



We are Made for Change

SUSTAINABILITY & RESPONSIBILITY REPORT 2018

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Effective for the fiscal year April 1, 2018 through March 30, 2019 ('Fiscal Year 2019'), VF changed its fiscal year from the Saturday closest to December 31, of each year to the Saturday closest to March 31, of each year, while this report covers calendar year 2018. In addition, different criteria are used for certain items (e.g., the number of distribution centers) than those used in our Annual Report on Form 10-K for Fiscal Year 2019 (the '2019 Form 10-K'). Therefore, certain numbers in this report may vary from those reported in the 2019 Form 10-K. Also, because this report covers calendar year 2018, it references and includes information from certain businesses that have been sold or spun off during the interim period.

CEO Welcome

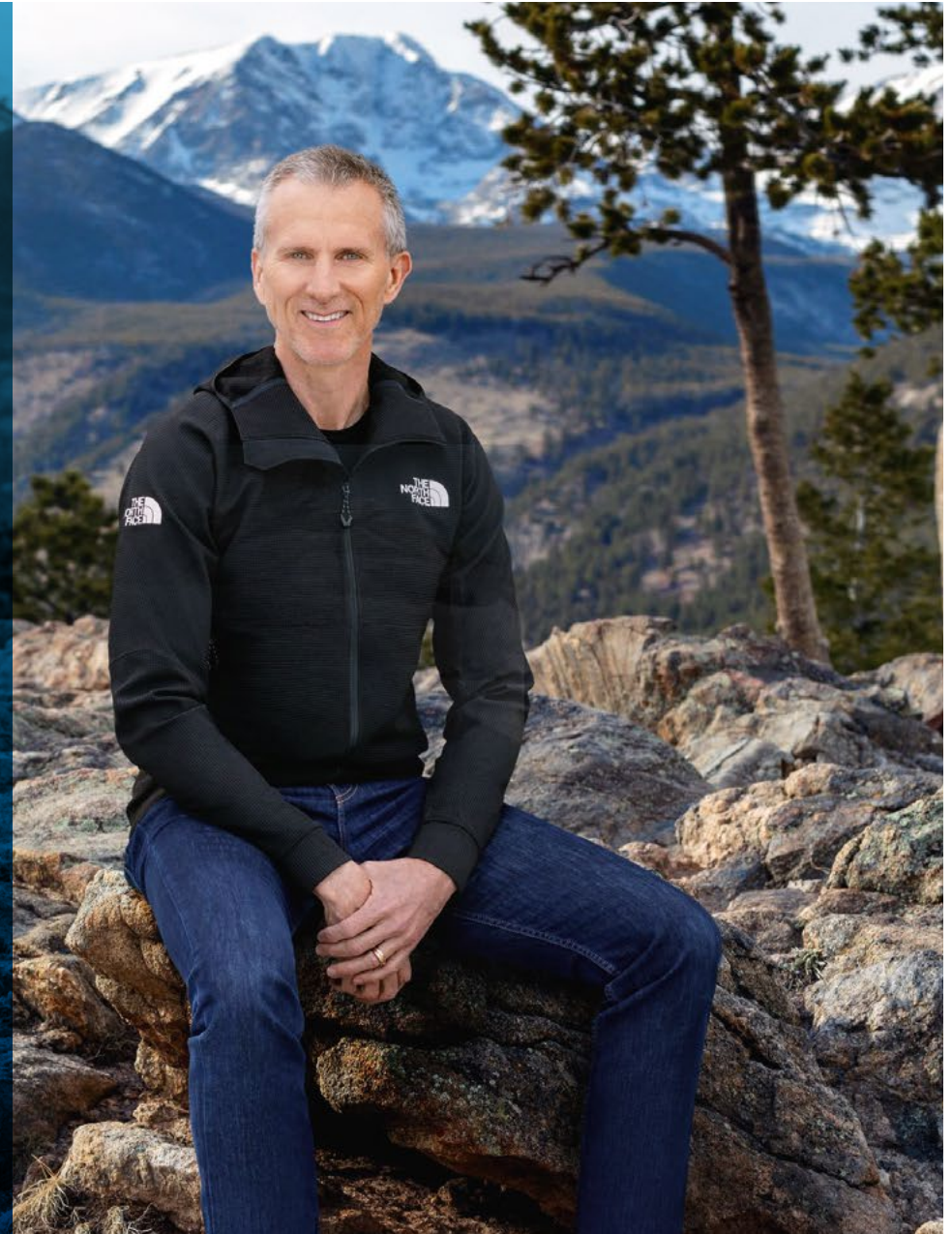
Across VF Corporation is a commitment to be more than just an apparel and footwear company. We strive to be a purpose-led, performance-driven enterprise that leverages the strength of our business to deliver positive impacts for people and the planet we share.

Our sustainability journey is 119 years in the making. In more recent years, we've developed aggressive plans, partnered with others around the world, and acted with urgency to operate our business in increasingly responsible ways.

In 2016, we announced our 'Made for Change' Sustainability & Responsibility Strategy. The strategy details our focused approach to balancing growth, value creation and innovation with our steadfast commitment to lead our industry into a more sustainable future.

'Made for Change' was important then. It's even more important today as we continue to witness the growing social, environmental, political and economic challenges that are affecting our daily lives and threatening our shared future. Many of these challenges have grown so large and complex that traditional institutions responsible for addressing the issues can't deliver solutions alone.

So, we're stepping up.



CEO Welcome | continued

As one of the world's largest apparel, footwear and accessories companies, we believe we're uniquely positioned to be a catalyst for change around issues that align with our business. Therefore, we've declared our commitment to place our commitment to being purpose led on par with our commitment to delivering value to shareholders and stakeholders alike.

VF's purpose is clear: We power movements of sustainable and active lifestyles for the betterment of people and our planet. This purpose is anchored in our desire to create and maintain even stronger, more intimate connections with our consumers by engaging in the societal issues that are relevant and important to them.

“Looking toward the future, we will advance our commitment to power movements built around the intersection of our unique capabilities, the industries and communities where we operate, and where there are clear societal needs.”

What's more, our own associates expect us to set the standard by demonstrating that even the largest companies can excel while also doing good. As we prove time and again, we will create value not only for our shareholders, but for a broad set of stakeholders.

Through 2018, guided by our purpose and our 'Made for Change' Strategy, our teams around the world advanced our work, including:

- Beginning the process to map VF's global supply chain impacts through source maps that trace our products' origins.
- Committing to using sustainably-grown cotton.

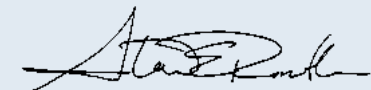
- Elevating the use of recycled materials in many of our products, while at the same time continuing to improve the performance of these types of materials.
- Improving the environmental footprint of our distribution centers, retail stores and offices.
- Reducing water consumption in our owned factories and those of our contract suppliers.
- Minimizing impacts of endangered forests by planting millions of trees in Inner Mongolia's Horqin Desert to improve the area's landscape.
- Supporting communities during natural disasters, from the hurricane-ravaged Caribbean islands to the wildfires in California.
- Working closely with healthcare partners to help factory workers in Bangladesh improve their eyesight and,
- Making clean water more accessible to communities in Cambodia.

We're proud of our achievements but know there is so much more we can do. At VF, we have a bias for action. It's not in our nature to stand on the sideline and wait for someone else to do something. Instead, we're committed to leading the change required to continually lessen our industry's impact on our natural resources and climate, and ensure human rights are prioritized throughout the global apparel and footwear supply chains.

That's why we're building on our 'Made for Change' Strategy – in line with the UN Sustainable Development Goals (SDGs) – and accelerating our pace to deliver on our purpose-led commitments and lead by example.

We hope you find this report to be informative and reflective of our bold intentions to advance sustainability and responsibility across our global enterprise. And we encourage you, along with all our stakeholders, to continue [holding us accountable](#) for progress.

Sincerely,



**Steve Rendle, VF Corporation
Chairman, President and CEO**



GRI 102-14

VF Corporation

VF Corporation is a purpose-led, performance-driven and value-creating organization, employing more than 68,000 associates, working with 1,700+ suppliers in 60 countries and operating in more than 170 countries.

Led by our Board of Directors and Executive Leadership Team, (ELT) our Company has a heritage of 119 years of building the world's most iconic brands, including *Timberland*[®], *The North Face*[®] and *Vans*[®]. At the same time, we are working to minimize environmental impacts, improve the lives of our workers and deliver strong shareholder returns.

We are building on a legacy of success to create an even better VF for the future. Our relentless pursuit of business success is fueled by our desire to use our scale and resources to improve people's lives and make the world a better place.

119

YEARS HERITAGE IN
BUILDING THE WORLD'S
MOST ICONIC BRANDS



GRI 102-1
GRI 102-2
GRI 102-4
GRI 102-7



MORE ABOUT OUR ORGANIZATION
CAN BE FOUND IN OUR FISCAL YEAR
2019 ANNUAL REPORT

OUR GUIDING PRINCIPLES

Our Guiding Principles inform how we show up in all aspects of our work. They set out the expectations we have for ourselves and each other. Embracing these behaviors and attitudes as a whole enables us to foster an inclusive and respectful culture where everyone can thrive.

LIVE WITH INTEGRITY.

Be authentic and do the right thing, always.

ACT COURAGEOUSLY.

Think and act boldly.

BE CURIOUS.

Explore the world, learn and evolve.

ACT WITH EMPATHY.

Seek to understand and respect others.

PERSEVERE.

Persist and work together as One VF.

VF Corporation | continued

OUR BRANDS

OUTDOOR



ACTIVE



WORK



JEANS¹

19

OWNED-MANUFACTURING FACILITIES

1.5m

UNITS OF APPAREL AND FOOTWEAR PRODUCED EVERY DAY

370m+

CONSUMERS OF VF BRAND PRODUCTS

¹ On August 13, 2018, VF announced its intention to spin-off its Jeans business, which includes Wrangler®, Lee® and Rock & Republic® brands, into an independent, publicly-traded company. The spin-off was completed on May 22, 2019. The Jeans business, which also includes Wrangler® RIGGS brand and the VF Outlet™ business, represented approximately nineteen percent of VF revenue and operating income during the year ended March 2019 on a VF-historical reporting basis. The 'Made for Change' report includes our 2018 Jeans business data and commentary.

VF Corporation | continued

LIVING OUR PURPOSE

We want to go even further, moving beyond generating profits and good governance to put purpose at the heart of our business.

We don't just make the world's best apparel and footwear; we power movements of sustainable and active lifestyles for the betterment of people and our planet.

Respect for people and our planet has underpinned our decision making and actions since our founding in 1899. Providing products that support active lifestyles of all types is tightly woven throughout our heritage. This dedication and passion is why we come to work every day.

DEFINING OUR PURPOSE

We use our size, scale and resources to influence the industry – as well as the people whose passions we fuel – in a highly impactful way.

Facilitating the ability for individuals, communities and our planet to thrive, and meeting our fundamental needs for well-being and fulfillment.

We power movements
of sustainable and active
lifestyles for the betterment
of people and our planet.

Engaging in energetic and fulfilling pursuits that allow us to show up and lean into life with our whole selves – emotionally, physically and socially.

Connecting more deeply to the ways of life that are expressed through the behaviors, customs, cultures and activities of our consumers.

Answering the fundamental question:
To what end are we doing all of this?
It's the reason our purpose matters and it gives greater meaning to the work we do.

VF Corporation | continued

Our three movements – Outside Matters, Worthy Work and Free to Be (defined on page 71) are focused and sustained efforts in collaboration with our entire ecosystem of stakeholders, creating positive societal impact based on shared ideas and the vision for a better future.

Being purpose-led and powering movements enables us to have a positive impact on communities around the world, as well as on our business. The cycle of purpose and profit creates ongoing opportunities for VF to accelerate actions that fulfill our purpose and create value for shareholders, consumers and key stakeholders. We do well while also doing good, creating a virtuous cycle.

Our purpose touches every single part of our business operations, enabling us to operate at the highest standards, and drive accountability. VF's Global Business Strategy aligns with the Company's purpose at every level, from selecting the raw materials that meet performance and environmental requirements, to partnering with suppliers focused on reducing the environmental footprint of their factories, to creating a talented, engaged and productive global workforce.

By fully integrating our purpose across our value chain, we are able to deliver the products our consumers demand and uphold our brand promise.

PROFIT AND PURPOSE

1

Create opportunities for more people to live sustainable and active lifestyles

4

Increase number of people participating in our movements and grow our business



2

Provide the right products/experiences to enable sustainable and active lifestyles

3

Have positive impact on social needs

The cycle of purpose and profit creates ongoing opportunities for VF to accelerate actions that fulfill our purpose and create value for shareholders, consumers and key stakeholders.



170

COUNTRIES OPERATED IN WORLDWIDE

242

OF FORTUNE 500 COMPANIES

\$13.8bn

IN REVENUE²

² VF's revenue for the fiscal year 2019 (April 1, 2018 through March 31, 2019) was \$13.8 billion. This amount represents the fiscal year, not the calendar year 2018.

Value Chain

Every step of the way, we have an opportunity to make a positive impact and add value. From how we source our materials to where we manufacture our products and how we distribute them, our

choices matter. And we want to encourage our consumers to make choices that will have a positive impact as well, including how they look after their purchases and what they do with them at end of life.

Our value chain stretches from the hands of the farmers who produce our raw materials to the hands of consumers who enjoy our innovations.



KEY
 ○ VF-owned ○ Partly VF-owned ○ Supplier-owned



Key Trends in 2018



We continually monitor the external landscape to understand the evolving trends, allowing VF to remain at the forefront of leading change.

In 2018, we identified three key trends where we were well positioned with our 'Made for Change' Strategy to use our scale for good and be part of the solution: moving toward circularity, radical transparency, and closing the opportunity gap.

1

MOVING TOWARD CIRCULARITY

In the 15 years from 2000 - 2015, global clothing production approximately doubled. The growth was driven largely by a growing global middle-class population, and increased per capita sales in mature economies³.

At the same time, more than \$500 billion of value is lost every year due to clothing underutilization and lack of recycling⁴. We need to find ways to meet the growing demand for clothing and related products, while maximizing the value derived from clothing produced.

In 2017, we committed to pursuing circular business models. This means rethinking the lifecycle of our products to limit the impact our business has on the environment, while increasing access to consumers who may not have previously considered our products. Recommerce is one example of a circular business model.

We can unlock value and new revenue streams by selling previously owned, damaged-and-repaired or used products. We further developed this work through 2018.

See the Circular Business section of this report to learn more about the actions we are taking toward circular business models.



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CIRCULAR BUSINESS
ON PAGE 22

³ <https://www.mckinsey.com/business-functions/sustainability/our-insights/style-thats-sustainable-a-new-fast-fashion-formula>

⁴ Ellen MacArthur Foundation, A New Textiles Economy 2017.

Key Trends in 2018 | continued

2

RADICAL TRANSPARENCY

Consumers want to know the origin of the products they purchase and that those products are made to the highest environmental and ethical standards.

Sixty-six percent of consumers say they are willing to pay more for sustainable goods and forty-two percent of millennials want to know what goes into products and how they are made⁵. The apparel industry has acknowledged the importance of increasing transparency, both to meet increasing consumer interest, and also as a way of continuing to raise standards across our supply chain. VF is a founding member of the Sustainable Apparel Coalition (SAC), which works with its members on a Higg Index Transparency Roadmap to publish clear, comparable and meaningful sustainability scores.



In 2018, we launched our first traceability maps for ten of VF brands' iconic products. Transparency maps tell our consumers and stakeholders a comprehensive story, from where raw materials originate to where a product is made.

These maps help us uncover, address and monitor environmental and social issues, and continue to improve our supply chain management and efficiency.

Our goal is to increase the product maps year-over-year, eventually covering the majority of our supply chain operations.



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RESPONSIBLE SOURCING & WORKER WELL-BEING
ON PAGE 50

3

CLOSING THE OPPORTUNITY GAP

The opportunity gap refers to the way in which gender, race, ethnicity, and socio-economic status contribute to an individual's full potential. Such gaps limit individuals and impact companies that could benefit from greater diversity.

Studies have shown that women in the U.S. are less likely to hold high-level, high-paying jobs than men. Women of color face additional barriers to advancement in the workplace. Global statistics show similar disparities with the European Union's gender wage gap, with men earning nineteen percent more than women on average⁶.

We want to play our part in closing the opportunity gap, driving gender and race parity along with fairness of opportunity for all VF associates, because we know a diverse and inclusive environment drives better business. In 2016, in partnership with the Paradigm for Parity coalition, we committed to achieve gender parity throughout VF's corporate leadership structure by 2030. In 2018, we launched an additional goal of twenty-five percent representation for people of color in the U.S. at director level and above.



MOVEMENT MAKERS
ON PAGE 60

⁵ McKinsey State of Fashion report 2019 and 'Decoding the Millennial Marketplace', McKinsey & Company, 2016.
⁶ <https://data.oecd.org/earnwage/gender-wage-gap.htm>

Our 'Made for Change' Strategy

Our journey to create our new Sustainability & Responsibility Strategy, 'Made for Change', began with a question: What will it take to move our business – and the industry – forward in a sustainable way?

We need to address a changing marketplace of evolving consumer and investor preferences, shifting social pressures and urgent environmental constraints. Our 'Made for Change' Strategy is a foundational component for delivering our purpose as an organization.

After two years of assessments, workshops, stakeholder engagement, materiality assessments, trend analyses and consumer research, we outlined a new sustainability management approach – creating value by making change happen.

We identified three areas where there is a high need, where we can leverage our scale and influence to create comprehensive business, social and environmental value, where we can contribute to the UN SDGs, and where sustainability can elevate our business.



OUR 'MADE FOR CHANGE' STRATEGY

Circular Business



SECOND LIFE IS SECOND NATURE

Aspiration: Transform the apparel and footwear industry from linear to circular

Scale for Good



OUR SCALE IS A FORCE OF GOOD

Aspiration: Transform our industry's three biggest impacts – climate change, materials and worker well-being

Movement Makers



THE POWER OF A UNITED TEAM, UNLEASHED

Aspiration: Transforming how we engage our associates and consumers to be movement makers



GRI 103-1



'MADE FOR CHANGE'
GOALS AND TARGETS
ON PAGES 15-16

Our 'Made for Change' Strategy | continued

Circular Business



Linear production is inherently inefficient and wasteful. In a circular business, however, materials and products are kept in use as long as possible. This presents an opportunity for VF to unlock new revenue streams for our brands, while continually and meaningfully minimizing our environmental impact.

We believe there's more to circular business than simply recycling. Our strategy centers on three areas: Recommerce, Rental, and Circular Design. In apparel, these business models are already proving to be successful. U.S. apparel resale, for example, has grown 21 times faster than the retail apparel market and is expected to grow to \$51 billion by 2023⁷. Meanwhile, apparel rental is quickly becoming a first choice for many consumers.

Embedding circularity requires disruption of current processes and a drive to think differently. Our new approach results in more innovative products and better consumer experiences. Our ambition is to use our scale to lead the apparel and footwear industry in the transition from linear to circular. Through this work, we make high-quality second-life apparel available to consumers.



Scale for Good



Traditional thinking says the bigger the business, the greater its negative impact. We believe we create more shared value for our stakeholders by using our global scale as a force for good in the world.

Scale for Good is about using our size and influence to lead the transformation needed in our industry and to help address the industry's biggest challenges – climate change, materials and worker well-being.

We are working to decarbonize our value chain in line with climate science guidance. We are working to dramatically reduce the impact of our key materials so we can continue making high-performance apparel and footwear in a resource-constrained future.

Moreover, we are diligently driving workplace standards so no worker has to risk their dignity, health or life to work in the apparel supply chain. We are empowering workers to pursue better lives for themselves and their families. Together, these efforts will help us build a thriving, productive workforce.



Movement Makers



We believe every individual can be a force for good. At VF, we strive to inspire our thousands of associates and millions of consumers by uniting their efforts to create a movement of sustainable and active lifestyles.

Together, we hope to radically transform our business and lead the apparel and footwear industry into a sustainable future for all our stakeholders. As Movement Makers, we want to deliver on three priorities: impactful brands, impactful work and impactful interventions.

We strive for all VF associates to have the opportunity to give back to their local communities, and for VF and our brands to empower consumers to live more active and sustainable lives.



Our ambition is to use our scale to lead the apparel and footwear industry in the transition from linear to circular.

7 ThredUP 2019 Resale Report.

Our 'Made for Change' Strategy | continued

PARTNERING TO DELIVER

We partner with numerous external organizations to support key aspects of our 'Made for Change' Sustainability & Responsibility Strategy. We continually monitor stakeholder concerns and review our strategy to include emerging issues and opportunities within our strategy. We will set new targets during our strategy review in 2020.

LEADING CHANGE THROUGH OUR BRANDS

Our 'Made for Change' Strategy was created through a collaborative approach, together with our stakeholders and each brand in the VF family. While not mandatory, this strategy has been adopted by all VF brands. 'Made for Change' provides the foundation for each unique brand's sustainability agenda, empowering brands to utilize what's most relevant and meaningful, customizing the framework of activities to reflect individual brand personality. The strategy also serves as a valuable guide when developing brand-specific sustainability goals that roll up to the VF company-wide goals and targets. We know we are stronger when we work together as a family and share best practices. Together we can advance further, faster and increase our collective impact.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

At VF, we envision a business and an apparel and footwear industry that creates no environmental harm while enabling social justice for all people our business touches.

While we contribute to all 17 of the UN SDGs, we have identified nine where we can have the biggest impact. Our key strategic goals align with these eight priority goals and will help to measure our impact.



SDG 3:
GOOD HEALTH
AND WELL-BEING



SDG 11:
SUSTAINABLE CITIES
AND COMMUNITIES



SDG 5:
GENDER
EQUALITY



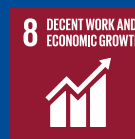
SDG 12:
RESPONSIBLE
CONSUMPTION
AND PRODUCTION



SDG 7:
AFFORDABLE AND
CLEAN ENERGY



SDG 13:
CLIMATE
ACTION



SDG 8:
DECENT WORK AND
ECONOMIC GROWTH



SDG 15:
LIFE ON
LAND






















SDG 10:
REDUCED
INEQUALITIES

SDG 10:
REDUCED
INEQUALITIES
















Our 'Made for Change' Strategy | continued

GOALS AND TARGETS

We measure and manage our progress through goals associated with each pillar of our strategy.

