is available 24 hours a day/seven days a week in every country where VF has associates. Reporters can contact the Helpline in over 100 languages, and anonymous reporting is available where allowed by law. Each report is reviewed by a member of our Ethics and Compliance team and assigned to an appropriate investigator. To contact the helpline, call 1-866-492-3370 or visit ethics.vfc.com.

VF’s Ethics Helpline and other grievance mechanisms are available to the entire supply chain, including workers in the second or third tier of the supply chain. VF
prohibits suppliers from taking retaliatory action against workers using these mechanisms. VF also encourages suppliers to establish their own grievance mechanisms.

This statement covers April 1, 2018 to March 31, 2019 and has been approved by the Board of VF Corporation.

Steve Rendle, Chairman of the Board, CEO and President

October 2019