Pillar	Topic	Goal	Due	Progress in 2018	Description of Progress	SDG
CIRCULAR BUSINESS 	Aspirational Goal	Lead the large-scale commercialization of circular business models through brand-led recommerce and rental initiatives.	2030		We have one Recommerce (TNF Renewed) and one rental (TNF EMEA rental) pilot in market after only six months.	 
	SCALE FOR GOOD 	Aspirational Goals	Halve our upstream environmental impact, farm-to-front door.	2030		While we are continually reducing our environmental impacts, our SBT-setting process and initiatives to reduce our GHGs will enable us to accurately measure our progress going forward (SBTs to be announced in December 2019).
		Improve the lives of one million workers and their communities annually by 2025, 2 million workers and their communities by 2030.	2025	156,679 workers reached since 2017	Through VF's Worker and Community Development program, VF directly invests in the communities surrounding our strategic suppliers, with a focus on three important areas: Water and Sanitation, Health and Nutrition, and Childcare and Education.	  
Climate		Announce science-based climate change goals.	2019		We will announce our SBTs in December 2019, with a target to meet our goals by 2030. We will set out SBTs for Scope 1 and Scope 2 at a fifty-five percent reduction, in line with the '1.5 degree scenario', including our existing 2025 RE100 goal. Our Scope 3 SBT will be set at a thirty percent absolute reduction from our baseline year, in line with the 'well-below 2 degree scenario'.	
		One-hundred percent renewable energy in owned-and-operated facilities.	2025	14% renewable energy	VF continues to increase our sourcing of renewable energy, through specified grid purchases, Power Purchase Agreements, and onsite generation.	 
Materials		Reduce the average impact of our key materials by thirty-five percent.	2025	14% toward our goal	Average impact, per U.S. spend, of our key materials decreased by five percent from 2017 to 2018.	 
		One-hundred percent of all footwear leather will be finished in Leather Working Group audited tanneries.	2021	99% certified	The Global Materials Sourcing team have worked to onboard and train new tanneries, while continuing to support and maintain certification for our core supplier base. They have also been working closely with our remaining uncertified suppliers who are currently going through the auditing process.	
		Fifty percent of nylon and polyester will come from recycled materials.	2025	11% recycled nylon and polyester	VF significantly increased the percent of recycled nylon and polyester from 2017 to 2018 and is on track to achieve its goal of fifty percent recycled nylon and polyester by 2025. This can be attributed to an internal implementation strategy and the development of brand specific sustainable materials goals.	 
		One-hundred percent PFC-free outdoor apparel.	2025	34% PFC-free	VF has doubled the percentage of PFC-free durable water repellent (DWR) for outdoor apparel from 2017 to 2018 and is currently on track to achieve its goal of 100% PFC-free DWR for outdoor apparel by 2025. VF's PFC-free cross-brand working group kicked off in 2017, driving toward our 2025 goal.	
		One-hundred percent Responsible Down Standard.	2019	100% compliance	All virgin down purchased in 2017 and 2018 was certified to the Responsible Down Standard (RDS). 2018 was the first year that VF purchased recycled down, which was all certified to the Global Standard (GRS).	
		All cotton purchased by VF that is not from the U.S. or Australia is grown under a cotton growing sustainability scheme.	2025	83% sustainably-grown cotton	In 2018, we purchased 36,180 MT of BCI Cotton, increasing our overall percentage of the use of sustainably-grown cotton. This in addition to an estimated forty-five percent of our cotton coming from the U.S. and Australia.	 

Our 'Made for Change' Strategy | continued

Pillar	Topic	Goal	Due	Progress in 2018	Description of Progress	SDG
MOVEMENT MAKERS 	Aspirational Goals	Every VF associate has the opportunity to contribute to their local community.	2030		VF associates are encouraged to give their time and expertise to their communities. VF community days offer volunteer activities such as helping to maintain woodlands, creating trails, refitting animal shelters and volunteering in hospitals. VF will institute processes to track and quantify employee volunteering in the future.	
		Empower our consumers to live more active and sustainable lives.	2030		The VF foundation supports organizations and initiatives in the communities of our associates and consumers. The VF Foundation gave over \$4.8 million in 2018, which included a \$1 million pledge to the Outdoor Foundation that will encourage kids to get outside and build healthy individuals and healthy communities.	 
	Impactful Work 	Gender parity in leadership positions.	2030	35% women in leadership positions	The results in 2018 continued the strong progress from 2017 as we continue our journey toward gender parity. In 2018, we hosted our first ever Asia Women's Leadership Summit. This two day event coincided with International Women's Day and leveraged the #PressforProgress theme to empower, inspire, and develop the women leaders in attendance.	
		Twenty-five percent representation for people of color in the U.S. at the director and above levels.	2030	15% representation	We refined our goal from 2016 to include a metric of 25% representation of people and color in the US at the Director and above levels. Our progress from 2017 to 2018 represents a 15.4% increase, the largest year on year increase in the last 10 years.	
		Integrate training at all levels that fosters inclusion and addresses unconscious bias.	2020	320 senior leaders	Launched the Global I&D core training curriculum, which aims to provide a universal competency for I&D. In addition, we launched the 'Profiles in Leadership' series. This educational series, which included participation from three VF board members, was viewed over 5,000 times by associates.	
	VF associates will contribute one million hours to local communities.	2025		Our brands provide 8 to 40 hours of paid time off per year to volunteer their time and skills.*		
Foundational	Zero-waste facilities 	All distribution centers will be zero-waste.	2020	55%	VF continues to increase the number of our owned distribution centers that are certified as zero-waste. We have set an aggressive plan for each distribution center to achieve zero-waste by our target date of 2020.	
	Animal welfare 	One-hundred percent compliant with Animal Derived Materials (ADM) Policy.	2020	100%	All suppliers have been informed of VF's ADM and have agreed to comply with the requirements of this policy. We have verified that no supplier is sourcing leather from cattle raised in the Amazon biome, validated that all our down is certified to the RDS standard, and continue expanding our sourcing of RWS and ZQ wool.	
	Deforestation 	One-hundred percent compliant with Forest Derived Materials (FDM) Policy.	2020	100%	All suppliers, both direct and indirect, have agreed to comply with our FDM policy. We randomly audit our suppliers for compliance and have found no violations during 2018.	

* 2018 progress information is unavailable due to portfolio and system changes. VF will institute processes to track and quantify employee volunteering in the future.

How We Manage Sustainability

Every VF associate contributes to the progress toward our 'Made for Change' Sustainability & Responsibility Goals and Targets.



Our strategy comes to life within a culture of shared accountability, collaboration and commitment to leading the change. Robust management systems, consistent reporting practices and committed leadership at all levels of our business enable us to pursue our ambitious goals to affect the change we believe is possible – and necessary.

Steve Rendle, VF Corporation's Chairman, President and CEO, the VF ELT and the Board of Directors are responsible for approving VF sustainability strategies and targets related to social and environmental issues.

This global team receives progress updates at least four times per year by VF's Vice President of Sustainability and Responsible Sourcing, who also reports to the VF Board of Directors' Governance and Corporate Responsibility Committee, and to the VF Board of Directors once per year.

We monitor progress against Sustainability & Responsibility Goals and targets both at the corporate and individual brand level. All Brand Presidents report annually to VF's ELT on their sustainability goals and progress.



GRI 102-18

How We Manage Sustainability | continued

VF's Sustainability & Responsibility Community of Practice

The VF Sustainability & Responsibility Community of Practice (CoP) is the catalyst for scaling sustainable innovation and practices throughout our Company.

The CoP comprises dedicated practitioners embedded within our business units and brands who activate our strategy, partner with internal and external stakeholders, and drive performance.

GLOBAL SUSTAINABILITY TEAM

Our Global Sustainability Team supports our brand teams to help reduce the environmental impact of our products, and meet our sustainability goals. The team drives energy, water and waste reductions throughout VF's leased, owned-and-operated facilities. Team members collaborate directly with our supplier factories in the adoption of the Sustainable Apparel Coalition's Higg index in an effort to reduce factory energy, waste and water use.



SASB CG-AA-430a.2

INCLUSION & DIVERSITY TEAM

Our Inclusion & Diversity Team is a function within our Human Resources organization and reports directly to the VF Chief Human Resources Officer. The team is responsible for setting and meeting our global Inclusion and Diversity goals and supporting the organization in creating a culture of inclusion.

BRAND SUSTAINABILITY TEAMS

Our Brand Sustainability Teams are responsible for reducing the impact of each brand's environmental impact, with focus on all aspects across the specific brand, including at office and retail operations, product design, manufacturing, and customer and consumer engagement. The Brand teams' goals ladder up to the VF company-wide sustainability goals and will connect to the Science Based Targets that will be set in 2019.

EXTERNAL ENGAGEMENT AND GOVERNMENT AFFAIRS TEAM

The team leads our external engagement collaboration for all sustainability, responsibility and supply chain topics globally. Their objective is to connect with stakeholders; driving engagement and advocating for topics that are important for the future of our business.

VF'S PRODUCT STEWARDSHIP AND TRACEABILITY TEAM

Our Product Stewardship and Traceability Team is responsible for developing and implementing global product standards in partnership with each brand, which uphold product quality and safety while continuously reducing environmental impacts. The team does so through responsibly sourced, traceable materials, as well as by understanding and managing impacts of our key raw materials.

VF'S RESPONSIBLE SOURCING TEAM

Our Responsible Sourcing Team, which comprises more than 50 professionals around the world, works to continuously elevate the social and environmental performance in our supplier factories, including a dedicated focus in operating in safe, healthy environments where human rights are respected. This team works with factory owners and managers to continually improve facility management practices and working conditions. Outside the factory, the team drives worker and community development programs, providing access to health, nutrition, education and clean water services to improve workers' lives.

VF'S SOCIAL COMPLIANCE AND AUDITING TEAM

Our VF Global Assurance Team coordinates the regular auditing of all Tier 1 and strategic Tier 2⁸ factories used by VF. In implementing VF's comprehensive social compliance standards, we interview workers, review supplier records and conduct onsite, unannounced inspections of factories and onsite living areas to verify factory operations meet VF's standards and workers are treated fairly.

VF'S RESPONSIBLE SOURCING ADVISORY COUNCIL

Our Responsible Sourcing Advisory Council provides expertise, insights and diverse perspectives to our sourcing program. The Council includes university academics, former government officials, NGO leaders and other professionals who advise us about ongoing program improvements. Council members engage with our teams multiple times each year via virtual and in-person forums.

⁸ Tier 1: Production Manufacturing: Facilities where the finished products are made. These are sometimes referred to as cut and sew facilities.
Tier 2: Material Production: Facilities where materials are manufactured. Fabric is made from yarn and dyed. These are sometimes referred to as dye houses and/or fabric mills.

How We Manage Sustainability | continued

Sustainability & Responsibility Policies

We set and implement numerous policies throughout our business to drive and support our 'Made for Change' Strategy. Policies include ethical and environmental standards, covering topics such as sourcing materials, labor practices, sustainable chemistry, and business conduct. The policies also detail the high standards that we expect our suppliers to meet, including our terms of engagement, Restricted Substances List and factory guidelines.

SUSTAINABILITY POLICIES WHICH SUPPORT OUR 'MADE FOR CHANGE' STRATEGY:

Policy
Animal Derived Materials
Conflict Minerals
Cotton Fiber Sourcing
Forest Derived Materials
Restricted Substance List
Non-Retaliation Policy
Open Door Policy
Respectful Workplace Policy
North Korean Labor Prohibition
Programs
CHEM-IQ SM
Standards
Code Of Business Conduct
VF Terms Of Engagement
Global Compliance Principles
Factory Guidelines
Factory Audit Procedures
Green Buildings
Wastewater Standards
Modern Slavery Act Disclosure

Supplier Procurement Practices

We design policies and procedures throughout our supply chain to improve the lives of workers and protect our planet. We have the opportunity to lead the way – upholding workplace safety in every factory, respecting human rights, and improving workers' lives within their communities – while requiring applicable environmental standards are met. Both our procurement practices and the way we work with suppliers are designed to support these goals.

In 2018, we audited ninety-five percent of the facilities of our contracted factories. As a result of audit findings, factories are designated as either: Rejected; Pending Rejection; Developmental; or Accepted, and provided with a corrective action plan (CAP). Continued and increased production with suppliers is based on their performance designation and level of improvement over time.

Our Sustainable Operations Team, part of the VF Responsible Sourcing Team, works with suppliers to build factory capacity through trainings and one-on-one assistance. Long-term relationships with our suppliers enable a collaborative approach to continuous environmental and social improvement.

Political Contributions

As per the requirements under The Honest Leadership and Open Government Act of 2007 (HLOGA) and other campaign finance laws, we disclose contributions toward advocacy, lobbying activity and fees, and certify adherence to Senate and House gift and travel rules. In 2018, VF did not make corporate contributions to political campaigns, 527s or independent expenditure committees.



How We Manage Sustainability | continued

Stakeholder Engagement

We value our partnerships and collaborate with our stakeholders in the creation and implementation of our strategies and programs.

VF interacts with a wide range of stakeholder groups – from NGOs, to local and national government and community groups. We define stakeholders as those who affect and/or are affected by our business operations, including customers, consumers, investors, VF associates, suppliers, NGOs, industry groups, communities and governments. Our stakeholders hold us accountable, help us understand and overcome persistent barriers to progress, stay ahead of opportunities, and create and share best practices.

We engage with key stakeholders at least once per year to continually understand the scope of our business risks and their expectations for our reporting of performance. At the beginning of 2017, we conducted a thorough stakeholder engagement review and materiality assessment. This materiality assessment has informed this report. We engage on an as-needed basis as projects and programs are assessed and developed.

By engaging key internal and external stakeholders and understanding their expectations regarding sustainability issues, we have identified and prioritized the issues most material to VF's business.

These are outlined in the materiality section and in our materiality matrix.

We partner with a variety of stakeholders to design and implement improvement projects and programs, conduct due diligence and create change. For example, VF partners with The Mekong Club to better identify and mitigate forced labor in the supply chain. Additionally, we partner with a number of agencies to implement programs, such as the International Finance Corporation, CARE International, and VisionSpring.

As well as reporting in line with internationally recognized frameworks, VF provides extensive information online to engage stakeholders around the most material and pressing sustainability topics, including environmental, social and governance (ESG) topics.

In 2019, we will update our stakeholder engagement strategy to deliver maximum value for VF and our stakeholders alike. We will undertake this work in partnership with Business for Social Responsibility. The updated strategy will guide our long-term stakeholder partnership choices.



GRI 102-40
GRI 102-42
GRI 102-43
GRI 102-44



SEE MATERIALITY SECTION
ON **PAGE 79**



How We Manage Sustainability | continued

Conducting Business Ethically

Conducting business ethically is fundamental to who we are as a company and our values. We know that we can use our scale for good and lead by example, by acting ethically in all our interactions, whether with suppliers, consumers, associates or other stakeholders. Good governance upholds a strong adherence to our standards, wherever we operate.

Our commitment to good governance involves:

- Reinforcing the VF zero tolerance position on bribery and corruption by delivering consistent communication of our expectations to associates and third parties.
- Striving to prevent misconduct by VF associates or third-party affiliates by providing training and resource and conducting due diligence.
- Detecting misconduct through risk assessments and periodic testing and review of the program activities.
- Responding appropriately to reports of misconduct by providing multiple reporting channels and reliable internal investigation processes, along with clear communication and consistent administration of consequences for misconduct.

We operate a global Anti-Corruption Program. The program promotes compliance with anti-corruption laws and provides a framework for robust practices in numerous areas, including: leadership engagement; oversight, autonomy and resources; setting clear policies and procedures; training, communication and advice; reporting and investigation procedures; and periodic monitoring, auditing and assessment of our anti-corruption efforts.

Our program has been designed to provide broad guidance to our associates. Every associate receives training on our VF Code of Conduct. We provide specific, tailored guidance where necessary.

For example, associates who regularly travel to locations that may be more susceptible to requests for bribes, receive communication and training shortly before their travel.

Training content includes topics such as:

- Bribery
- Kickbacks
- Gifts and entertainment
- Conflicts of interest
- Interactions with government officials
- Use of third-party intermediaries
- Charitable contributions
- Accurate record keeping
- Methods for reporting misconduct

We communicate our anti-corruption policies and procedures to members of the Board of Directors and external business partners via our Code of Conduct and Terms of Engagement.

Associates and third parties have access to the VF Ethics Helpline and web reporting tool. Both reporting channels are available in multiple languages and administered by a third-party service provider. Our global investigation protocol requires us to promptly, consistently and confidentially investigate each reported issue.



GRI 103-1
GRI 103-2
GRI 103-3
GRI 205-2



Circular Business



OUR ASPIRATIONAL GOAL:

- Lead the large-scale commercialization of circular business models through brand-led recommerce and rental initiatives.

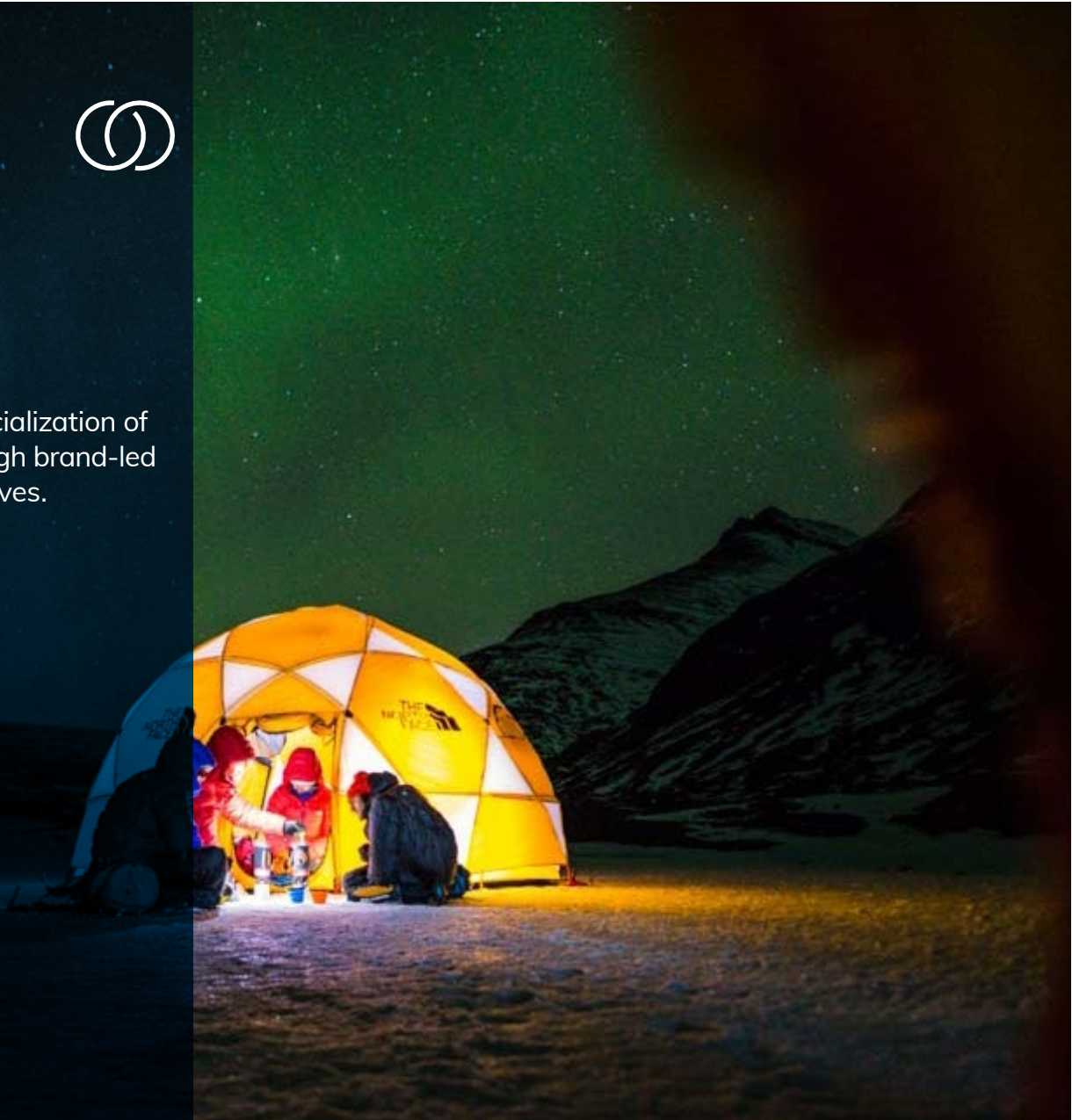
CONTRIBUTING TO UN SDGs:



SDG 12:
RESPONSIBLE CONSUMPTION
AND PRODUCTION



SDG 13:
CLIMATE
ACTION



Doing Business Better

According to the Ellen MacArthur Foundation⁹, the equivalent of one garbage truck of textiles is landfilled or burned every second.



We believe in doing business better: designing products to maximize their life span and using materials and processes that enable products to be deconstructed and fed back into the production cycle – time and time again. It's our circular approach to business.

Our focus on circularity drives creativity, sparks innovation and fuels future growth. At the same time, it enables us to help Mother Nature and contribute to SDG: 12 Responsible Consumption and Production by striving to use fewer raw materials.

For VF, it's a win-win approach. Our team is empowered to reimagine and reinvent just about everything – from business and design to commerce. Yet, we never lose sight of the key principles of good business – creating value for consumers and stakeholders while mitigating risks and unlocking new revenue streams.

As one of the largest apparel retailers in the world, we're bold about our commitment – to be a leader of large-scale commercialization of circular business models by 2030.

Today, we're pioneering progress in three key areas:

CIRCULAR BUSINESS MODELS	P24
SECOND LIFE	P26
CIRCULAR DESIGN	P28

⁹ <https://www.ellenmacarthurfoundation.org/our-work/activities/make-fashion-circular/report>

Circular Business Models

Most products are sold today through a single transaction with consumers. When the product is no longer useful, it is often disposed for incineration or to landfill.



We're driving change by evolving our relationships with consumers, providing new and more sustainable solutions for their no-longer-needed products. Transitioning to circular business models contributes to both SDG 12: Responsible Consumption and Production and SDG 13: Climate Action.

OUR APPROACH

The environmental impacts attributed to materials account for approximately forty-two percent of VF's total environmental footprint. Being smarter about the materials we use and how we source them is our greatest opportunity to create positive change. Developing circular business models that keep these materials in use for as long as possible is key to reducing this area of our footprint.

Today, circular business model development and integration is embedded in VF's Strategy Development Team, driving integration of new business models throughout VF's businesses. This alignment enables VF to weave circular business models into larger strategic growth initiatives.

We're committed to forging a circular approach through experience and collaboration, piloting and testing, and learning as we go. Our business structure enables us to minimize negative impacts to a single brand's bottom line by investing dedicated resources and allowing pilot programs the incubation time needed for new ideas to fully blossom. Through our successes and our failures, we're building best practices that will shape the next phase of our journey.

TARGETS AND PERFORMANCE

Our goal

- Lead the large-scale commercialization of circular business models through brand-led recommerce and rental initiatives by 2030.

Our progress

- In June, The North Face brand launched VF's first recommerce platform 'The North Face® Renewed' recommerce initiative, which is now active in the market.
- The North Face brand introduced a rental pilot with The Library of Things to provide high-quality camping gear.
- Kipling will be launching rental pilot 'Rent your Kipling' in 2019 to provide high-quality luggage.
- We are continuing to develop circular business models across our regions and our brands. They will support VF's strategic growth opportunities, continue to drive innovation, help reduce environmental impacts, deliver value to stakeholders and increase consumer access to the outdoors.

Circular Business Models | continued

Renting our Products Why Buy when You Can Borrow?

The average American throws away 81 lbs (37 kg) of used clothing annually¹⁰ and many clothes are left in closets, either unworn or worn just a few times.

UK shoppers own £10 billion of unused clothing¹¹. Wasted and unused clothing represents lost resources where value still exists.

We believe clothing rental aides the reduction of clothing waste and with a dedicated focus, will change the way people use our products to derive maximum value throughout a product life span. Clothing rental options allow consumers to reduce clothing storage needs at home and reduce upfront expenditures on clothing, freeing up resources to travel and access to the outdoors more frequently. The importance of rental initiatives continues to grow across our brand portfolio.



BRAND PILOTS

With urban populations continuing to grow, storing large luggage in small urban living spaces presents a challenge. In 2018, the Kipling® brand introduced a rental pilot, 'Rent Your Kipling' in partnership with start-up Lizee in London, which provides travelers with a Kipling® luggage set to help them get packing and travel responsibly.

The North Face® brand also launched a pilot in Europe with The Library of Things to develop a rental program for camping gear, luggage and other equipment.

The program helps urban explorers save money, get outside more easily and reduce their impact on the environment. Customers borrow The North Face® professional camping equipment for as little as £2.20 per day.

Our rental journey has just begun. Our plan is to scale up our pilots where commercially viable and explore wider opportunities to drive greater impact.

Extending our life through recommerce Reincarnation for Clothes

Recommerce provides a platform for clothes to enjoy a second life by enabling previously-used products to be repurchased, extending the life of the item. It's predicted the second-hand market for clothes will double in the next ten years, and quality second-hand clothing will comprise a third of closet utilization by 2033¹².

In 2018, The North Face® brand launched VF's first recommerce platform, 'The North Face® Renewed', that provides the same great quality and performance brand consumers expect from The North Face®, while being lightly worn. Since its launch, 'The North Face® Renewed' has enabled 37,777 lbs (17,135 kg) of apparel in the U.S. to be used again by its consumers.

The key to the success of 'The North Face® Renewed' is durable products. Even though a product may have had a past life, products from The North Face® brand are designed to summit the highest peaks and to withstand heavy urban use.

Renewed gear is professionally cleaned and inspected by The Renewal Workshop and, where required, repaired to high standards – such as replacing a button or a zipper or stitching up a tear.

Finally, the item is quality-checked and sent back out into the world, ready for its next adventure.



¹⁰ <https://www.weforum.org/agenda/2018/08/clothing-rental-could-be-the-key-to-a-stylishly-sustainable-fashion-industry>

¹¹ <https://www.theguardian.com/fashion/shortcuts/2018/jan/02/wardrobes-full-unworn-clothes-worth-10-billion-pounds>

¹² <https://www.thredup.com/resale>

Second Life

Every year, \$500 billion worth of barely worn clothing¹³ is disposed of instead of being reused or recycled.



More than 15 million tons of used textile waste is generated annually in the U.S. alone, double the textile waste just 20 years ago. At VF, we're determined to change this 'throw-away' mentality.

OUR APPROACH

Our takeback and warranty programs are designed to increase the length of our products' lives and make it easier for consumers to recycle any of their clothing – reducing waste reaching landfill and fueling circular business models.

We're learning by doing, piloting, innovating and iterating. We work with partners across our markets to learn, test and find opportunities to build the business models of the future.

TARGETS AND PERFORMANCE

Our goal

- Increase takeback collection at *Timberland*® and *The North Face*® brand stores in Europe by ten percent by 2020.

Our performance

- Since 2016, we have diverted approximately 14 tons (12,700 kg) of clothing from landfill in Europe alone, and over 47 tons (42,638 kg) in 2018 globally, reducing our environmental impact and giving valuable products another life.
- At the end of 2018, we met our 2020 target early by increasing by forty-four percent the collection of clothing in just one year.
- Our large-scale consumer takeback programs include ***The North Face*® brand's 'Clothes the Loop'**, ***Timberland*® brand's 'Second Chance'** program in Europe and its U.S. partnership with Circularity.

¹³ <https://www.ellenmacarthurfoundation.org/our-work/activities/make-fashion-circular/report>

Second Life | continued

Repairing our Products As Good as New

Our gear supports all types of adventures – from exploring new cities to summiting mountains. We enable consumers to realize the most value by producing durable products, supported by VF's warranty and repair programs.

- In the U.S., The North Face® brand warrants manufacturing defects in materials and workmanship.
- The Eagle Creek® No Matter What™ warranty covers the entire lifetime of the product against defects in workmanship or materials. Products covered by the warranty are repaired without charge or, if not repairable, the damaged product is replaced with a new product. We offer to repair damage that is not covered under our lifetime warranty repair services for a reasonable price at Certified Repair Centers, allowing our consumers to extend the life of their brand's favorite product.
- The Eastpak® brand's warranty covers defects in materials and workmanship for the original owner – committing to repair a product to be usable for up to 30 years.

Reusing our Products Closing the Loop

We encourage consumers to return their old clothes and shoes to us, rather than disposing of them to landfill. It reflects our commitment to reducing the environmental impact of our products at every stage of the lifecycle – from design to end of life.


Our brands currently implement a diverse range of consumer-facing reuse initiatives:

- Customers can drop unwanted clothing and footwear (any condition, any brand) into 'Clothes the Loop' bins at The North Face® retail and outlet stores. Clothes the Loop is active at 150 stores around the world.
- Unwanted shoes can be donated for reuse through the Timberland® brand's 'Second Chance' program, which is currently available in 100+ stores across Europe. The shoes are sent to partners for redistribution.
- In the U.S., the Timberland® brand's partnership with non-profit partner Circularity provides footwear for individuals in need. More than 47 tons (42,638 kg) of clothing and footwear have been donated for reuse and recycling since the program began.

Partnering with charities enables us to extend our reach and drive increased positive impact across the world. In the UK, the Timberland® brand partners with TR Aid, which runs a network of over 1,500 charity clothes banks, home collections and charity shops. The partnership has diverted over 2,500 tons of clothes away from landfill and incineration every year.

Achieving wholesale behavior change is a gradual process. To encourage participation in their reuse and recycling programs, The North Face® and Timberland® brands offer \$10 off a minimum purchase of \$100 when products are brought back for reuse or recycling.





Circular Design

Most products today aren't designed to be circular, and existing infrastructure around the world isn't set up to reuse garments and footwear. Moving toward a circular economy requires a wholesale system change, driven by innovative ideas and new business models.

We're tackling the challenge of circular design head on, pioneering new ideas that address circular design across our products and our packaging.

OUR APPROACH

When designing for circularity, we keep in mind three fundamental philosophies:

- Design products with recycled materials
- Design products to be repurposed and repaired
- Design products to be recycled

These three philosophies guide us in creating products that retain as much value as possible by extending and re-imagining their lifecycles.

Circularity starts at the ideation stage. We're training and educating our designers and product developers to design from circularity from the early stages of product conception. We strive to design products that enable materials to be recovered at the end of a product's useful life, either through biological circular cycles, where materials are returned to biosphere e.g. as compost, or technical circular cycles, through which materials are reprocessed and used in new products.

TARGETS AND PERFORMANCE

Our goal

- All European designers will be trained on circular design principles by 2020.

Our performance

- As part of our commitment to the Global Fashion Agenda, we're rolling out circular design training in 2019.

Circular Design | continued

Design for Circularity Philosophies

By focusing on Circularity at the design stage, we hope to build products that will last and can easily be repaired when necessary, and can be reused or recycled when their end of life is reached.

We have already committed to using fifty percent recycled polyester and nylon by 2025 across all of our brands and envision new recycling opportunities in the future.

Always an environmental leader, the Timberland® brand is turning plastic bottles into its men's capsule collection, 'ReBot!'. And The North Face® brand continues to increase its use of natural recycled materials, ranging from wool and cotton to down and leather.



Scale for Good



OUR ASPIRATIONAL GOALS:

- Halve our upstream environmental impact, farm-to-front door.
- Improve the lives of two million workers and their communities.

CONTRIBUTING TO UN SDGs:



SDG 3:
GOOD HEALTH
AND WELL-BEING



SDG 12:
RESPONSIBLE CONSUMPTION
AND PRODUCTION



SDG 5:
GENDER
EQUALITY



SDG 13:
CLIMATE
ACTION



SDG 7:
AFFORDABLE AND
CLEAN ENERGY



SDG 15:
LIFE ON
LAND



SDG 8:
DECENT WORK AND
ECONOMIC GROWTH





Doing Well by Doing Good

VF's purpose reinforces our belief of doing well by doing good.

As one of the world's largest apparel and footwear companies, we believe we have a responsibility to make the world a better place.

Leveraging our scale and impact to protect people and the planet presents exciting opportunities: to lead our industry's charge in helping to limit climate change; to dramatically reduce the impact of our materials in a resource-constrained world; and to prevent workers from risking their dignity, health or well-being to work in the footwear and apparel supply chain.

Focusing on these areas also enables us to contribute to the vision set out in the UN SDGs.

Scale for Good focuses on three critical areas of our business:

ENVIRONMENT	P32
KEY MATERIALS & PRODUCTS	P41
RESPONSIBLE SOURCING & WORKER WELL-BEING	P50

The global climate crisis is the biggest issue facing our world today. We have an opportunity and responsibility to leverage the scale of our business to create systemic change in our industry and beyond.

Our industry provides jobs to millions of people around the world and has forged a path to economic growth for many. Too often, growth is challenged by serious breaches of human rights, worker rights and safety.

We have transformed relationships with supplier factories from transactional exchanges to proactive, collaborative partnerships – based on the belief that a safe, respectful work environment makes for good business.

Collaborating with our contract suppliers is essential on this journey, and we continuously strengthen these relationships. Our initiatives and partnerships in countries such as Bangladesh, Vietnam, India and China enable more suppliers to reach and exceed our high standards – building sustainable frameworks and using our supply chain as a force for good.

Scale for Good provides the roadmap, enabling our size and influence to lead the transformation our industry needs.



Environment

We're forging a path to reduce the environmental impacts of our industry and do our part to limit climate change.

Our focus centers on areas offering the greatest opportunity to reduce our environmental impact. Climate action is a priority, and we're setting Science Based Targets which include carbon emission reductions in our supply chain.

We're striving to reduce our overall environmental footprint, achieve zero-waste in many facilities, shift to one-hundred percent renewable energy, advance energy efficiency and lessen our water use and impacts. For our products, we're hoping to reduce their environmental impacts while still achieving the outstanding performance our consumers expect.

OUR KEY ENVIRONMENTAL GOALS

- Halve our upstream environmental impact farm-to-front door.
- Announce science-based climate change goals by 2019.
- One-hundred percent renewable energy in owned-and-operated facilities by 2025.
- All new major VF buildings meet U.S. Green Building Council's LEED certification.

Environment | continued

Reducing Our Footprint Optimizing Performance, Cutting Emissions

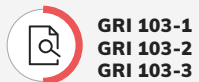
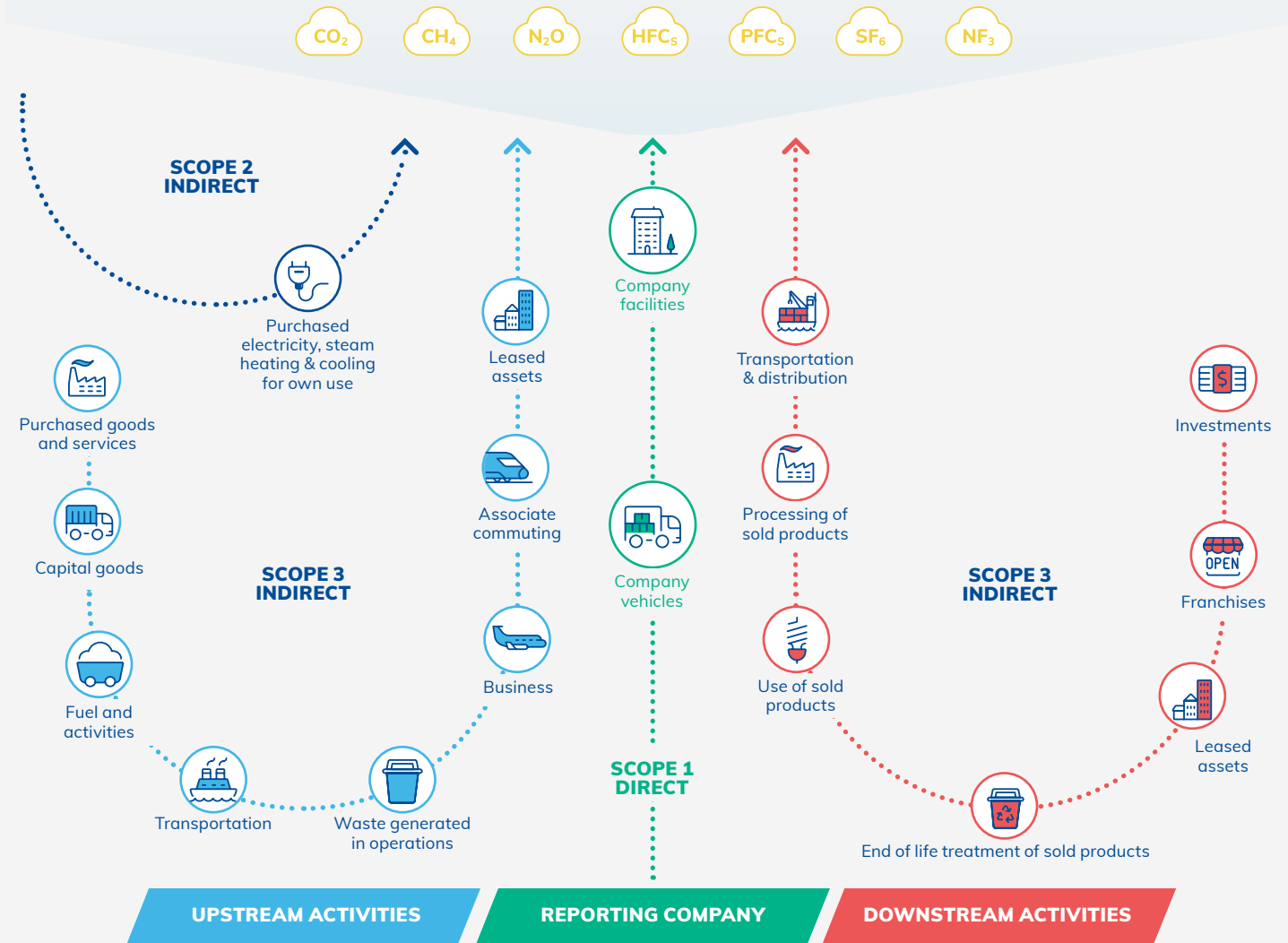
The apparel industry contributes more than eight percent to global greenhouse gas (GHG) emissions¹⁴. Due to its long supply chains and energy intensive production, our industry consumes more energy than the aviation and shipping industries combined¹⁵.

We believe the entire industry (inclusive of footwear and equipment products) has both an opportunity and a responsibility to take action to tackle climate change.

Our scale, combined with our commitment, innovation and determination, makes VF a leading force in driving this positive transformation.

We are committed to the achievement of UN SDG: 13 on Climate Action and will take urgent action to combat climate change and its impacts. In 2019, we will set [Science Based Targets](#) for our GHG emissions aimed to limit global temperature rise to 1.5°C within our Scope 1 and 2 emissions (our direct and indirect emissions), and to well below 2°C within our Scope 3 emissions (all other indirect emissions in our value chain).

These targets will be consistent with global efforts to limit warming to 1.5°C by 2050 – a central focus of the 2018 Intergovernmental Panel on Climate Change (IPCC) report.



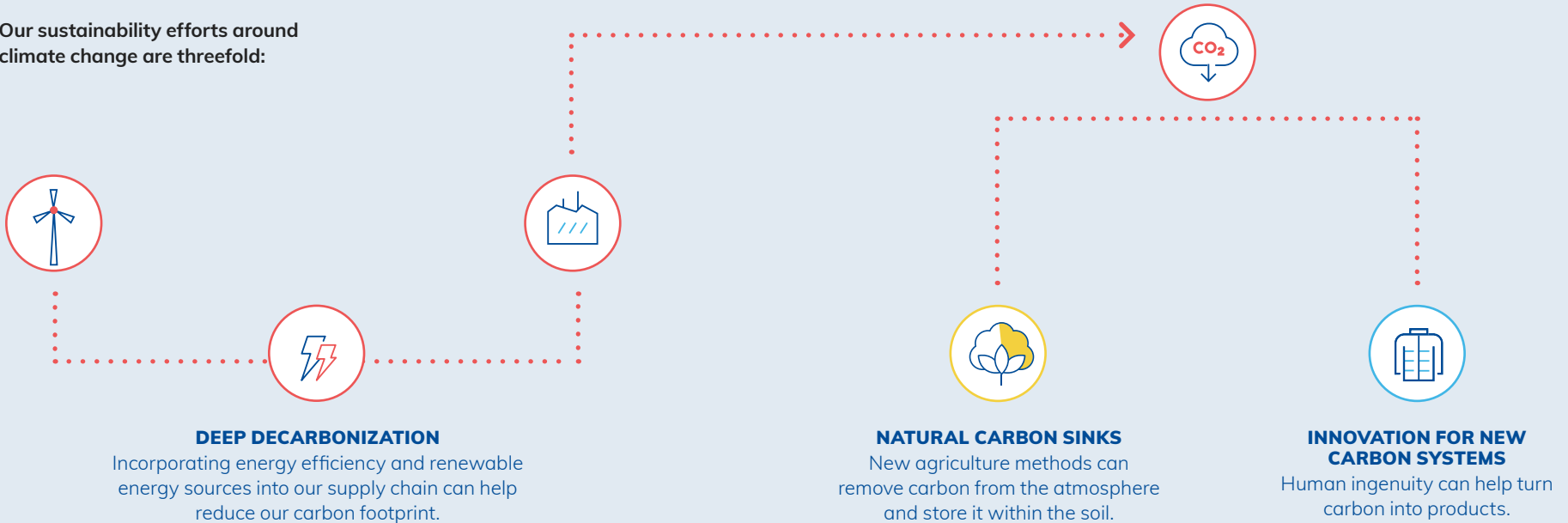
14 Measuring Fashion: Insights from the Environmental Impact of the Global Apparel and Footwear Industries study, Quantis, 2018.
15 <https://unfccc.int/news/un-helps-fashion-industry-shift-to-low-carbon>

Source: Apparel Sector Guidance

Environment | Reducing Our Footprint | continued

OUR APPROACH

Our sustainability efforts around climate change are threefold:



DEEP DECARBONIZATION

Incorporating energy efficiency and renewable energy sources into our supply chain can help reduce our carbon footprint.

NATURAL CARBON SINKS

New agriculture methods can remove carbon from the atmosphere and store it within the soil.

INNOVATION FOR NEW CARBON SYSTEMS

Human ingenuity can help turn carbon into products.

Deep decarbonization

To reduce Scope 1 and 2 emissions, improve operational efficiency, and save on utility costs, we are striving to incorporate energy efficiency and fuel-saving measures across our retail stores, offices, distribution centers and manufacturing facilities. We are also using increasing amounts of renewable energy.

Across our supply chain, we are identifying and acting on decarbonization measures.

From the analysis we have conducted to set Science Based Targets, we know that two-thirds of VF's Scope 3 emissions are associated with raw materials, material processing, product manufacturing and transportation. These key areas of impact form the primary focus areas for setting Science Based Targets and will inform the innovative strategies to help us achieve our targets.

Natural carbon sinks

We're exploring ways to reduce our CO₂ and other emissions using natural carbon sinks, which draw carbon from the atmosphere and store it in the ground. Regenerative farming, grazing and ranching practices provide the opportunity for potential carbon-positive materials in the future. For example, the [Timberland® brand's mission includes a focus on tree-planting initiatives](#) that sequester carbon from the atmosphere. From 2000 – 2018, Timberland® planted 10.2m trees, achieving their 2020 goal two years early. The brand plans to announce a new aggressive target for speeding up and scaling up investments in tree planting in 2019.

Innovation for new carbon systems

Our approach to climate change is inspired by the same commitment to innovation that fuels our business. We are always exploring new materials that drive quality and performance, and are in the early stages of exploring new innovative sources for those raw materials. This includes turning carbon into materials and products. This work is unlikely to contribute to our short-term emissions goals, but the long-term potential is compelling.

Environment | Reducing Our Footprint | continued

VF'S EMISSIONS TARGETS AND PERFORMANCE

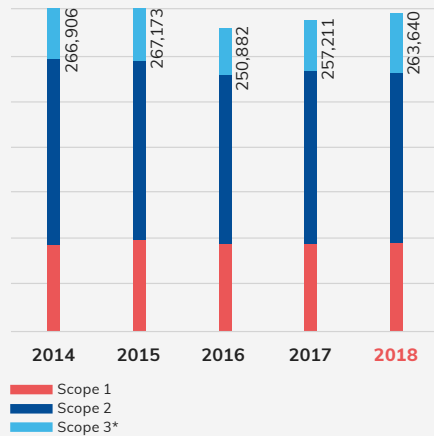
Our goals

- Carbon neutral by 2050 as a signatory to the United Nations' Fashion Industry Charter on Climate Change.
- We will set Science Based Targets by end of 2019.

Our performance

- VF's Scope 1 and 2 emissions have declined five-and-a-half percent since 2014. VF's commitment to purchasing renewable energy (fourteen percent of our total use in 2018), coupled with electric utility adoption of increasing amounts of renewable energy, drives our emission reductions.
- Our focus in 2017 was conducting an initial, comprehensive, baseline assessment of our impacts related to materials across the organization. We will use this to measure our progress and the impact reduction associated with our sustainable materials strategies and initiatives. Our efforts in energy efficiency are many and include green building standards, upgraded LED lighting, variable speed drives, efficient heating, ventilation and air conditioning (HVAC) systems, preventative equipment maintenance, building automation systems and motion detector conveyor systems in distribution centers.

GHG EMISSIONS (MTCO₂e)



* In this graphic, our Scope 3 only represents associate commercial air travel. Our SBTs will include a comprehensive Scope 3 emissions including our production and materials in 2019.

Breakdown by scope (MTCO₂e)

	Scope 1	Scope 2	Scope 3
2014	71,512	153,628	41,766
2015	75,832	147,218	44,123
2016	72,151	139,558	39,173
2017	72,116	143,466	41,629
2018	72,825	140,488	50,327

USING OUR VOICE TO ADVOCATE FOR CLIMATE ACTION

While we reduce our own impacts, we're calling on political leaders to enact climate change policies. We advocate for strong climate action at state, national and international levels:

- We promote smart climate change policy as a member of Ceres' Business for Innovative Climate and Energy Policy (BICEP).
- As a signatory of RE100, we advocate for renewable energy, expanding its use throughout our value chain.
- Our CEO and Brand Presidents have signed the Outdoor Industry Association (OIA) and Protect Our Winters (POW) CEO Climate Change Pledge.
- We're signatories of We Are Still In, a collaboration of over 3,500 multi-disciplinary stakeholders committed to climate change actions in response to the U.S.'s withdrawal from the Paris Climate Agreement of 2016.
- As a signatory to the United Nations' Fashion Industry Charter on Climate Change, we are striving for net-zero emissions by 2050.
- Our brands are vocal advocates for climate action. They are proactive in engaging communities and consumers. For example, The North Face® brand sponsors 'Protect Our Winters Hot Planet/Cool Athletes' climate education program, bringing professional athletes to middle and high schools across the U.S. for fun and interactive climate change lessons.

SETTING SCIENCE BASED TARGETS

As a leader in the apparel industry, our responsibility extends to creating change beyond our direct impacts. That's why we're setting ambitious Science Based Targets – to play a part in our industry's effort to limit global temperature rise to 1.5°C.

[We will announce our Science Based Targets by calendar year-end 2019.](#)

The targets will be developed using the Science Based Targets initiative (SBTi) Apparel and Footwear Sector Guidance. The SBT process and Scope 3 emissions analysis revealed our materials have the greatest impact across our entire business. We will develop our path to achieving our targets through smart materials substitutions and investments, factory-level sustainability programs, energy efficiency, renewable energy programs, and more.



**GRI 305-1
GRI 305-2
GRI 305-3
GRI 305-5**



FOR DETAILS OF WHAT CONSTITUTES OUR SCOPE 1 – 3 EMISSIONS, REFER TO DATA APPENDIX ON PAGE 83

Environment | continued

Smarter about Energy

Energy efficiency and the use of renewable energy will be central to achieving our Science Based Targets, both in our own operations and in our supply chain.

OUR APPROACH

Across our operations, we are transitioning to renewable energy. In our owned-and-operated facilities we are investing in energy efficient equipment and improving production processes.

As well as addressing climate change, these efforts create value to our business by improving operational efficiency and decreasing utility costs.

We continue to be more informed about our energy usage across our over 1,700 owned-and-operated buildings. Understanding the energy consumption at each location is key to improving energy efficiency, reducing emissions and cutting costs. We are taking many actions to reduce our energy use, including switching to LED lighting, reducing the operational time of conveyors and proactively identifying and repairing malfunctioning equipment.

VF'S OWN OPERATIONS ENERGY TARGETS AND PERFORMANCE

Our goals

- One-hundred percent renewable energy across owned-and-operated facilities by 2025.

Our performance

- In 2018, we sourced fourteen percent of our owned-and-operated energy needs as renewable energy.
- We're working to limit our buildings' impacts and provide spaces for associates to thrive. We use LEED as our guide. As of 2018, 16 of our offices and distribution centers are LEED certified.
- Normalizing VF's energy use for annual revenue growth demonstrates increased efficiency across our operations. Energy use per dollar of revenue has declined from 0.1 kWh/dollar revenue in 2010 to 0.05 kWh/dollar revenue in 2018, a fifty percent decline.

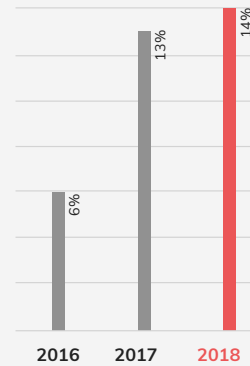
[We're a member of RE100](#), a global leadership initiative led by the world's most influential companies, committed to sourcing one-hundred percent renewable energy by 2025. We're working toward our renewable energy goal through a combination of capital investments and Power Purchase Agreements (PPAs).

**GRI 103-1
GRI 103-2
GRI 103-3
GRI 302-3**

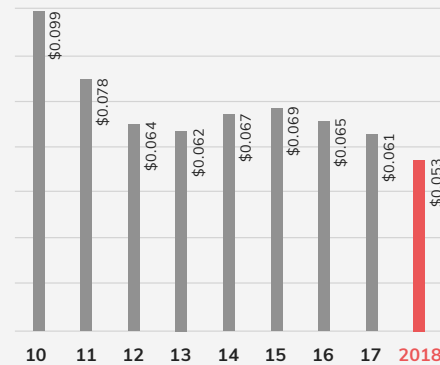
**FOR SCOPE 1 – 3 ENERGY DATA,
REFER TO DATA APPENDIX
ON PAGE 84**

RENEWABLE ENERGY USED IN OWNED & OPERATED FACILITIES

Percentage



DOLLAR PER kWh (\$/kWh)



COSTA MESA'S MOST SUSTAINABLE BUILDING

The Vans® brand headquarters in Costa Mesa received a LEED Platinum rating in 2017, the highest certification level available through the U.S. Green Building Council. The office includes a one megawatt solar array, providing approximately fifty percent of the facility's energy needs, 38 electric vehicle charging stations, drought-tolerant landscaping and Forest Stewardship Council (FSC) certified wood throughout the building. The building also celebrates the four pillars of the Vans® brand – art, music, action sports, and street culture and fashion – fostering a culture of collaboration and innovation. It includes an onsite fitness facility and concrete floors allow associates to skate from desks to meeting rooms!

Environment | Smarter about Energy | continued

ENERGY USAGE IN OUR SUPPLY CHAIN

Because we don't own all our supply chain facilities, we collaborate with suppliers to reduce their impacts and, as a result, the impacts created by our supply chain. Our teams directly support suppliers to identify energy efficiency and renewable energy solutions. Additionally, the teams provide access to finance options enabling capital expenditures leading to sustainability improvements in factories.

To scale our impact, we work with a number of initiatives including [Partnership for Cleaner Textiles \(PaCT\)](#) production in Bangladesh, the [International Finance Corporation](#) (IFC) in Vietnam and [NRDC's Clean by Design in China](#). To extend our reach, we pilot programs at our owned-and-operated factories and share learnings and successes with these partnerships. We target to reduce ten to twenty percent of a supplier's energy use through these supply chain energy reduction programs.

We request suppliers report their energy management practices and data through completion of the Sustainable Apparel Coalition's (SAC's) Higg Facility Environmental Module (FEM) – a global tool that standardizes sustainability measurement for apparel, footwear and textile manufacturing facilities.

We use the results to create and support annual energy reduction plans for our supplier facilities that report through the Higg FEM.

Reducing GHG emissions for both VF and our suppliers remains a priority as we work toward achieving our soon-to-be set Science Based Targets. We commit to reducing energy while enabling new acquisitions, associates and suppliers to join us in reducing energy, while continuing to advocate for cleaner energy.



SASB CG-AA-430a.2



FOR MORE INFORMATION,
SEE OUR [2019 CDP RESPONSE](#)

SUPPLIERS' ENERGY PERFORMANCE

- Across our supply chain, and soon to be informed through our Science-Based Target process, we are implementing aggressive efforts to reduce supply chain GHG emissions through energy efficient practices and renewable energy sourcing.
- Five suppliers are using biomass, accounting for 21,045,853 kWh in China, Vietnam and India.
- Sixteen factories are using solar power, 6 in China, 4 in India, 3 in Cambodia, 2 in Vietnam and 1 in Bangladesh, generating a total of 4,804,715 kWh.
- Renewable energy represents 2.33 percent of our strategic 137 Tier 1 factories and 50 Tier 2 mills across our global supply chain.
- Nine suppliers are participating in the IFC Program in Vietnam.
- Four suppliers are in the IFC Program in Bangladesh.
- Five suppliers are participating in the Apparel Impact Institute Program in China.



Environment | continued

Greening our Buildings

The built environment accounts for eighty-two percent of our Scope 1 & 2 emissions – a key focus area and opportunity to reduce our carbon footprint.

OUR APPROACH

With 19 factories, 31 distribution centers, 1,551 retail stores and 173 offices spanning 47 countries, we're focused on developing innovative and efficient green building strategies to reduce our impacts.

Green buildings deliver benefits for associate well-being, as people typically spend around ninety percent of their time indoors¹⁶. Green buildings allow more direct control of heating, air and lighting, and promote access to green space – a recipe for healthier and more productive associates.

We published our [Green Building Policy](#) in 2017. The policy requires major buildings meet U.S. Green Building Council's LEED certification. LEED buildings can be twenty-five to thirty percent more energy efficient than conventional buildings¹⁷.

We care about the health and well-being of the people inside our buildings.

We utilize building design features and other types of building certification such as the WELL Building Standard™ that focus on associate well-being.

VF GREEN BUILDING STANDARDS

The VF Green Building Standards are applicable to all new buildings or sites undergoing a major renovation. The minimum certification requirements are as follows:

Headquarters



USGBC LEED
PLATINUM

Distribution Centers



USGBC LEED
GOLD

Owned-Manufacturing



USGBC LEED
CERTIFIED

Retail

Where possible, all VF retail store designs shall be designed using sustainability criteria informed from LEED and BREEAM retail guidance.

VF'S BUILDING TARGETS AND PERFORMANCE

Our goal

- We have committed that all new VF buildings will meet Green Building Standards.

Our performance

- As of year-end 2018, 16 VF buildings are LEED certified, with several more in the pipeline.

In 2019, we'll assess implementation of our green building policy to identify further opportunities for improvement and collaboration between our real estate, development and facilities teams.

BUILDING OUR NEW HEADQUARTERS TO THE HIGHEST STANDARDS

Our new Denver office – due to be completed in mid-2020 – will be built and certified to the highest LEED rating level, LEED Platinum.

The building is designed for renewable energy procurement, real-time energy monitoring, innovative waste management and associate Green Team leadership to drive continued impact reduction and to promote associate health and well-being.

Associate Green Team leadership will drive continued impact reduction.

¹⁶ <https://new.usgbc.org/press/benefits-of-green-building>

¹⁷ <https://new.usgbc.org/press/benefits-of-green-building>

Environment | continued

The Path to Zero-Waste Facilities

Our waste challenges and opportunities span our products, manufacturing, distribution centers, retail stores, e-commerce, offices and events.

In our owned-and-operated facilities – including offices, retail stores and distribution centers – we’re diverting waste from landfill through composting, recycling and reuse. We’re empowering our associates to take action and build a zero-waste culture.

VF completed its first comprehensive facility waste audit in 2013 to measure the waste generated by different areas of our operations. The results enabled the Company to identify opportunities to reduce waste and create strategies to move us toward a zero-waste future.

Across the majority of our office facilities we have implemented recycling and composting programs. We also collaborate with other retailers and the Retail Industry Leaders Association (RILA) to increase access to recycling programs in shopping malls where a number of our retail stores are located.

We work with distribution center associates to build a zero-waste culture. We are also developing strategies to reduce material waste in product production and to reduce or eliminate single-use packaging materials.

VF'S WASTE TARGETS AND PERFORMANCE

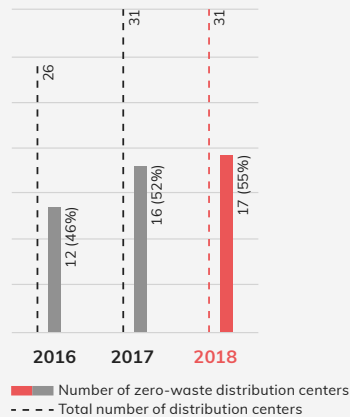
Our goal

- We set a goal for all 31 of our operated distribution centers to achieve zero-waste by 2020.

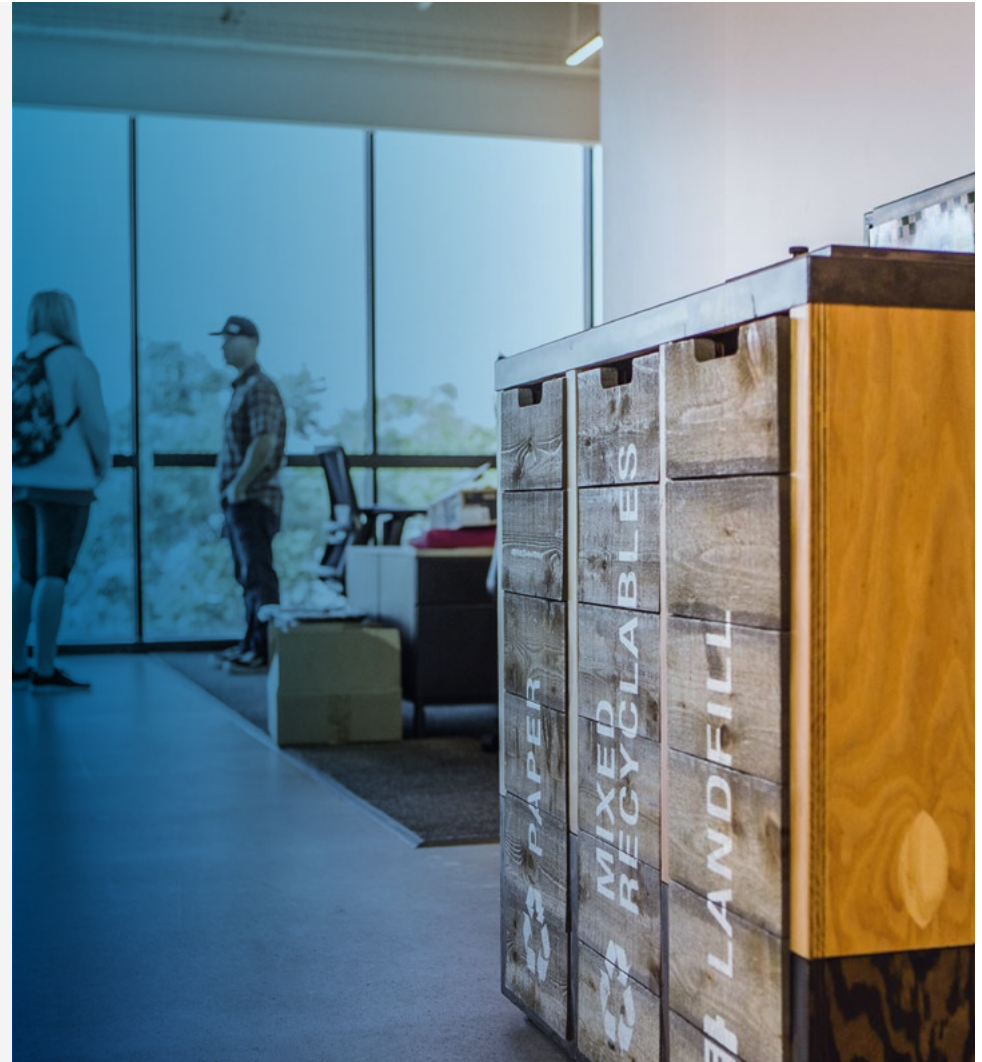
Our performance

- In 2018, fifty-five percent of our distribution centers were zero-waste, as independently verified by VF's independent waste consultant, Cascadia Consulting Group.
- During the preparation of this report, VF has certified five additional distribution centers as zero-waste.

NUMBER OF ZERO-WASTE DISTRIBUTION CENTERS



 **GRI 103-1**
GRI 103-2
GRI 103-3



Environment | continued

Saving Water in a Thirsty Industry

Water is a valuable resource. Businesses must not use water resources at the expense of surrounding communities. From growing crops to laundering, the apparel and footwear industry uses a significant amount of water.

We know our water impact is considerable. Our supply chain used 95.8 million m³ of water in 2018. Our most significant impact comes from our raw materials, including cotton cultivation and leather production, and from the water used in dye houses and laundry facilities. Cotton is an important raw material for our products and is also a water intensive crop; it can take more than 710 gallons (2,700 liters) of water to produce the cotton needed¹⁸ to make one t-shirt.

OUR APPROACH

VF employs a multi-faceted approach to water stewardship. Adhering to the highest standards of water efficiency and wastewater treatment is only the beginning of our water focus. Across our owned-manufacturing facilities, we invest in water efficiency technologies – such as Reverse Osmosis and Ozone finishing – and in highly advanced wastewater treatment systems.


Across our owned-and-operated and supplier-facilities, we conduct regular wastewater testing and contract independent parties to carry out biannual audits.

These audits validate water discharged from our operations meets quality standards.

Our strict [Global Wastewater Discharge Standards](#) apply to any supplier using over 50m³ of water a day. The standards were developed with guidance from non-profit experts, Business for Social Responsibility (BSR).

We also use the Higg FEM to collect information on facility-level water usage and water efficiency improvement plans. Our industry-leading [CHEM-IQSM chemical management program](#) eliminates unwanted chemicals from our processes.

Many of the communities near our supplier factories face challenges accessing clean water and sanitation. [Our Worker and Community Development Program](#) identifies local needs and actions with communities and local partners to expand awareness and adoption of water, sanitation and hygiene (WASH) programs.

 **GRI 103-1**
GRI 103-2
GRI 103-2
GRI 303-1
GRI 303-3
GRI 306-1

 **SASB CG-AA-430a.2**

VF'S WATER TARGETS AND PERFORMANCE

Our goal

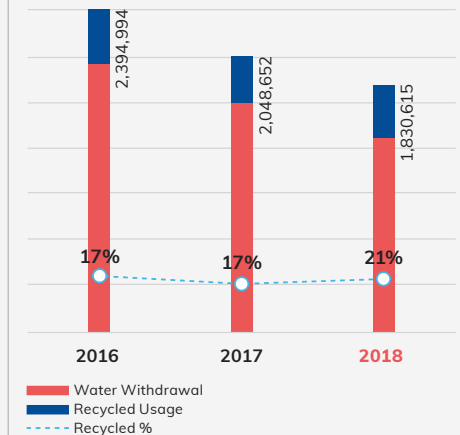
- We have committed to using BCI certified cotton, among other sustainable certifications, in our one-hundred percent sustainably-grown cotton goal by 2025.
- We set a goal to recycle seventy-five percent of water by 2018 at our Torreon facility in Mexico.

Our performance

- In 2018, eighty-three percent of our cotton was sustainably-grown.
- At our Torreon, Mexico facility we exceeded our goal of seventy-five percent water recycling in 2018, reaching seventy-three percent water recycling within the laundry operation and seventy-nine percent across the entire site.
- In India, we source from four Zero Liquid Discharge (ZLD) suppliers: Shahi Exports Pvt Ltd, Arthanri Loom Centre, Vardhaman Enterprises and Sai Laundry.
- Nine suppliers participating in the IFC Vietnam improvement program saved 408,887m³ of water during 2018. Investments in low Material Liquid Ratio (MLR) jet dyeing machines realized fourteen percent annual water savings.

 **FOR MORE INFORMATION,**
[SEE OUR CDP WATER RESPONSE](#)

OWNED-AND-OPERATED LAUNDRY FACILITIES WATER USAGE (CUBIC METERS)



Our owned-and-operated laundry facilities continue to make use of water recycling technologies that allow for a continually declining withdrawal and discharge volume. There was an increase in the amount of water recycled due to our increased use of reverse osmosis and additional water saving technologies. This is helping to reduce our dependence on ground water, putting less impact on the local community's water sources.

 **SASB CG-AA-430a.1**

¹⁸ <https://www.worldwildlife.org/stories/the-impact-of-a-cotton-t-shirt>

Key Materials & Products

In 2018, we produced more than 560 million products – a big impact and a big opportunity for positive change.



We are one of the largest purchasers of raw materials in our sector. As such, we believe we have a duty to use our scale to transform our supply chain, which is why we have committed to a set of robust goals designed to drive impact reduction via the materials we use.

Our focus is in three areas:

- Tracing our raw materials.
- Shifting to more sustainable materials.
- Safely delivering high-performing products.

We use lifecycle assessments and the Sustainable Apparel Coalition's Material Sustainability Index to understand the impacts of our material choices. The data enables our design teams to make informed, scientific decisions that push new, lower impact material innovations.

Through our Global Material Supply Team and business processes we use our scale to purchase responsibly sourced materials. These changes are helping to create positive impacts on people, animals and the environment.



GRI 103-1
GRI 103-2
GRI 103-3



SASB CG-AA-440a.2

OUR KEY MATERIALS GOALS

- Reduce the average impact of our key materials thirty-five percent by 2025.
- One-hundred percent of all footwear leather will be finished in Leather Working Group certified tanneries by 2021.
- Fifty percent of nylon and polyester will come from recycled materials by 2025.
- One-hundred percent PFC-free outdoor apparel by 2025.
- One-hundred percent Responsible Down Standard down by 2019.
- All cotton purchased by VF that is not from the U.S. or Australia is grown under a cotton growing sustainability scheme by 2025.

Key Materials & Products | continued

Tracing our Raw Materials

To source our materials responsibly, we must be able to trace them back to the source. Comprehensive traceability gives us confidence and assurance our rigorous standards are met at every step in our supply chain. This type of transparency enables us to uncover and immediately address issues and concerns.

We have made transparency and traceability a priority, giving our consumers and stakeholders confidence that our supply chain's best management practices improve lives and protect the planet.

[In 2018, VF published supply chain maps for ten of our most iconic products.](#)

By the end of 2021, we strive to publish source maps covering more than half of our global supply chain. Mapping is a highly resource intensive task requiring detailed due diligence and yet we know the information is valuable to our consumers, associates and stakeholders.

CONFLICT MINERALS – PAVING THE WAY TO GREATER TRANSPARENCY

Tracing conflict minerals was the first step of our traceability program.

As a publicly traded company registered in the U.S., we comply with the U.S. Securities and Exchange Commission's law regarding the use and disclosure of conflict minerals. The Dodd-Frank Wall Street Reform and Consumer Protection Act addresses the exploitation and trade of conflict minerals by armed groups to finance violent conflict in the Democratic Republic of Congo and neighboring countries in Africa.

In addition to our supply chain maps, [our annual conflict minerals disclosure](#) further increases transparency. Our filing describes our reasonable country of origin and due diligence processes and details the management systems in place to identify and mitigate risks in our supply chain.

While mapping our supply chain began as a legal requirement, today we believe supply chain transparency is core to being a purpose-led organization and an expectation of our consumers.

SAYING NO TO DEFORESTATION

Deforestation is a global issue. We are committed to being a part of the solution. VF published its [Forest Derived Materials \(FDM\) policy](#), in consultation with Canopy, in 2017. The policy prohibits sourcing of forest derived materials that cause the loss of ancient and endangered forests, biodiversity and habitat degradation, or require the use of forced labor. The policy also recognizes the need to protect indigenous and local community rights. Our FDM policy encourages the use of recycled and Forest Stewardship Council (FSC)-certified materials cellulosic fibers and packaging materials.

Additionally our [Animal Derived Materials \(ADM\) Policy](#) addresses deforestation associated with cattle grazing in the Amazon Biome.

SOURCING SUSTAINABLE RUBBER

As a key raw material in footwear and a contributor to deforestation, the traceability of natural rubber is important to inform our efforts. Forests containing rubber trees are some of the most threatened forests in the world. Utilizing more than 12,000 tons of natural rubber each year, responsibly harvested rubber is important to VF and our brands.

Currently in development, our sustainable rubber policy will provide a framework to protect threatened forests and not contribute to their degradation.

ANIMAL WELFARE MATTERS

In alignment with the Five Freedoms for animal welfare, VF's [ADM Policy](#), developed in partnership with the Humane Society International, sets high standards for sourcing animal materials across our global supply chain.

Our ADM policy requires we source raw materials from suppliers that treat animals ethically and humanely and it strictly prohibits the use of fur, angora and exotic leathers.

All VF brands and supply chain partners involved in the procurement, sourcing and manufacture of ADM must comply with this policy.



SASB CG-AA-440a.1

Key Materials & Products | continued

Shifting to more Sustainable Materials

Raw materials are our most significant contributor to carbon emissions – making sustainable materials a critical component in our environmental impact reduction strategy.

OUR APPROACH

We continue to research and explore opportunities to source responsible and lower-impact materials. We recognize the potential to reduce negative social and environmental impacts across the entire apparel industry, by sourcing sustainably produced materials.

We collaborate with the Sustainable Apparel Coalition (SAC), a global alliance of retailers, brands, suppliers and other stakeholders to support our impact reduction. Leveraging the SAC's Materials Sustainability Index (MSI) as an accepted industry-wide tool enables us to objectively select materials with lower impacts.

Through wide-scale adoption of the MSI, we are monitoring our progress toward our goal to reduce the average impact of our key materials by thirty-five percent by 2025. It's a first step toward what we hope will become a way to standardize and compare impacts across our industry.

One of our primary focus areas centers on overcoming sustainable materials challenges. These challenges include identifying sustainable alternatives to traditional water repellent chemistries while maintaining performance, developing environmentally friendly alternatives to virgin polyester and nylon, and innovating sustainable packaging solutions that reduce or eliminate packaging material altogether.

Our internal working group model connects internal stakeholders across the organization around specific, challenging sustainable materials topics, to share learnings and best practices while avoiding duplication of efforts.

We collaborate internally on enterprise-wide projects, bringing together experts from Product Design, Corporate Sustainability, Responsible Sourcing, Supply Chain, Global Materials Supply, Global Innovation Centers and Brand Sustainability, as well as many other teams.

VF'S SUSTAINABLE MATERIALS TARGETS AND PERFORMANCE:

Our goals

- Reduce the average impact of our key materials thirty-five percent by 2025.
- All cotton purchased outside the U.S. or Australia will be grown under a cotton growing sustainability scheme by 2025.
- We commit one-hundred percent of footwear leather will be finished in Leather Working Group Silver- or Gold-rated tanneries by 2021.
- We commit to source fifty percent recycled nylon and polyester for our products by 2025.
- We commit to produce one-hundred percent PFC-free outdoor apparel by 2025.
- We commit one-hundred percent of our down will be RDS-certified by 2019.

Our performance

- In 2018, we sourced eighty-three percent of our cotton as sustainably-grown cotton.
- Ninety-nine percent of footwear leather was finished in Leather Working Group Silver- or Gold-rated tanneries in 2018.
- Eleven percent of nylon and polyester was from recycled sources in 2018.
- Thirty-four percent of outdoor apparel was PFC-free in 2018.
- One-hundred percent of down was RDS-certified in 2018. *The North Face*® brand has purchased only RDS-certified down since 2016. The brand will introduce recycled down into its product lines in 2019.

As we develop strategies to work toward our Science Based Targets, continuous research, development and investment will be critical to our success¹⁹.



GRI 103-1
GRI 103-2
GRI 103-3



FOR MORE INFORMATION
ABOUT THE MSI,
SEE OUR [WEBSITE](#)

¹⁹ The data is a mixture of fiscal and calendar year data as we shift to reporting on the fiscal year. Onboarding newer brands (including Icebreaker, Williamson Dickie & Altra) and shifting to new tracking systems resulted in some variability in the numbers.

Key Materials & Products | Shifting to more Sustainable Materials | continued

REDUCING THE IMPACT OF OUR KEY MATERIALS

Cotton

We sourced approximately 130,000 metric tons of cotton in 2018. Social and environmental impacts may exist during cotton cultivation – from water consumption and use of agrochemicals to concerns over farmer well-being and child labor risks. Whether grown on technologically advanced farms in the U.S., or smallholder farms in countries such as India and Pakistan, [our cotton sourcing policy](#) provides guidance to minimize potential negative impacts. Additionally, we are increasing our use of recycled and sustainable cotton.

Approximately forty-five percent of VF’s cotton originates from farms in the U.S. and Australia. [We support the U.S. cotton industry’s commitment](#) to reduce its impact even further by 2025. In emerging economies, we collaborate with growers to enact leading harvesting practices, including Better Cotton Initiative (BCI) certified, Cotton made in Africa (CmiA) certified or organic cotton certifications. By 2025, we are committed to sourcing one-hundred percent of our cotton not sourced in the U.S. or Australia from BCI certified, CmiA certified, Fair Trade certified or organic cotton farms.

Due to concerns associated with established forced labor, child labor and militant groups for cotton farming in Uzbekistan, Turkmenistan and Syria, [we prohibit the use of cotton farmed in these countries within our Cotton Sourcing Policy](#).

Synthetics

To help reduce raw materials emissions, we’re building a better value chain that increases our usage of recycled materials. We’re committed to sourcing fifty percent recycled nylon and polyester for our products by 2025. We’re hoping that transitioning to the use of more recycled materials will help reduce our climate, energy and water impacts.

We are also exploring innovative new recycled materials sources and recycling technologies, toward our vision of a future in which materials and products exist in a closed-loop system.

Additionally, we are conducting research and development on new and innovative bio-based sources of polyester, which offer the same (or enhanced) performance benefits as traditional virgin polyester or recycled polyethylene terephthalate.

Natural performance materials

We believe natural materials are a key part of our impact reduction strategy. Through our innovative research and development, we’re reinventing our natural materials usage, such as wool and cotton, and introducing new natural materials to our raw materials matrix.

Wool

With two Merino wool-based brands, Icebreaker and Smartwool, in our portfolio, wool is an important material for VF. Over ninety percent of our wool is certified to [the ZQ standard](#) or the [Responsible Wool Standard \(RWS\)](#). These certifications provide assurance that sheep are treated with respect during wool harvesting and that the environment is protected through good land management practices. The ZQ certification also safeguards farmers with fair wages.

Down

The North Face® brand uses the majority of VF’s purchased goose down. The brand created what is now known as the [Responsible Down Standard \(RDS\)](#) to proactively address animal welfare risks in the down and feather supply chain. Launched in 2014, RDS is a third-party certified animal welfare and traceability standard that upholds humane treatment of geese and ducks. The North Face® brand gifted the RDS to Textile Exchange – a global nonprofit working to increase the supply and use of sustainable textiles. As a result of The North Face® brand’s leadership, the RDS has become the globally adopted protocol within the apparel industry for responsibly sourcing down and feathers.

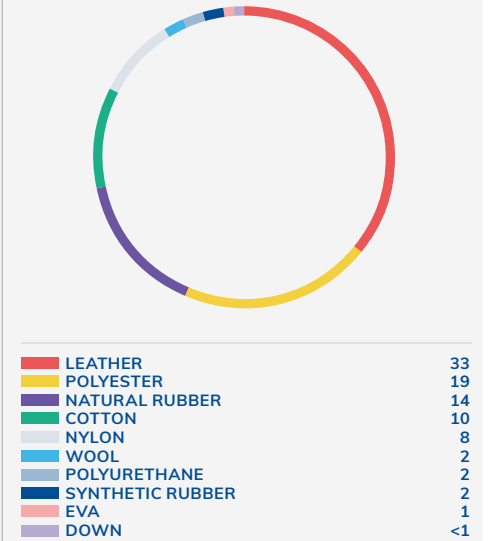
Leather

Our partnerships combat the environmental impacts associated with the production of leather – from promoting sustainable grazing practices to developing more sustainable leather processing methods.

As a founder of the [Leather Working Group \(LWG\)](#) in 2005, the Timberland® brand has long been committed to industry-leading responsible leather sourcing practices. Further partnerships now aim to take this industry leadership to the next level, continuing to combat the environmental impacts associated with leather production – including promoting regenerative ranching practices in the leather supply chain.

GHG EMISSIONS OF OUR TOP MATERIALS BY SPEND, 2017

Contribution to material emissions (percent)*



* Percentages are out of all materials (textile, polymer, leather, insulation) and do not include other categories (e.g. trims, hardware).

GRI 103-1
GRI 103-2
GRI 103-3

SASB CG-AA-440a.1

SEE RESOURCES SECTION
[CLICK HERE](#)

Key Materials & Products | Shifting to more Sustainable Materials | continued



TURNING TO SUSTAINABLE LEATHER FOR TIMBERLAND®

The Timberland® brand has promoted responsible practices within the leather industry for more than a decade. The brand co-founded the LWG with other leading brands and committed to source all its leather from LWG Silver- or Gold-rated tanneries by 2020.

As a result of the Timberland® brand's leadership, VF has expanded the goal to include all VF footwear brands. Additionally, the VF Foundation funds research at seven U.S. universities exploring regenerative ranching practices, helping to reduce the environmental impacts of leather production.

Further partnerships now aim to take this industry leadership to the next level, continuing to combat the environmental impacts associated with leather production – including promoting regeneration ranching practices in the leather supply chain.

REGENERATIVE, RESPONSIBLY SOURCED RENEWABLE, RECYCLED

Our overarching sustainable materials vision focuses on three concepts: regenerative, responsibly sourced renewable, and recycled materials.



Regenerative materials promote biodiversity, enhance water cycles and sequester carbon in the soil. These types of materials are produced via farming or ranching techniques that enrich, rather than degrade the soil while valuing workers and animals.

Responsibly sourced renewable materials include renewable natural materials found in nature that are replenished quickly, including wool, down and cotton, as well as bio-based synthetic materials such as polyester and lyocell that can be used as substitutes for traditional petrol-based materials. Responsibly sourced renewable materials must meet VF's internal criteria for both sustainable feedstocks and processing.

Recycled materials are reprocessed from reclaimed material that would otherwise have been disposed or used for energy recovery, and made into a new product or product ingredient. Examples include recycled nylon and polyester already used in The North Face®, Timberland®, JanSport®, Kipling® and Eastpak® products.

11%

OF OUR NYLON AND POLYESTER COMES FROM RECYCLED SOURCES

83%

OF OUR COTTON SOURCED IS SUSTAINABLY-GROWN

100%

OF OUR DOWN IS RDS-CERTIFIED

Key Materials & Products | continued

Microfibers may have a Big Impact

We're investing in new research to understand the environmental impacts of plastic microfibers.

Microfibers – more accurately referred to as fiber fragments – can measure fractions of a millimeter in diameter and less than five millimeters long. They may be released during the manufacture, washing, drying, and use of textiles, including apparel, bedding, towels, and carpeting.

It is important to note that this is not just an issue with synthetic (i.e. plastic-based) fabrics – natural fibers are also being found in large quantities in our oceans and waterways, acting as carriers for chemicals and being ingested by ocean life.

Scientific understanding of the sources and causes of fiber fragment shedding is limited. We believe our industry has the opportunity to collaborate with other companies, industry initiatives and the scientific community to enhance our collective understanding.

The North Face® brand participated in the first Microfiber Leadership Summit, in 2017, organized by the Ocean Conservancy and University of California Santa Barbara's Bren School of Environmental Science and Management.

Additionally, The North Face® brand is a member of the American Association of Textile Chemists and Colorists (AATCC) microfiber shedding test method development committee. Furthermore, the brand engages in targeted research collaborations with the North American Outdoor Industry Association (OIA) and The Microfibre Consortium (TMC) in Europe.

In 2018, The North Face® brand led a research study with North Carolina State University to determine how textile engineering can reduce shedding rates. Going forward, VF and our brands will continue to partner with other apparel brands and industries with the goal of solving impacts related to microfiber shedding. Efforts include funding academic research projects and research organizations to explore innovative textile and garment construction methods to reduce shedding.



We believe our industry has the opportunity to collaborate with other companies, industry initiatives and the scientific community to enhance our collective understanding and reduce environmental impacts associated with microfiber shedding.

Key Materials & Products | continued

Safely Deliver High-Performing Products

Our brands stand for the best-designed, premium quality products that support consumers' active lifestyles. Designing, manufacturing and delivering products that meet strict global product safety requirements is non-negotiable at VF.

OUR APPROACH

Our commitment to product safety and quality is uncompromising.

Using the VF Product Stewardship Framework, we create products that are safe for the consumers who use them, the workers who make them and for the environment. The framework includes CHEM-IQSM, our innovative approach to chemical management that is raising the industry standard around chemicals.

Product safety is driven internally through rigorous training for all Design, Development and Sourcing teams. Externally, we work with the best supplier network whose state-of-the-art technologies are capable of meeting our standards and processes.

VF'S PRODUCT SAFETY TARGET AND PERFORMANCE

Our goal

- To protect consumers from product safety hazards by implementing an effective product safety framework that minimizes safety risks and prevents product recalls.

Our performance

- VF has not experienced a product recall anywhere in the world in the last three years, and not in the U.S. or E.U. in the last eight years.

Our Product Stewardship Team leads VF's strategic three-pronged product safety approach:

- Set, meet and/or exceed global regulatory and industry standards.
- Implement standards through dedicated programs, training and design reviews.
- Validate efficiency and effectiveness through material and product testing and factory evaluations.

We require our designers and product developers to design products that meet our product safety standards and require our suppliers, business partners and licensees to adhere to our standards and policies such as our Product Safety Manual and Restricted Substances List, implement management processes and test products to verify compliance.

We support our Tier 1 and nominated Tier 2 suppliers with mandatory annual training.



GRI 103-1
GRI 103-2
GRI 103-3
GRI 416-2

Good Chemistry Makes Great, Safe Products

Chemistry plays an essential role in delivering safe, high-performing products that give consumers confidence in our brands. Characteristics such as waterproofing, flame resistance and breathability are all made possible through responsible chemistry.

Chemistry permeates every step in the footwear, apparel and equipment supply chain. Proper management and standards are paramount.

RESTRICTED SUBSTANCES LIST

Our Product Stewardship Team closely monitors the chemical makeup of our product components. We manage chemical usage in our owned-and-operated factories and partner facilities [by maintaining a robust Restricted Substances List \(RSL\)](#).

The RSL identifies chemical substances that are prohibited or limited in VF products enabling product compliance with local, national and international laws. We update the list at least once per year to include all RSL product requirements worldwide.

We use a network of contacts across the world to stay abreast of regulatory requirements, changes and best practices. Our partners include:

- Apparel and Footwear International RSL Management (AFIRM) Group.
- American Apparel and Footwear Association (AAFA).
- International testing labs (SGS, ITS, MTS, BV).
- Certification organizations (Oeko-Tex, Bluesign).
- Other industry associations and legal counsel.

Additionally, we monitor regulatory websites and databases.

VF's owned-and-operated manufacturing facilities and contract suppliers must comply with the RSL. We provide training for product development and sourcing teams, factory owners and managers, vendors and subcontractors.

We frequently inspect our owned-and-operated facilities and suppliers' factories, as well as the products produced at each location. Third-party laboratories verify compliance by testing at the development stage of both materials and products, followed by testing on bulk samples and the final product.



SASB CG-AA-250a.1

Key Materials & Products | Good Chemistry Makes Great, Safe Products | continued

OUR INDUSTRY-TRANSFORMING CHEM-IQSM PROGRAM

Our innovative CHEM-IQSM chemical management program is designed to prevent exposure to harmful chemicals for workers within our own operations and supply chain.

CHEM-IQSM provides a simple, cost-effective way of identifying and eliminating harmful chemicals before they enter the manufacturing process. The program enables us to quickly identify harmful chemicals and replace them with safer substitutes in a way that is cost-effective and scalable across our supply chain.

We require our suppliers to submit chemical information through CHEM-IQSM. Suppliers benefit from objective data, which enables them to take actionable steps to eliminate restricted chemicals.

Since the inception of the program in 2012, we have phased out hundreds of unwanted chemicals. In 2017, [we took the major step of publishing the CHEM-IQSM Program Manual externally](#) to extend its positive impact beyond the VF supply chain. The manual provides in-depth information about the program, VF's CHEM-IQSM ratings, screening analysis, and a table of substances to avoid.

Cost-effective compared to other green chemical screening services, VF's CHEM-IQSM program is scalable and enhances chemical safety beyond the apparel and chemical industries into other industries – from toys to household products.

We commit to continuously improve our chemical management program in a proactive and progressive way that allows us to improve our chemical footprint. We will strengthen our chemical management program through CHEM-IQSM, focusing on:

- Finalizing solutions to ongoing challenges including enhancing accuracy of Material Safety Data (MSD) information that our suppliers receive from chemical companies.
- Phasing out unwanted chemistry by replacing red-rated chemistry with greener alternatives. This includes tightening limits of 'substances to avoid' periodically to drive replacement of red-rated chemistry with greener alternatives.
- Establishing a strong due-diligence program for orange-related chemistry.

As we continue to increase the effectiveness of our CHEM-IQSM program, we constantly tighten maximum allowed limits in our Substances to Avoid list. Additionally, we offer ongoing chemicals management training and create chemical shipment improvement plans with internal and external logistics teams.

VF continues to expand the CHEM-IQSM program to all VF-owned and supplier factories worldwide.



SASB CG-AA-250a.2

VF'S CHEMICAL TARGETS AND PERFORMANCE:

Our goal

- We commit to remove all red-rated chemicals from our supply chain and replace them with green- and yellow-rated chemistries, along with required Environment Health and Safety (EHS) assessments.

Our performance

- 477 tons of non-preferred chemicals have been removed from the VF supply chain since May 2016.
- We provide training to all suppliers that are unable to eliminate use of orange-rated chemistries, including requiring EHS assessments.
- We share our industry-leading knowledge publicly by promoting the CHEM-IQSM approach and methodology.

430+

SUBSTANCES IN EACH CHEMICAL SAMPLE SCREENED BY THE CHEM-IQSM PROCESS

10,232

CHEMICAL SAMPLES SCREENED BY CHEM-IQSM SINCE MAY 2016

862

FACTORIES GLOBALLY PARTICIPATING IN CHEM-IQSM



GRI 103-1
GRI 103-2
GRI 103-3

Key Materials & Products | Good Chemistry Makes Great, Safe Products | continued

HOW CHEM-IQSM WORKS

1



SUBMIT SAMPLES

All suppliers across VF's supply chain must provide a comprehensive chemical inventory to VF and our chemistry consultants for review. Following an analysis of each chemical inventory, key chemistries are selected for CHEM-IQSM screening. Suppliers are required to ship samples of the selected chemicals to VF's designated CHEM-IQSM screening laboratory.

2



CHEMICALS TESTING

For a low price, a laboratory screens the sample.

The sample is screened for more than 430 substances, giving each chemical formulation a rating of:

- Preferred Chemicals
- Allowed Chemicals
- Due Diligence Required
- Prohibited Chemicals

3



CHEMICALS REPORT

Factories receive a report on all chemicals submitted and are required to phase out use of any prohibited chemicals.

OUR CHEMICAL RATINGS SYSTEM

● Preferred Chemicals

Green-rated chemical formulations are preferred for use in the manufacturing of VF products because they meet or exceed all regulatory requirements, may be safely used in the workplace, may be managed and responsibly discharged into wastewater, and assure excellent product performance.

● Allowed Chemicals

Yellow-rated chemical formulations are allowed for use in the manufacturing of VF products, but their use should be minimized. Included in this category are some chemicals that may be phased out in future years and some for which there is incomplete EHS information.

● Due Diligence Required

Orange-rated chemical formulations are allowed for use in the manufacturing of VF products, provided the VF nominated third-party laboratory and the VF CHEM-IQSM Program Manager have conducted appropriate due diligence regarding the handling and application of such formulations within the factory. Their use should nonetheless be minimized.

● Prohibited Chemicals

Red-rated chemical formulations are those that VF will eliminate from use in the manufacturing of our products. Such chemical formulations may contain concentrations of a substance to avoid above the red concentration threshold.



SASB CG AA-250a.2



Responsible Sourcing & Worker Well-being

Manufacturing apparel and footwear is a complex, global business.

Our materials, trims and other components converge from all corners of the world – including countries where standards and regulations are less developed. We have an opportunity to advance health and well-being, gender equality, decent work and economic growth.

Our worker well-being ambition is clear: for every job in our supply chain to enable our workers to live their most fulfilling life possible. We have the opportunity to lead the way by:

- Upholding safety in every factory.
- Promoting universal respect for human rights.
- Creating benefits from our presence in worker communities.

We set high expectations for our supplier factories with respect to social responsibility, and we collaborate with them to advance improvements and build capacity.

VF's extended supply chain supports the livelihoods of more than six million people. It drives our contribution to specific UN SDGs, including:

- SDG 3: Good health and well-being
- SDG 5: Gender equality
- SDG 8: Decent work and economic growth

OUR KEY WORKER WELL-BEING GOALS

- Improve the lives of one million workers by 2025 and two million by 2030.
- We commit to achieving zero loss of life or harm to health as a result of our operations.

Responsible Sourcing & Worker Well-being | continued

Respecting Human Rights

The materials for our products originate in nearly 60 different countries. We directly employ more than 68,000 people and nearly one million people globally earn their income by making VF products.

We believe we have an opportunity and responsibility to make a difference in the lives of people working in our operations and supply chain, as well as their local communities. We set high standards, which we expect to be upheld by all VF partners and suppliers. We provide safe and healthy working environments in our sourcing factories, including those in countries that may have limited laws, standards and infrastructure. We desire for these workplaces to provide an economic stepping-stone for workers.

We strive to source from suppliers that uphold our strong belief in human rights. Forced and child labor are strictly prohibited at any of our owned, operated or partner factories. Additionally, we require factories to provide safe workplaces that are free from discrimination, violence, and harassment, and allow workers the freedom to collectively associate and bargain.

We ask our suppliers to enhance worker well-being, and VF often supports their efforts through our Worker and Community Development Program.

All VF suppliers must adhere to our rigorous standards, which are set out in our Terms of Engagement and various company policies.

We respect human rights, and remedy violations in accordance with the UN Guiding Principles, International Labor Organization (ILO) and OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.

KNOWING OUR RISKS AND WHERE WE CAN DO BETTER

We partnered with human rights experts SHIFT Project and Article One to conduct assessments of VF's human rights activities and salient human rights concerns. The outcomes informed our activities and elevated our understanding of the effectiveness of our human rights interventions. Using this information we identified key areas for improvements across the global enterprise – including our headquarters, retail stores, and throughout the global supply chain and we are working to implement the needed improvements.

In 2017 and 2018, VF contracted Verisk Maplecroft to analyze data and technology to identify potential human rights impacts and issues. The outcomes have helped guide our human rights priorities.

Verisk Maplecroft and Sourcemap were used to identify risks at country, commodity, factory and product levels.

Our country-level assessments focused on the workplace risks that may exist in the apparel industry, including forced and bonded labor, child labor, occupational health and safety, adequate standard of living and gender equality.

The information from SHIFT, Article One and Verisk Maplecroft guides our comprehensive approach to addressing our human rights risks. As we look to the future, our ongoing strategic partnership with our factories to mitigate human rights abuses and risks will be critical to our success.

We are currently working to update our [human rights policy](#), which will be published in 2019. The new policy cements our commitment to human rights and holds suppliers accountable to VF's high standards. Compliance will be enforced through regular audits and inspections of Tier 1 and nominated Tier 2 factories including cutting facilities, sewing plants, screen printers, embroiderers, licensee factories and key fabric mills.

VF has strong oversight and understanding of human rights risks in its factories and distribution centers. To deepen our understanding of the risks in our raw materials supply chain, we use Sourcemap to trace our product supply chains back to their raw materials source. Today, we're expanding our traceability program to include additional products. We'll use our traceability learnings to develop strong, enforceable raw material policies and expand our audit compliance process deeper into our supply chain.



GRI 103-1
GRI 103-2
GRI 103-3



Responsible Sourcing & Worker Well-being | Respecting Human Rights | continued

ZERO TOLERANCE FOR CHILD LABOR

Every child has the right to a safe childhood free from exploitation.

The ILO estimates that approximately 152 million children are engaged in the worst forms (of child labor)²⁰, many in the textile and garment industries. As a global apparel company, we have a responsibility to address this issue.

We are dedicated to operating a supply chain free from child labor.

[All VF suppliers must adhere to our Global Compliance Principles and Guidelines](#) that prescribe no one under the age of 15 (or 14 where consistent with ILO guidelines) can be employed at a VF or contracted facility. We also prohibit the employment of anyone younger than the age for completing compulsory education.

All VF supplier factories must comply with all legal requirements for associates under 18 years of age. This includes hours of work, working conditions and the prohibition of hazardous activities. Ongoing audits verify compliance among our Tier 1 and nominated Tier 2 facilities.

We partnered with the Center for Child Rights and Corporate Social Responsibility (CCR CSR), a global leader on child rights in supply chains, to develop our child labor policy and procedures.

The organization helped VF design the enterprise's child labor remediation plan. If a case involving child labor is discovered in our supply chain, we immediately engage experts from CCR CSR and other NGO partners.

We work with our partners to immediately and effectively remediate the issue. After first making sure the child is safe, the supplier factory or VF funds enrollment in the family's choice of educational program. A stipend to the family is paid to cover future lost wages until the child is of legal working age, and we work with them to take urgent measures to prevent future incidents of child labor.

Improving factory practices through these capacity-building efforts leads to a better long-term outcome for children and their families rather than terminating our relationship. VF drives activities to strengthen factory-level policies and procedures to identify and prevent child labor.

STANDING UP FOR CHILDREN'S RIGHTS

UNICEF estimates that as many as 250 million children may be affected by the garment and footwear sector²¹ as workers, children of working parents and members of communities living near farms and factories.

The impacts touch on almost every one of the UN SDGs including:

- SDG 1: No Poverty
- SDG 2: Zero Hunger
- SDG 3: Good Health and Well-being
- SDG 4: Quality Education
- SDG 5: Gender Equality
- SDG 8: Decent Work and Economic Growth

Interviews with workers show many parents work to create a better life for their children. Investing in children's rights supports working parents while enhancing the livelihoods of children well into the future.

We joined the Network on Children's Rights in the Garment & Footwear Sector in 2017.

The network is a platform convened by Norges Bank Investment Management (NBIM) and UNICEF for international brands, retailers and experts to share innovative practices and explore solutions that will ultimately improve the sector's impact on children. Participating companies represent a combined market value of more than \$280 billion.

²⁰ <https://www.ilo.org/global/topics/child-labour/lang--en/index.htm>

²¹ https://www.unicef.org/sowc00/sowc00_complete.pdf

ERADICATING CHILD LABOR IN THE COTTON INDUSTRY

Child labor, including forced child labor, remains a concern in the cotton industry, especially in Uzbekistan, Turkmenistan and Syria. [The VF Cotton Sourcing Policy states cotton from these three countries is strictly prohibited](#). All cotton suppliers are required to certify that production of VF Corporation's or VF brands' products do not use cotton originating from these countries.

VF verifies compliance with our policy by conducting audits at Tier 3 locations in our supply chain that source lint cotton.



SASB CG-AA-430b.3

Responsible Sourcing & Worker Well-being | Respecting Human Rights | continued



BETTER BUSINESS FOR CHILDREN

VF collaborates with UNICEF on the 'Better Business for Children' pilot program in five factories in Bangladesh and one in Vietnam. Based on the Children's Rights and Business Principles, the program empowers garment and footwear manufacturers to explore and understand how their businesses touch the lives of children.

Each factory conducts a 'child footprint' assessment to evaluate its impact on children's lives and creates an action plan to drive improvements. We continue to work with UNICEF and other global brands to support the internal integration of child rights in company policies and processes.

NO FORCED OR COMPULSORY LABOR

As reported in the recent Global Estimates of Modern Slavery²², an estimated 40 million people were living in modern slavery in 2016. Nearly sixty percent of victims are linked with manufacturing supply chains, with women and girls accounting for seventy-one percent of the victims.

VF has zero tolerance for any form of modern slavery. We believe the business community has a crucial role to play in eradicating involuntary labor of all kinds from global supply chains.

VF supplier factories must not use involuntary or forced labor including indentured labor, bonded labor or any other form of forced labor, or human trafficking. This is reflected in our [Modern Slavery Act Disclosure Statement](#), [VF Code of Business Conduct](#) and [VF's Terms of Engagement](#).

All our suppliers and contract factories must adhere to our terms of engagement and our detailed [Factory Compliance Guidelines](#).

"VF Corporation's leadership on child rights is extremely important."

CHRISTOPHER KIP,
CHILD RIGHTS AND BUSINESS
SPECIALIST AT UNICEF

VF signed The Mekong Club's business pledge against modern slavery, which acknowledges a moral obligation for supply chains to not operate as conduits for modern slavery.

We adhere to the AAFA and the Fair Labor Association's (FLA) Apparel and Footwear Industry Commitment to Responsible Recruitment which states:

- No worker in our supply chain pays for their job.
- Workers retain control of their travel documents and have full freedom of movement.
- Workers are informed of the basic terms of their employment before leaving home.

Requiring migrant workers to pay recruitment fees and costs for employment can trap people in debt bondage. VF is committed to preventing workers in our supply chain from paying for their job. We partner with the International Organization for Migration (IOM) to implement this policy on a global scale. The Commitment to Responsible Recruitment will be included in our updated social compliance standards.



SASB CG-AA-430b.3

²² https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms_575479.pdf

Responsible Sourcing & Worker Well-being | continued

Valuing Workers' Lives

Keeping people safe in our supply chain is non-negotiable.

OUR APPROACH

We have learned many lessons from the tragic accidents at factories in Bangladesh and other countries around the world. The accident in 2013 at Rana Plaza, Bangladesh, was a major turning point across our industry and in our purpose journey. Bearing witness to the worst accident our industry has seen, we are determined to do all we can to prevent fatal accidents from ever happening again in our industry.

Our Global Health and Safety Team shapes policies that drive safety at a corporate level. All our facilities must comply with applicable, legally mandated standards for workplace health and safety in the countries and communities in which they operate.

Our Principles and Guidelines mandate that VF authorized-facilities must provide a clean, safe and healthy work environment, designed to prevent accidents and injury to health arising out of, or occurring during, work.

VF is a founding member of the Alliance for Bangladesh Worker Safety. We used our experience in Bangladesh to develop a Critical Life Safety model that addresses structural, electrical and fire safety risks at contract supplier factories globally.

All our supplier factories in India and Vietnam are joining the [Life and Building Safety \(LABS\)](#) initiative.

We require all facilities not part of a collective initiative to carry out VF's Critical Life Safety inspection, on a regular basis, through VF's nominated third party and undertake needed remediation.

Created from proven VF best practices, the assessments identify structural, electrical and fire safety risks. When opportunities for improvement are discovered, our global Sustainable Operations (SO) Team collaborates with factory management to bolster the integrity of the facility. The team helps embed a safety-first mindset throughout the workforce.

Beyond our direct sphere of influence, we're addressing systemic issues in the wider industry, through capacity-building and partnerships with industry peers, governments, associations and other third parties.

We co-founded and co-funded the LABS initiative in 2017 with the Sustainable Trade Initiative (IDH) and other industry partners. Together, we're systematically improving structural, electrical and fire safety in garment factories around the world. In 2018, LABS focused on garment factories in Vietnam and India. In 2019, the effort will expand to include additional countries.



GRI 103-1
GRI 103-2
GRI 103-3



SASB CG-AA-430b.3



SEE MOVEMENT MAKERS
SECTION ON **PAGE 60**

VF'S SAFETY TARGETS AND PERFORMANCE

Our goal

- We commit to achieving zero loss of life or harm to health as a result of our operations.

Our performance

- We measure progress by the number of workers trained, life safety inspections undertaken and issues remediated. In Bangladesh, our performance has been measured through the achievements of the Alliance for Bangladesh Worker Safety across our factories.
- Forty-eight percent of our global supply chain factory workers received fire safety & evacuation training in 2018.
- Two-hundred and ten of 259 inspected factories completed all health and safety audit remediations of cut and sew facilities.

Responsible Sourcing & Worker Well-being | continued

Freedom of Association and Collective Bargaining

At VF, we believe strong associate-employer relationships enhance workplace productivity, and we require our suppliers to allow workers to freely associate should they desire. In workplaces with strong associate-employer relationships, workers and management are able to speak freely, develop a shared vision for workplace standards and resolve conflicts, often also reducing absenteeism and the possibility of worker strikes.

[The VF Global Compliance Principles](#) include the basic rights of workers to freely associate with whomever they choose, including joining organized labor.

We focus on respecting rights and remediating issues related to Freedom of Association (FOA) and collective bargaining throughout our supply chain and at Tier 1 and nominated Tier 2 facilities. To verify compliance, we conduct audits to assess communication to workers regarding their FOA rights.

Additionally, we assess whether a facility has mechanisms in place to receive and respond to worker grievances.

Lastly, we examine whether associates have been subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively.

Our assessments uncovered a number of FOA concerns in countries including Vietnam, Cambodia and across Central America. As a result, in 2018, we funded an Industrial Relations Leadership pilot in collaboration with Growth Squared LLC to enhance collaboration and communication at VF's strategic factories and build capacity for workers, their representation and management. The pilot was conducted at Starlight Apparel Manufacturing Co. in Cambodia, a key factory for VF, and one of the factories owned by the Crystal Group. We are now expanding the program to Quint Major Industrial (QMI) in Cambodia and Sun Jade Footwear Co. in Vietnam.

We will continue piloting Industrial Relation Leadership programs to improve communication between unions, managers and workers to support strong, trustful relationships.



GRI 103-1
GRI 103-2
GRI 103-3
GRI 407-1



SEE MOVEMENT MAKERS
SECTION ON **PAGE 60**

Fair Wages

To support themselves and their families, workers should be paid fairly for their work. Wage topics remain a challenging area of alignment in the apparel and footwear industry, especially in developing countries.

The extent of challenges ranges from major issues such as not being paid for overtime work to factories not posting labor laws covering wages, overtime rates, permitted work hours, leave, and the maximum allowed overtime hours.

According to VF Compliance Principles:

“Every worker has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. VF Authorized Facilities must compensate their associates fairly by providing compensation packages comprised of wages and benefits that, at the very least, comply with legally mandated minimum standards or the prevailing industry wage, whichever is higher, and shall provide any benefits required by law.”

Associates must be fully compensated at a premium rate for overtime according to local law and each associate must be provided with a 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.”

To encourage communication, we provide a hotline in key countries for individuals and groups to raise grievances, including wage-related concerns. Teams receive ongoing training to better identify non-transparent wage concerns in our suppliers' factories.



SASB CG-AA-430b.3



Responsible Sourcing & Worker Well-being | continued

Supplier Assessment and Capacity-Building

Regular factory audits help us verify in-factory practices are implemented throughout the VF supply chain in compliance with VF's Compliance Principles. Audits are carried out by VF-authorized compliance auditors or an accredited third party.

Ninety-five percent of VF supplier factories were audited during 2018. Often unannounced, the extensive audits last from six hours to two days. Audits include a thorough facility inspection of health and safety, environmental and social standards. Factory records, including payroll, operating licenses, associate personnel records and other key information, are reviewed for compliance with local laws and VF global standards.

Auditors conduct associate interviews to gain insight into the facility's working conditions and worker treatment. Interview questions cover a range of topics including hiring practices, wages and hours, worker-management communications, worker treatment and environmental topics.

As a result of audit findings, factories are designated as either: Rejected; Pending Rejection; Developmental; or Accepted. Production is allocated based on the performance designation.

AUDIT PROCESS



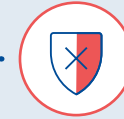
ACCEPTED

- 12-month Audit Cycle
- Low-rated findings
- New moderate findings



DEVELOPMENTAL

- Six-month Audit Cycle
- Failure to close previous moderate-rated findings



PENDING REJECTION

- Pending rejection audit conducted at sourcing request
- High-rated finding for active factory
- Previous three audits with same moderate findings



REJECTED

- Failure to close previous high finding
- Failure to close pending rejection moderate finding
- 1st rejection – the factory may apply for a re-audit after three months
- 2nd rejection – the factory may apply for a re-audit after 12 months

When a case of non-compliance is found, it is designated one of three possible severity levels:

- **High:** High likelihood of harm to an associate – either physical, financial, or psychological. A high finding results in a factory designation of Rejected, or Pending Rejection for an existing Accepted factory.

- **Moderate:** Systemic compliance findings resulting in potential harm to associates. A moderate issue will result in a factory designation of Developmental.
- **Low:** Incidental compliance findings, such as missing paperwork, resulting in low likelihood of harm to associates. Minor issues are allowable in a factory designated as Accepted.

If a supplier or agent fails to comply with our Terms of Engagement, we will re-evaluate and possibly terminate the relationship.

Our Compliance Team tracks trending issues and develops a quarterly report to guide sourcing and remediation efforts. We continue to enhance our robust approach, looking deeper into specific areas of our supply chain.



GRI 103-1
GRI 103-2

Responsible Sourcing & Worker Well-being | Supplier Assessment and Capacity-Building | continued

SUPPORTING OUR SUPPLIERS TO IMPROVE

Our Sustainable Operations Team spans our entire global organization. The team supports suppliers to elevate compliance with our rigorous standards and to improve their audit designations. We're expanding this team to include support for Tier 2 suppliers. Our specialized team helps build suppliers' capacity and improve performance, especially where lack of understanding or language prevents robust and consistent compliance.

The team implements environmental and social programs, including the Higg FEM data collection tool, worker rights pilot programs and our traceability program.

Our experts conduct walk-through meetings and phone calls with suppliers to recommend solutions and assist them in improving their performance.


Strategic suppliers receive training on key topics such as water treatment, payroll calculations, and health and safety. We also provide ongoing sourcing and compliance training.

Whenever possible, we prefer remediation over termination; leaving a factory is our least preferred option. Our first choice is always to support suppliers and enable them to make improvements to achieve full compliance.

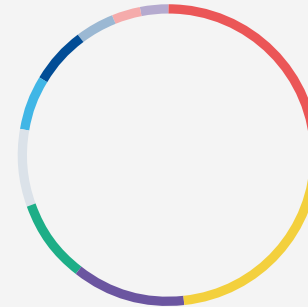
We deliver better outcomes for workers and communities when we collaborate with suppliers to remediate cases of non-compliance and raise their factory standards, rather than simply terminating the contract. We provide coaching for factory management and collaborate with suppliers to deliver improvements and corrective action plans whenever we find policy violations. If supplier factories are unable or unwilling to meet our standards, we are left with no choice but to terminate our relationship.

 **GRI 103-1
GRI 103-2
GRI 103-3
GRI 308-2**

 **SASB CG-AA-430a.2**

 **FOR AUDIT DATA,
REFER TO DATA APPENDIX
ON PAGE 83**

TOP TEN HIGH SEVERITY AUDIT ISSUES FOUND 2018 (Percent)



■ MINIMUM WAGE	25
■ OVERTIME PAY	23
■ DORMITORIES	12
■ WASTE MATERIAL – HOUSEKEEPING	9
■ HAZARDOUS MATERIALS	8
■ EMERGENCY ALARMS	6
■ UNAUTHORIZED SUBCONTRACTING	6
■ BUSINESS LICENSING	4
■ PERSONAL PROTECTIVE EQUIPMENT	3
■ EMERGENCY EVACUATION	3

** This data includes results from the initial audits of 103 factories that were never permitted to manufacture products for VF due to their poor performance against our requirements. For factories already accepted in our supply chain, when a code violation is discovered, the factory must remediate that violation according to the agreed Corrective Action Plan (CAP). Failure to remediate a code violation results in factory designation downgrades and potential contract termination.

VF'S SUPPLIER ASSESSMENT AND CAPACITY-BUILDING PERFORMANCE

- VF and our licensee partners sourced products from 1,747 suppliers in 2018, and we conducted 2,319 factory audits during that same period.
- Factories moving from the 'Developmental' category to 'Accepted' increased in 2017 and 2018 as a result of supplier training and capacity building.
- As we learn more, we hone our ability to find and remediate potential code violations. We are enhancing training and protocols as issues arise and improving our processes to address the most salient human rights concerns across our supply chain.
- Payment of appropriate and accurate wages is paramount to being accepted as a product manufacturer in the VF supply chain. Violations of minimum wage and underpayment of overtime pay leads to a Pending Rejection designation for a factory, and the termination of its business should they not immediately rectify the findings.

Responsible Sourcing & Worker Well-being | continued

Worker and Community Development

We want people who work in the VF supply chain to live better lives because of their connection with VF.

OUR APPROACH

Our industry-leading Worker and Community Development (WCD) program aims to improve the lives of workers beyond our factory walls. Poor access to basic needs, such as clean water and healthcare, can result in increased turnover, absenteeism and reduced productivity. Our WCD program provides access to healthcare, clean water and childcare for workers in our global supply chain.

We collaborate closely with our factories and interview workers to understand the unmet needs of workers and communities and bridge the gap with results-focused solutions.

We carry out a unique needs assessment, engaging directly with workers to determine localized, community-specific needs. The results drive the development of initiatives that address worker needs in three focus areas – water and sanitation, adequate healthcare and nutrition, and accessible childcare and education.

We work to demonstrate the returns to our suppliers business by investing in worker well-being with the aim that they see the

value of investing in the program themselves to drive continued long-term impact.

Our comprehensive Monitoring, Evaluation and Learning (MEL) framework is guided by our Framework for Change.

These frameworks are designed to demonstrate the social and business benefits of our efforts and validate that our approach truly benefits the people it is designed to help.

We're on a quest to develop approaches that meet business, workforce, and local community needs to improve the lives of workers around the globe. We are confident these programs will create proven shared value through business and social benefits and that our suppliers will adopt them for the long term.

We will scale our existing programs to reach 306,000 people by 2020; 600,000 by 2022; one million by 2025; and two million by 2030.



VF'S TARGETS AND PERFORMANCE

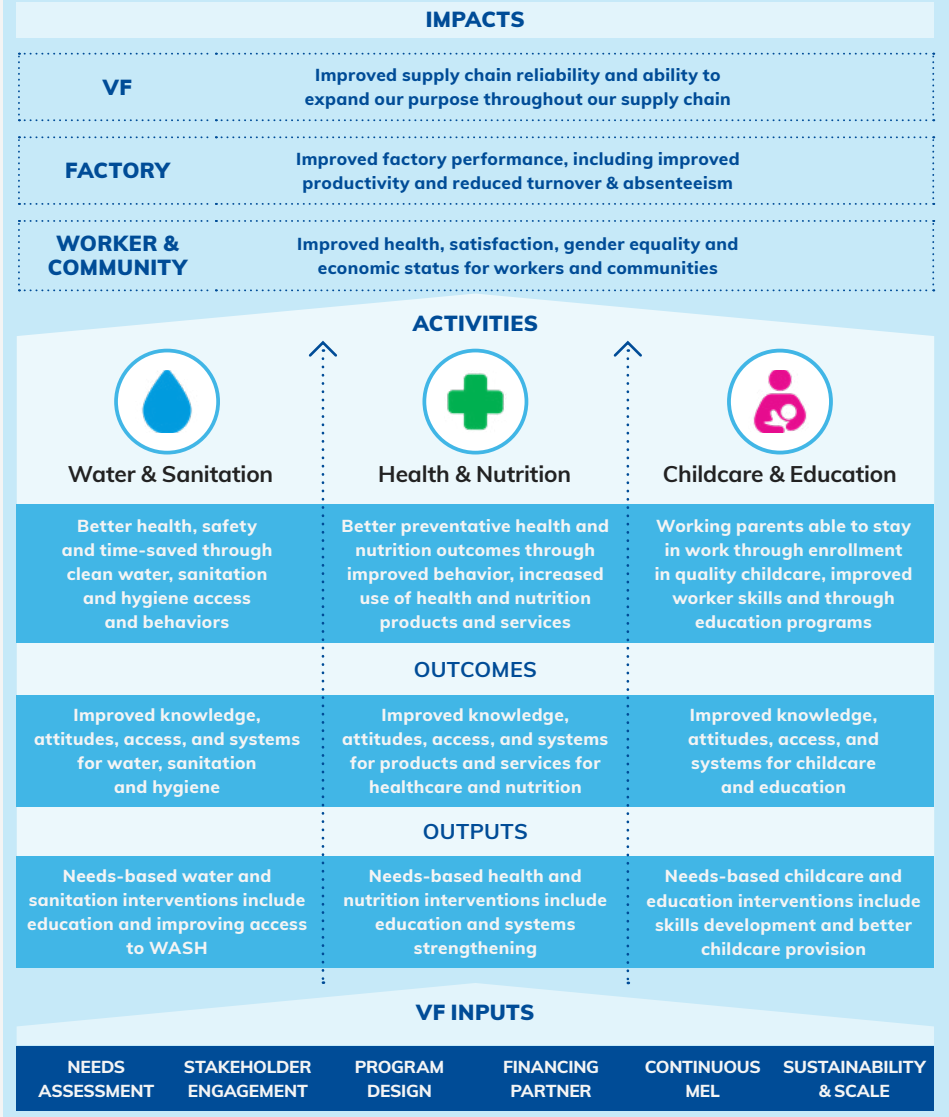
Our goal:

- To improve the lives of one million workers by 2025 and two million by 2030.

Our performance:

- In total, we reached 156,679 workers through our programs in 2017 and 2018.
- In 2018, our WCD program implemented programs to improve the livelihoods of workers in Bangladesh, Cambodia, India, the Dominican Republic, Vietnam, China, Kenya and Lesotho.

FRAMEWORK FOR CHANGE



Responsible Sourcing & Worker Well-being | Worker and Community Development | continued



EMPOWERING FEMALE WORKERS ON MENSTRUATION IN INDIA



Women throughout India face social stigma during their monthly menstruation period. The shame associated with periods can lead to high absent rates in factories and impact the well-being of female workers.

Simply put, women deserve better.

In partnership with Business for Social Responsibility (BSR), we developed Menstrual Hygiene Management modules as part of the HER Project in Chennai and Bangalore. In addition to education, we're improving access to feminine hygiene products to create an enabling environment for women workers. The initial pilot surveys workers at four factories, which in turn drives implementation of initiatives at two facilities. With proven results, the pilot will be scaled to more factories throughout India.



IMPROVING WORKPLACE HEALTH AND NUTRITION IN CAMBODIA



Mass fainting episodes are not uncommon in factories in Cambodia. These episodes are often attributed to illnesses caused by poor health and nutrition. Many workers report food-borne diseases, which can lead to high levels of absenteeism and disrupt productivity. At the same time, the lack of available health services forces workers to take a day off to seek medical assistance.

In 2018, VF partnered with CARE International to launch a three-year health and nutrition initiative. The program will upgrade health services provided by factory clinics and deliver a food hygiene training program for food vendors. Our goal is to expand the program to ten factories and 25,000 workers by 2021.



PROMOTING CLEAR VISION IN BANGLADESH



People living in low-income countries such as Bangladesh have little access to vision screening, presenting a significant challenge for workers with vision impairment who conduct up-close work such as stitching. We partnered with VisionSpring to screen 14,581 workers through their Clear Vision Workplace program in 2018.

After receiving care, workers reported an eighty percent decrease in fatigue and headaches, as well as improved outcomes in the factory and at home. The factories reported forty-seven percent fewer returns and a three percent increase in productivity – a win-win situation. In the coming years, we'll expand the program to factories in Bangladesh, India and Vietnam with close monitoring to understand the impact on both people and production.

156,679

WORKERS REACHED THROUGH OUR WORKER & COMMUNITY DEVELOPMENT PROGRAM SINCE 2017

14,581

WORKERS SCREENED THROUGH VISIONSPRING'S CLEAR VISION WORKPLACE

Movement Makers

OUR ASPIRATIONAL GOALS:

- Every VF associate has the opportunity to contribute to their local communities.
- Empower our consumers to live more active and sustainable lives.

CONTRIBUTING TO UN SDGs:



SDG 3:
GOOD HEALTH
AND WELL-BEING



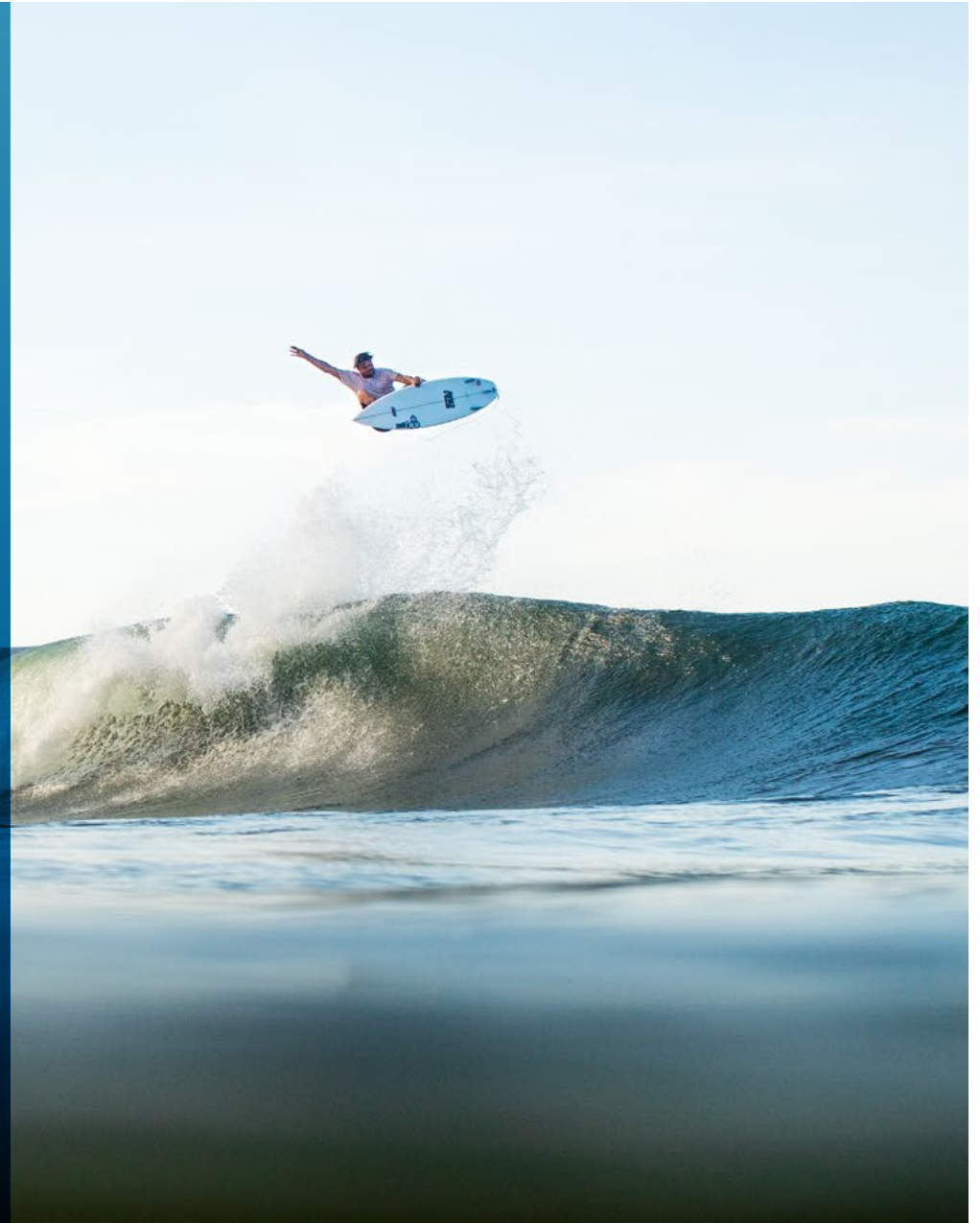
SDG 5:
GENDER
EQUALITY



SDG 10:
REDUCED
INEQUALITIES



SDG 11:
SUSTAINABLE CITIES
AND COMMUNITIES



Brands with Impact

We have been building iconic brands while delivering strong value to our shareholders, consumers, associates and communities for 119 years.

Our track record provides a unique springboard that puts purpose on par with profit.



As we connect purpose and profit, we have the opportunity to leverage our resources on a global scale to lead change. We believe we can make a measurable, positive impact on millions of lives and the planet, while continuing to grow brand and business value.

We're transforming our operations to bring a deep sense of purpose to all that we do – using our talent, resources and scale to improve lives and drive new, sustainable forms of growth.

Our purpose-led brands serve as forces for good – connecting their products, campaigns and advocacy to power movements of sustainable and active lifestyles.

This purpose-led approach has galvanized our global workforce of more than 68,000 associates behind one shared vision.

Our purpose brings more meaning to our work and drives deeper engagement with consumers on the issues that matter most.

We're elevating our actions with the third pillar of our 'Made for Change' Strategy.

In this pillar, we have three focus areas:

- **Impactful Work** – Empowering our associates to create a positive impact through their work.
- **Impactful Brands** – Using the power of our brands to spark movements and inspire people to achieve large-scale change.
- **Impactful Interventions** – Removing barriers and creating opportunities for more people to live active and sustainable lifestyles.

We can catalyze world-changing movements when we inspire and empower our associates and consumers to take actions that reflect their values and beliefs.



GRI 102-16



Impactful Work

The talent, skills, creativity and effort of our associates will enable VF to deliver on its purpose and fuel our success. When our more than 68,000 associates work together, we spark global movements.

We support our teams by creating an inclusive, safe and dynamic workplace. A place where their work is impactful and each team member can fulfill their potential; something that is good for our associates, our consumers, and our business.

VF's Guiding Principles strongly influence our entire workforce. Our principles are:

- **Live with Integrity.** Be authentic and do the right thing, always.
- **Act Courageously.** Think and act boldly.
- **Be Curious.** Explore the world, learn and evolve.
- **Act with Empathy.** Seek to understand and respect others.
- **Persevere.** Persist and work together across the entire VF enterprise.

We provide an inclusive working environment where everyone feels safe, both emotionally and physically. Inclusion is a key strength, and we're taking action to reflect that among our associates, communities and consumers. We are committed to keeping our associates physically safe in a hazard-free work environment.

While our Company and brands are diverse, we work together within our VF culture, harnessing the power of our differences to drive success and great achievements. Each brand is stronger and can achieve more when it is part of the collective VF enterprise.

We empower our people with training, education and personal growth through volunteering and brand-led activities. At the same time, we support our associates to thrive both inside and outside the Company through competitive benefits and well-being programs.

As a result, eighty-two percent of our associates say they are proud to work at VF and ninety-one percent say they often put more effort into their job than is required.

Impactful Work | continued

Developing a Diverse Workforce

We want our workforce to reflect the tremendous diversity of the consumers and communities we serve.

OUR APPROACH

A diverse workforce enables us to design products and experiences that meet the needs of changing lifestyles and inspire engagement and innovation across diverse communities. An inclusive culture is crucial for building a strong talent pipeline, in addition to attracting and retaining talent. It is also how we contribute to the achievement of SDG 5: Gender Equality.

VF – a world where everyone is welcome.

We launched our Strategy for Inclusion in 2017. The strategy focuses on three priorities:

- **Maximizing Diversity:** embedding inclusion and diversity in our organization and leadership competencies.
- **An Inclusive Culture:** nurturing a culture of inclusion and acceptance that is aligned with VF's purpose.
- **Building Connections:** connecting with diverse communities through our commitments to responsible business.

Our robust processes, procedures and strategic goals drive leadership accountability and commitment to inclusion and diversity across our brands, regions and functions. Three internal councils help lead the way:

- **The Executive Inclusion & Diversity Council:** Led by VF's CEO, the council sets our enterprise-wide inclusivity and diversity strategy.
- **The Global Women's Activation Council:** Led by our Chief Human Resources Officer, the council guides our path toward gender parity in senior leadership roles.
- **The Asia Pacific Inclusion & Diversity Council:** Led by the VF Managing Director in Asia, the Managing Director of Asia Sourcing and the Executive Vice President of our APAC region, the council focuses on the Asia-Pacific region.



GRI 103-1
GRI 103-2
GRI 103-3

“ERGs foster an inclusive culture, provide an opportunity for associates to connect with each other and build a sense of community within VF. Our success as a global company is fueled by gaining valuable insights from our ERGs who act as consultants, providing VF with additional insights informing our business strategy.”

NATALIE CLARK, VICE PRESIDENT, ASIA PRODUCT SUPPLY

In addition, VF's Employee Resource Groups (ERGs) play an important role in building an inclusive culture. Our ERGs include:

- **Attract. Connect. Engage. (ACE) Diversity:** A Denver-based multicultural group focused on building our inclusive culture.
- **Asia Women's Network (AWN):** Aimed at driving growth and unleashing the potential of women throughout our Asia Pacific region.
- **Empower. Discover. Grow. Excel. (EDGE):** Based in India, this ERG is focused on inspiring and mentoring women to embrace their differences and to take responsibility for their own professional lives.
- **EMEA Inclusion Network (EIN):** Supports underrepresented professionals throughout the EMEA region to realize their full potential.
- **Women of VF Employee Network (WOVEN):** Promotes women's leadership, attracting and retaining the best female talent, and building a community of safe and honest dialogue.

INCLUSION & DIVERSITY TARGETS AND PERFORMANCE

Our goals

- Gender parity by 2030 among our senior leadership (Director level and above).
- Twenty-five percent representation of people of color among our senior leaders (Director level and above) in the U.S. by 2030.
- Inclusion and unconscious bias training is delivered throughout the Company, with a target of reaching all associates by the end of 2020.

Our performance

- In 2018, VF had thirty-six percent women on our Board and thirty-five percent female leaders across the Company.
- Fifteen percent representation of people of color among our senior leaders, a two percent increase from the previous year.
- We conducted inclusion and unconscious bias training with 1,000 leaders and retail store managers in 2018. We continue to roll out training throughout our global organization.
- One-hundred percent of ELT has set measurable inclusion goals for their areas of the business.

Impactful Work | Developing a Diverse Workforce | continued

ZERO TOLERANCE OF DISCRIMINATION

We're determined to provide a safe working environment, free from harassment and discrimination, as a fundamental human right.

We're eliminating discrimination within our own operations and our supply chain through constant learning, leadership development and by challenging unconscious bias.

Our Respectful Workplace Policy is available in 11 languages and guides our associates to create a positive working environment. The policy is supported by our [Code of Business Conduct](#), guidance documents, manager resources, and mandatory trainings for associates.



GRI 103-1
GRI 103-2
GRI 103-3

LEADING WITH INTEGRITY

We expect our managers to lead by example in shaping an inclusive culture and we support their development of the appropriate competencies. Training includes courses on ethical leadership and unconscious biases.

In 2017, we invited our leaders and retail store managers to participate in inclusive leadership training. More than 1,000 managers completed the training and that number continues to increase as we conduct additional trainings across our organization.

Ensuring our associates have the capabilities to identify and proactively address potential harassment issues is key. [Our Open Door Policy](#) invites people to ask questions and raise concerns, allowing VF to learn from and address potential cases of harassment.

HOLDING EACH OTHER ACCOUNTABLE

Despite the best of intentions, unconscious bias can cause discriminatory behavior in the workplace. We conducted training in 2017 and 2018 to foster greater awareness in challenging biased behaviors.

We constantly promote our Guiding Principles and engage our associates to live them by using diverse communication channels ranging from posters, videos and brochures to blogs, web content, associate handbooks, in-person trainings and meetings.

Our Ethics Helpline allows anonymous reporting 24/7, by phone or internet, in more than 150 languages, through a third-party provider.

We take complaints seriously, and thoroughly investigate each one. Our Ethics and Compliance Team maintains oversight of investigations to confirm they are addressed and remediated in a thorough, timely and consistent manner. [Our Code and Non-Retaliation Policy](#) strictly forbids retaliation of any kind. Reports of retaliation are escalated to senior management.

Substantiated cases of non-compliance with our Code, policies, or the law are tracked and appropriate action is taken.

This action can range from training and coaching to monitoring and, in severe cases, employment termination.

In 2018, VF investigated a total of 865 reports globally, up from 694 in 2017. The increase is attributed to an increased awareness of what constitutes discrimination and a willingness of associates enterprise-wide to report concerns.

Of the 865 reports received through the Ethics Helpline and via the VF Open Door Policy:

- One-hundred and ten were requests for guidance, up from 77 in 2017.
- Seven hundred and fifty five involved alleged violations of VF's Code, policies, or the law. We substantiated 352 of those cases, up from 271 in 2017.
- Zero substantiated claims of harassment or discrimination relating to pregnancy and maternity rights or gender discrimination in 2017 or 2018.
- One-hundred and thirty three other allegations of discrimination/harassment, 38 of which were substantiated, up from 24 in 2017.



GRI 406-1
GRI 102-17

24/7

ETHICS HELPLINE ALLOWING ANONYMOUS REPORTING BY PHONE OR INTERNET IN 150 LANGUAGES



Impactful Work | Developing a Diverse Workforce | continued

A PLACE WHERE EVERYONE CAN THRIVE

We're building a community that welcomes, values and celebrates the differences that make each associate unique. We start by identifying each individual's needs and how we can help remove potential barriers to success.

We hope to create industry-wide systemic change that extends beyond the walls of our business, which is why we partner with other change-making organizations:

- In 2017, VF leadership joined more than 250 business executives in signing the CEO Action for Inclusion & Diversity pledge to advance diversity and inclusion within the workplace.
- We are members of the Paradigm for Parity movement. The global movement cements our commitment to address the gender gap at leadership levels and establish a framework enabling women and men to have equal opportunity.
- In 2018, we announced our support of the UN Human Rights Office to provide equal rights and fair treatment standards for lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

CHAMPIONING GENDER PARITY

We believe in equal opportunities for men and women at every level of our organization. While we have more than fifty percent women in our overall workforce, we do not currently have parity at the Director level and above. We're taking action to address the lack of balance. VF senior leadership is responsible for increasing gender balance within their teams globally. Leaders are given regular reports of progress along with guidance on topics such as recruitment and hiring best practices.

Over the past two years, we have increased the number of women serving on the VF Board of Directors from two to four, achieving thirty-six percent female representation on our Board.

We are increasing the number of women in senior leadership, too. Thirty-five percent of VF senior leaders are now women. We know we have more work to do to meet our goal of gender parity by 2030.

Our commitment to gender parity includes basing career progress on business results and performance. We support flexible working hours to enable associates to balance work and home lives and responsibilities, publishing global guidelines that promote increased flexibility worldwide. We also offer enhanced family support to parents, including up to eight consecutive weeks of paid time off within the first year of the birth or adoption of a child.



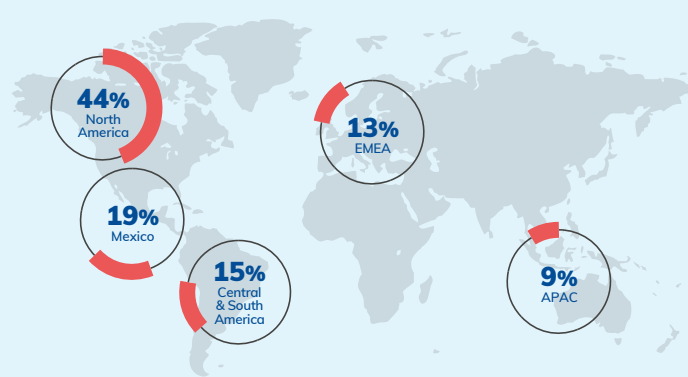
Impactful Work | continued

Our Workforce at a Glance

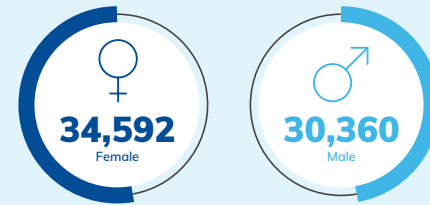
TOTAL WORKFORCE



WHERE WE ARE

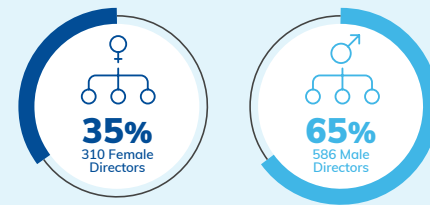


FEMALE/MALE



Gender not disclosed: 3,018

GENDER PARITY AT DIRECTOR LEVEL AND ABOVE



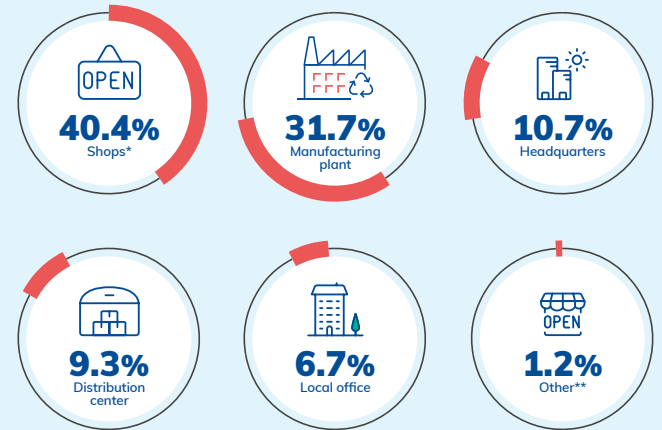
AWARDS



VF earned a perfect score (100 points) in the 2017 Corporate Equality Index, earning the distinction as a Best Place to Work for LGBT Equality from the Human Rights Campaign Foundation (HRC).

Diversity MBA named us one of the 50 'Best Places for Women and Diverse Managers to Work' in 2018. The organization ranked VF Corporation 19th on its '50 Out Front' list.

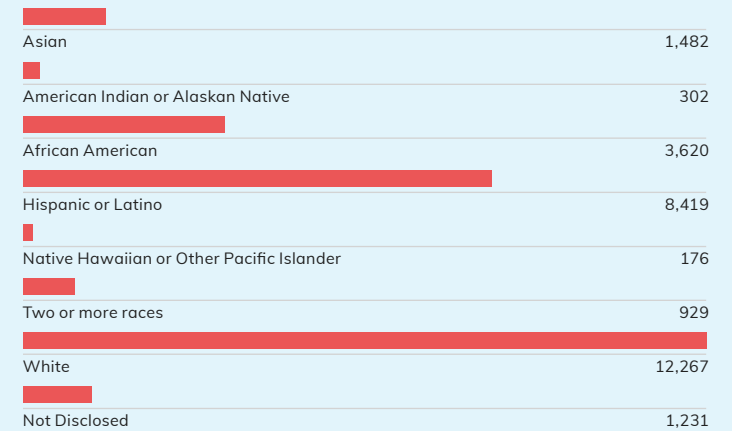
LOCATION TYPE



* Retail, outlets and shop-in-shop.

** Associates within our owned-and-operated supply chain, retail workers, administrators, support, merchandising, office services and sales.

BY ETHNICITY (U.S. ONLY)



Impactful Work | continued

Building our Safety Culture Safety First

One of our most fundamental responsibilities is to provide a clean, safe and hazard-free workplace for our associates.

Our ultimate goal is zero harm to our associates and anyone who is impacted by our activities. This uncompromising commitment drives us to reach beyond compliance, even in countries where standards and regulation might be lagging.

We're committed to continuous improvement. As such, we created a multi-year safety roadmap that was guided by an assessment of our internal safety program, conducted in 2017.

VF's Safety Management System operationalizes our approach. The system is an online portal that sets clear expectations for all associates to identify, communicate and mitigate risks, and systematically eliminate hazards.

All facilities must comply with applicable federal, state, local, and VF requirements regarding working conditions, accident prevention and safety training.

We adhere to respected international best practices and standards including the U.S. Occupational Safety and Health Administration (OSHA), European Agency for Safety and Health at Work (EU-OSHA), and the National Fire Protection Association (NFPA).

At each facility, an associate-led Health and Safety Committee, including representation from all levels of leadership, oversees safety performance and action. We regularly audit VF-owned offices, distribution centers and manufacturing facilities. We share learnings from audits and incidents to prevent future accidents and mitigate risks.

We take a best practice approach to safety targets and key performance indicators. To foster a culture of reporting, we don't set targets for injury reduction. These types of targets that focus on incidents after they have occurred can discourage people from reporting. Instead, we focus on leading indicators that measure activities aimed at reducing risks and preventing incidents before they occur. Leading indicators include training, timeliness of reporting, risk assessment and more. Going forward, we will focus on proactive mitigation and will establish new targets for near miss reporting and safety culture development.



Impactful Work | continued

Empowering our Associates

A COHESIVE, PERFORMANCE-DRIVEN CULTURE

Our performance-driven culture is based on collaboration, mutual support and commitment. We create space for exploration, innovation, and failure.

We strongly believe in the power of coaching, mentoring, and associate networks to build a culture where every associate feels valued and strives to perform at their highest level.

To improve our understanding of what drives performance, we belong to the Institute for Corporate Productivity (i4cp) and the Conference Board. Through these groups, we are able to benchmark our work against other leading organizations. As a result, we developed a globally aligned performance management process that leads the way in developing our people.

We use coaching to help each individual identify and grow their strengths. Thoughtful coaching instills our leaders with the skills to listen, engage, encourage exploration and offer constructive feedback. A coaching mindset allows our leaders to develop personally, perform more consistently and become exceptional people managers.

Our mentoring program is an opportunity for junior team members to learn from more experienced associates. The program increases knowledge-sharing and networking, and helps to cement our organizational culture. Mentors also benefit by developing their own skills and capabilities while building the next generation of business leaders.

TRAINING FOR SUCCESS

Being able to learn, adapt and innovate is essential for success in a fast-paced world.

Significant transformational change, recently and ongoing at VF, includes: reorganization of our global brands and functions; the spin-off of our Jeanswear business into a new, publicly traded company, Kontoor, and the relocation of our headquarters to Denver. We know these changes have created both opportunities and challenges for our teams. As always, we support our associates with change management and resilience training.

Outstanding development opportunities are part of our inclusive culture at VF. We provide access to personal learning for our associates that brings to life our Guiding Principles.

Outstanding development opportunities are part of our inclusive culture at VF. We provide access to personal learning for our associates that brings to life our Guiding Principles.

Learning is managed at global, regional, brand and functional levels to balance consistency with local needs and personalization. Our global Center of Expertise (COE), comprising of regional talent development professionals, provides leadership, best practices, research, support and training to our functions.

To build high-functioning, performance-driven teams across a variety of cultures, all voices must be heard. We offer personal skills training such as critical thinking and effective communication – key attributes known to drive innovation, collaboration and meaningful work.



In 2018, we introduced our core curriculum to provide learning and development opportunities for all associates globally. Associates now have access to more than 200 digital learning assets and over 19 instructor-led learning journeys through our global learning management system.

Several brands in the U.S. and other regions have introduced programs to assist first-time managers to develop their leadership skills. We aligned all our programs for new managers to drive a consistent offering that builds skills beyond current roles and supports a consistent culture across the VF enterprise.

Impactful Work | Empowering our Associates | continued

THE BENEFITS OF WELL-BEING

Our people fuel our business success. We believe the best teams are built by and include healthy, driven and engaged associates.

Our wellness programs and easy-to-access resources support our associates' physical, emotional, social and financial well-being, and enable them to make healthy lifestyle choices. Options include onsite gyms, subsidized nutritious food options, annual health fairs, free biometric screenings and local walk-run challenges. Our 'Be Fit for Life' wellness program includes tools and resources designed to keep our associates and their families on the path to good health.

When you're in the outdoor and action sports business, you encourage your own people to live active outdoor lifestyles. Our brands organize activities that align with the interests of associates and help them to really live the brand.

At the Vans® brand, people enjoy skateboarding classes and surf sessions. At The North Face® brand associates participate in athlete-led hikes, multi-day backcountry trips, and product testing and learning. Powder mornings allow Smartwool® brand associates to ski together on days with exceptional fresh snowfall.

We're evolving our global benefits philosophy based on what our associates tell us they want through our engagement surveys and other tools. Our competitive benefits are designed to help people meet their needs. We communicate regularly with our associates about the programs and available resources in their home region. We review and benchmark our in-country programs to confirm they meet, and exceed, associates' needs and expectations.

Going forward, we are transitioning to a more robust associate listening strategy, encouraging feedback in a number of ways to deepen our understanding of the needs and challenges facing our associates.



Impactful Brands

Our purpose led brands connect people with the causes closest to their hearts. From our over 68,000 associates who choose to work at VF to the consumers who buy 560 million products from us this year, every person who connects with us does so because they know their action and purchasing decisions matter.



Consumers increasingly look to develop relationships with brands that match their values and advocate for the change they wish to see. In doing so, consumers become Movement Makers themselves every time they buy one of our brands.

Our second annual proprietary Gen Z and Millennial survey illustrates transformational shifts in preferences and spending power. Seventy-two percent of both 18 – 24 and 25 – 34 year-olds view the social impact and sustainability of a brand as being 'very important' or 'somewhat important' to their purchase decision²³.

Our brands empower people to live more sustainable and active lives. We're joining forces to spark three purposeful movements that engage on multiple levels: Outside Matters, Worthy Work and Free to Be.

For our associates, these purposeful movements enable individuals to pursue their passions and seize opportunities to help tackle key issues.

We're also encouraging our suppliers to create their own movements. When we sell a jacket made from recycled bottles or a sweatshirt that provides financial support to the community where it was made, we send a ripple effect throughout the supply chain that reaches right back to the communities where the chain started. Increased demand demonstrates to our suppliers the importance of sustainably-sourced, responsibly-made products and benefits those partners who can help us deliver on our purpose.

We have already made significant strides across our brands. In 2018, the *Icebreaker*[®] brand became our first purpose led acquisition. We believe putting purpose on par with profit will ultimately drive more value for consumers, associates, shareholders and communities. We will do well by doing good.

²³ Cowen, Equity Research, 2019. Paid for report, not publicly available.

Impactful Brands | continued

Putting Purpose at the Heart of our Brands

Our brands are built to make a difference, to connect with people and positively impact the world in innovative and meaningful ways. We are 20+ brands united in our purpose to enable people to live active and sustainable lifestyles.

Our 'Made for Change' Sustainability & Responsibility Strategy centers our brands around three movement territories that represent the lifestyle of the consumers we serve and celebrate. How this comes to life is expressed through the unique DNA of each brand.



TO READ OUR BRAND STORIES,
[CLICK HERE](#)



OUTSIDE MATTERS

We believe a connection to nature humanizes us. Centered on the social needs arising from sedentary lifestyles and limited green spaces in urban areas. We strive to remove barriers for people to enjoy the outside.



WORTHY WORK

We believe work dignifies us. Focused on the decline of traditional trades and the resulting skills gap, we are helping to elevate trade work and retool the workforce for the future.



FREE TO BE

We believe in emphasizing the importance of allowing all people to experience self-fulfillment through creativity. Why? Because our differences unite us.

Impactful Brands | continued

Breaking Down Barriers for Change

Enabling more people to live active and sustainable lifestyles requires removing the barriers they face today and tomorrow. Our brands are leading the way by creating meaningful engagement with consumers and the communities they serve.

THE NORTH FACE®: **'SHE MOVES MOUNTAINS'**

For more than 50 years, The North Face® brand has inspired people to push their boundaries in the outdoors by celebrating creators, athletes, educators and innovators. Today, a new partnership between The North Face® brand and Girl Scouts of the U.S. is inspiring and mobilizing the next generation of female explorers, breaking down socio-economic barriers, with outdoor experiences to enhance their confidence and encourage girls to seek out new challenges. At the core of 'She Moves Mountains' are 12 new Outdoor High-Adventure badges, with a program of activities ranging from mountaineering and climbing, to backpacking, hiking and trail running. Over the next two years, the program will help girls of all ages realize their leadership potential while increasing the visibility of female role models for girls nationwide.



EAGLE CREEK®: **'FIND YOUR UNKNOWN'**

For more than 40 years, the Eagle Creek® brand has connected people with new cultures, places and experiences by inspiring them to travel. Launched in 2018, the 'Find Your Unknown' campaign shares a global message that speaks to a new generation of explorers, backpackers and nomads looking for something deeper and more meaningful. From mountain valleys to city streets, 'Find Your Unknown' is a celebration of traveling into new territories and terrains. Beyond building innovative and durable products, the Eagle Creek® brand provides valuable information regarding where to go, what to do, what to pack, how to pack and how to travel – everything that today's diverse tribe of travelers needs to know.



TIMBERLAND®: **'MY PLAYGREEN'**

Today, fifty-four percent of the world's population lives in urban areas, and that number is expected to rise to sixty-six percent by 2050. Limited access to the outdoors and nature can negatively impact the health and well-being of those living in urban and sub-urban areas, especially children. To help improve outdoor accessibility, the Timberland® brand teamed up with the King Baudouin Foundation to create a grant program to support the creation, maintenance and improvement of green spaces in five European cities over five years. In 2016, 'My PlayGreen' funded 14 projects across London. In 2017, the program launched in Milan, where it provided grants of up to \$5,500 for 16 local, grassroots projects. After London and Milan, 'My PlayGreen' expanded to Berlin in 2018. In 2019, the program will launch in Paris, followed by Barcelona in 2020. To date, the Timberland® brand projects have enabled 30,000 children and teenagers to connect to nature in their cities.





Impactful Interventions

We believe when our associates, consumers and workers live in engaged and thriving communities, they are happier, healthier and more productive.

When associates' personal passions connect with our brands' efforts to make a meaningful impact, we unleash huge potential for positive change in our communities and beyond.

We are able to use our scale, resources and brands to break down barriers facing communities and consumers. Work of this magnitude requires focus.

We have prioritized those areas that are most meaningful to both our associates and our brands. We engage where we believe we can have the greatest impact: getting people outside, elevating the trades and encouraging self expression.

Our partnerships and social impact initiatives deliver targeted, measurable impacts that complement and amplify our brand-led campaigns. We use a multitude of levers, from strategic investments, advocacy and volunteering to philanthropic gifts and collaboration with partners.

We make high-impact investments in meaningful community initiatives where our associates live, work and play. We depend on these communities to enable us to succeed, and we play an active role in enabling positive change.

Impactful Interventions | continued

Striving for One Million Volunteering Hours

Volunteering energizes our associates as agents for social change. Our commitment to being Movement Makers drives every one of us – from our CEO to our newest colleagues – to give our time and expertise to the communities and causes we care about.

Volunteering benefits people by developing skills and experience, not to mention our teams tell us they feel good about giving back to their communities.

Our brands encourage associates to take anywhere from 8 to 40 hours of paid time off per year to volunteer their time and skills. Globally, VF community days offer volunteer opportunities such as helping to maintain woodlands, creating trails, refitting animal shelters and volunteering in hospitals. Giving back enables VF to engage, educate and empower associates to embody our purpose, as well as understand our commitment to sustainability and social responsibility.

Our goal is to amass one million associate volunteer hours by 2025. As an example, 2,500 European associates, through our annual community day, have volunteered more than 20,000 hours in eight countries across Europe since 2014.

We believe in the power of personal experience to create a ripple effect of positive change. Associates are encouraged to share their experience with friends, family and co-workers.

THE TIMBERLAND® BRAND: PATH OF SERVICE™

The *Timberland®* brand brings its 'Earthkeepers' vision to life through its '[Path of Service™](#)' associate volunteering program. Path of Service™ offers full-time associates up to 40 hours paid time off every year. Associates can participate in events sponsored and organized by the brand such as their annual Earth Day and Serv-a-Palooza, in addition to volunteer efforts they seek on their own. A first of its kind in our industry, Path of Service™ celebrated its 25th anniversary surpassing 1.2 million volunteering hours, giving back to communities and planting more than ten million trees to sequester carbon and help combat climate change.

THE EAGLE CREEK® BRAND: LIVE.WORK.TRAVEL™

As a community of travelers, the *Eagle Creek®* brand believes that travel has the ability to inspire and enlighten people all over the world. Led by associates, its '[Live.Work.Travel™](#)' program encompasses the unique aspects of everything the brand stands for, from community involvement to its global giving efforts. The brand's Voluntourism Initiative allows associates to live the brands' purpose by giving them a week of paid leave to give back to the communities they visit.

“To be able to provide these types of opportunities, not only for the community but also for associates, is inspiring and amazing.”

KAITLIN HAEFNER,
RECRUITMENT SPECIALIST,
TIMBERLAND® BRAND



Impactful Interventions | continued

Investing in Communities

The VF Foundation launched in 2002 as a private grant-making organization to support community organizations and initiatives.

Our grants focus on what matters most to us and our consumers:

- Conservation
- Stewardship and sustainability
- Education and training for work
- Inclusion, equity and diversity

The total of all grant payments that were made in 2018 by the VF Foundation: \$4,841,222.

“Working with the Outdoor Foundation allows us to engage against our vision, be a part of the solution and understand what needs to be done differently. From now on, we are not merely a company; we are a movement. With our founding partner gift, we express our deep gratitude to the Outdoor Foundation and hope we inspire others to support this worthwhile cause.”

STEVE RENDLE, VF CORPORATION CHAIRMAN, PRESIDENT AND CEO

GETTING FAMILIES OUTSIDE

Encouraging kids and families into a regular routine of exercising and playing outside is a challenging goal. According to the Outdoor Foundation's [2018 Outdoor Recreation Participation Report](#), ninety-one percent of Americans say getting outside for their health is moderately to extremely important, but only twenty percent participate in an outdoor activity and less than twenty-one percent of children are active outdoors once or more per a week.

In 2018, the VF Foundation pledged \$1 million to the Outdoor Foundation to reverse the decline in American families getting outdoors. The money will enable the Outdoor Foundation to create 'Thrive Outside Communities' that bring together kids and families of diverse backgrounds. The program weaves the outdoors into the lives of many and provides repeat experiences that will help build healthy individuals and healthy communities.



THE NORTH FACE® BRAND: ENABLING PEOPLE TO EXPLORE

The North Face® brand shares a passion for the outdoors with consumers and communities alike. The brand's 'Explore Fund' enables people to explore the outdoors and inspires them to act as environmental ambassadors. The North Face® provides \$750,000 in grants annually to non-profit organizations around two main themes: Enabling Exploration and Loving Wild Places.

Since 2010, the Explore Fund has awarded nearly 500 grants to groups working with underserved communities, totaling over \$2.75 million. The brand supports organizations such as the Alaska Wilderness League, the Protect Our Winters Hot Planet/Cool Athletes climate education program, and The Conservation Alliance, of which The North Face® brand is a founding member.

\$2.75m

AWARDED BY THE NORTH FACE® EXPLORE FUND SINCE 2010, THROUGH NEARLY 500 INDIVIDUAL GRANTS, TO ADVANCE UNDERSERVED COMMUNITIES

\$900k

INVESTED BY THE VANS® BRAND INTO ART EDUCATION PROGRAMS FOR U.S. SCHOOLS

1,500

BACKPACKS DONATED BY THE DICKIES BRAND TO TRIMBLE TECH'S STUDENT BODY

Impactful Interventions | Investing in Communities | continued


VANS® BRAND – BREAKING DOWN BARRIERS TO SELF EXPRESSION

'Custom Culture' by the Vans® brand is an art competition created to empower high school students to embrace their originality through art and design. The brand has invested almost \$900,000 directly into art education programs for schools across the U.S. In 2018, we refined our approach to drive money to schools that needed it most. Going forward, the Vans® brand will select 500 U.S. public and private high schools, including many that have had their arts programming cut. Supporting the underserved reinforces VF's Movement Makers commitment to breaking down barriers to creativity and self expression.

DICKIES BRAND AND TRIMBLE TECH – INVESTING IN THE NEXT GENERATION OF MOVEMENT MAKERS

The Dickies brand and local trade high school, Trimble Tech, have been neighbors in the south side of downtown Fort Worth for approximately 100 years. However, the entities didn't team up until 2015 when they launched a new partnership designed to outfit the future trade workers of our country. As part of a long-standing commitment to purpose, the Dickies® brand provides uniform-type clothing to Trimble Tech's automotive, welding, chef and medical divisions. The brand also supplies fabric and trims to Trimble Tech's fashion design division and has provided over 1,500 backpacks to the student body.





How We Report & Data Appendix

How We Report & Data Appendix | continued

About this Report

VF reports on its global sustainability progress every other year. This is our third sustainability report. Prior to this publication, the most recent VF Sustainability Report, for the 2016 calendar year, was released in December 2017.

The data in this report covers the calendar year of 2018, unless otherwise stated.

Starting in the VF Fiscal Year 2021, the enterprise will shift its reporting time period to the fiscal year, April 1 through March 31 of the following year, to align with our financial corporate reporting.

We track progress against our goals (starting in most cases with our 2017 baseline) and in alignment with the UN SDGs. Our global teams, such as compliance, human resources, health and safety and sustainability, collect global company data and internally verify that the data meets our quality assurance standards.

REPORTING FRAMEWORKS, STANDARDS AND INDICES

This report has been prepared in accordance with the GRI Standards: Core option. GRI helps businesses understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. The reporting standards enable action to create social, environmental and economic benefits for everyone. We have also used best practice frameworks, indices and rating standards to guide our broader reporting content on our website.

Additionally, we report to industry requirements set forth by the Sustainability Accounting Standards Board (SASB). SASB's sustainability disclosure standards focus on industry-specific material issues. We disclose across environmental, social, and governance topics to facilitate communication between companies and investors about financially material, decision-useful information. We support SASB's mission to establish industry-specific disclosure standards globally.

We participate in a number of industry-wide assessments which are based on publicly available information.

This report forms part of our public disclosure for the following assessments, together with information on our microsite and other policies and disclosures available online:

Know the Chain: Reports on forced labor risks within global supply chains.

- **Corporate Human Rights Benchmark:** Reports on adverse business impacts on workers, supplier communities and consumers pertaining to human rights.
- **Fashion Transparency Index:** Reports on the largest global fashion and apparel brands and retailers according to how much information they disclose about their suppliers, supply chain policies and practices, and social and environmental impact.

As well as reporting in line with internationally recognized frameworks, VF provides extensive information online to engage stakeholders around the most material and pressing sustainability topics, including ESG topics.



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GRI 102-56



THE GRI INDEX FOR THIS REPORT
 IS AVAILABLE [HERE](#)



FOR MORE INFORMATION
 SEE [OUR MICROSITE](#)

CONTACT

For questions regarding the information contained within this report or our program overall, please write to sustainabilityandresponsibility@vfc.com

How We Report & Data Appendix | continued

Materiality

Our ongoing engagement with multiple external stakeholders informs our strategy and programs. We engage a broad group of stakeholders from NGOs to industry associations.

As part of our 2017 materiality assessment we solicited information and feedback from these organizations listed below. This process helped identify the issues most important to our stakeholders and our business.

- Good World Solutions
- RobecoSAM
- The Humane Society of the United States
- European Outdoor Group
- Social Accountability International
- Boston Common Asset Management
- Canopy
- Retail Industry Leaders Association
- Worldwide Responsible Accredited Production (WRAP)
- BlackRock
- Textile Exchange
- Forum for the Future
- WEF
- Quartz (media)
- Innovation Forum
- Ethical Corporation
- Clean Production Action
- Interfaith Center on Corporate Responsibility for Human Rights in the Supply Chain
- Nielsen
- Glasgow Caledonian University

- The Fair Fashion Forum
- PVH Corporation
- U.S. Chamber of Commerce Foundation

Engaging with both internal and external stakeholders confirmed our 'Made for Change' strategy is focused on the most material issues.

Our most material issues include:

- Ethical labor practices and workplace health and safety
- Energy reduction and energy efficiency
- Waste generated in manufacturing
- Water use in textile and manufacturing
- Consumer product safety
- Climate action

This materiality assessment was used to inform this 2018 'Made for Change' Sustainability & Responsibility Report.

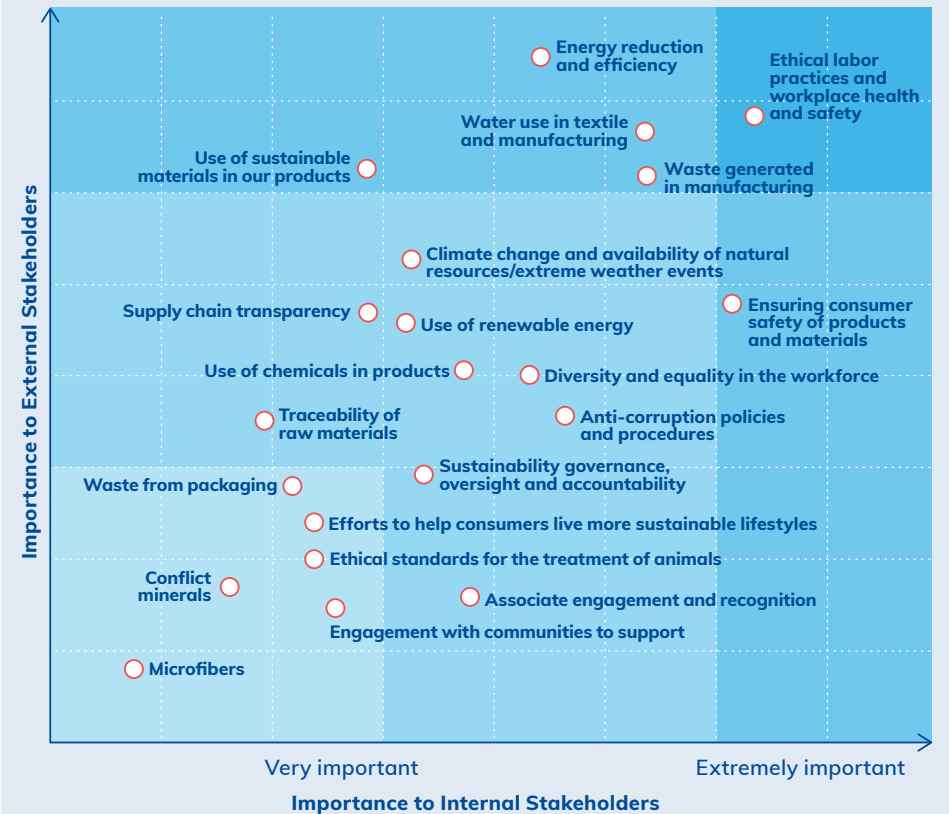
Our risks and opportunities occur across our owned-and-operated facilities and our supply chain. The table on page 24 of our 2016 Sustainability & Responsibility Report (link below) outlines where the impact of each issue occurs throughout our value chain and our level of influence to drive change.

An updated materiality assessment will be published within the next year, supporting the evolution of our strategy to remain current in a rapidly changing external landscape.

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GRI 102-43
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FOR MORE INFORMATION ON OUR MATERIALITY PROCESS
SEE [OUR 2016 SUSTAINABILITY & RESPONSIBILITY REPORT](#)

OUR MATERIALITY MATRIX



■ High priority for both stakeholder groups ■ High priority for one stakeholder group ■ Medium priority ■ Low priority

How We Report & Data Appendix | continued

Data Appendix

This appendix provides additional data that we believe is important to our stakeholders in better understanding our business, our results and the impacts from our operations.

PROFILE OF OUR BOARD

2018 Data

Average Tenure	6.9 years
Average Age	58 years
Corporate Governance Principles	
Proxy Statement	
Average Attendance	75%
Minimum of attendance for all members required	100%
Portion of CEO's short-term incentives deferred in the form of shares	75%
Median Annual Compensation	\$10,099
CEO Compensation	\$17,842,521
Board*	11
Female Members on Board	3
Male Members on Board	8

* List of Independent or non-executive directors included in the above count as follows:

Richard T. Carucci – Restaurants
 Juliana L. Chugg – Leisure Products
 Mark S. Hoplamazian – Hotels, Resorts & Cruise Lines
 Laura W. Lang – Cable & Satellite
 W. Alan McCollough – Computer & Electronics Retail
 Clarence Otis, Jr. – Restaurants
 Benno Dorer – Manufacturing
 W. Rodney McMullen – Retail
 Carol L. Roberts – Paper
 Matthew J. Shattock – Spirits
 Veronica B. Wu – Technology (joined Board of Directors in 2019)



How We Report & Data Appendix | continued

ASSOCIATE DATA

	2016	2017	2018
By Status			
Contingent Worker	5,116	5,091	7,398
Associates	63,850	65,276	68,330
Total	68,966	70,367	75,728

	2016	2017	2018
By Position			
Regular	57,644	57,434	61,095
Temp	6,206	7,842	7,235
Total	63,850	65,276	68,330

	2016	2017	2018
By Time Type			
Full Time	46,383	45,037	47,896
Part Time	17,467	20,239	20,434
Total	63,850	65,276	68,330

	2016	2017	2018
By Gender			
Female	33,424	33,829	34,952
Male	28,915	29,335	30,360
Not Disclosed	1,511	2,112	3,018
Total	63,850	65,276	68,330

	2016	2017	2018
By Age Group			
15 – 29	27,119	28,987	30,040
30 – 50	28,774	27,723	28,996
>50	5,789	5,633	5,705
Not Disclosed	2,168	2,933	3,589
Total	63,850	65,276	68,330

	2016	2017	2018
By Job Classification Level			
VPs/Directors	951	914	896
Managers	1,514	1,705	1,812
Analysts	4,346	4,322	4,083
Other*	57,039	57,717	59,472
Acquisition**	–	618	2,067
Total	63,850	65,276	68,330

	2016	2017	2018
By Ethnicity (US Only)			
Asian	1,480	1,497	1,482
American Indian or Alaskan Native	220	251	302
Black or African American	3,073	3,602	3,620
Hispanic or Latino	7,633	8,516	8,419
Native Hawaiian or Other Pacific Islander	170	198	176
Two or More Races	745	991	929
White	13,055	12,753	12,267
Not Disclosed	1,222	1,565	1,231

* Please note that within the job classification/level 'Other', these associates work within our owned-and-operated Supply Chain, Retail, and within job family groups such as Admin Support, Merchandising, Office Services, Sales, etc.

** Acquisition refers to associates who were part of organizations acquired by VF, and who were not fully integrated into the Job Classification Identification system by end of 2018. This does not refer to all associates from acquired organizations.

Gender By Region & Level of Associate (2018)	Female	Male	Not Disclosed	Total
Asia				
VPs/Directors	38	57	–	95
Managers	532	370	14	916
Analysts	1,019	613	35	1,667
Other*	2,065	937	320	3,322
Acquisition**	87	47	27	161

Europe, Middle East & Africa

VPs/Directors	21	87	–	108
Managers	129	193	2	324
Analysts	199	186	1	386
Other*	3,900	3,056	597	7,553
Acquisition**	281	248	11	540

Mexico & Latin America

VPs/Directors	4	43	–	47
Managers	14	45	6	65
Analysts	108	147	40	295
Other*	10,218	10,753	1,880	22,851
Acquisition**	–	2	–	2

USA & Canada

VPs/Directors	247	399	–	646
Managers	241	266	–	507
Analysts	1,045	690	–	1,735
Other*	14,069	11,596	81	25,746
Acquisition**	735	625	4	1,364



GRI 405-1
GRI 102-8

How We Report & Data Appendix | continued

ASSOCIATE DATA (CONTINUED)

By Location Type 2018	People	Percentage
Distribution Center	6,374	9.3%
Headquarters	7,334	10.7%
Local Office	4,555	6.7%
Manufacturing Plant	21,669	31.7%
Shops	27,609	40.4%
Other	789	1.2%
Total	68,330	100.0%

INCIDENTS OF DISCRIMINATION

Tracking Incidents of Discrimination and Corrective Actions Taken	2016	2017	2018
Total Cases Tracked	714	694	865
Total Number Substantiated	228	281	352
Cases based on Issue			
Pregnancy & Maternity Rights	0	0	0
Gender Discrimination	0	0	0
Other	46	66	133
Other: Substantiated	5	24	38

VF HEALTH AND SAFETY RESULTS, FY2019***

	Distribution Center Associates	Manufacturing Associates	Office Associates	Retail Associates	Total
Injury Rate (OSHA Injuries/100 FTE)*	5.54	2.02	0.66	4.25	2.87
Lost Day Rate (OSHA Injuries (DART)/100 FTE)**	2.07	0.81	0.32	0.65	0.92
Fatality Rate	-	1	-	-	1

There were zero fatalities in 2018.

* Injury rate includes injuries greater than minor injuries (First Aid) per OSHA reporting requirements.

** We classify lost days as calendar days. Lost days begin the day after the injury.

***FY19 data is provided, covering the period from April 1, 2018 to March 31, 2019.



GRI 403-9
GRI 403-10
GRI 406-1

How We Report & Data Appendix | continued

SUPPLIER AUDIT FINDINGS

Supplier Type (Status as of end of CY 2018)	Accepted*	Developmental*	Pending Rejection*	
Tier 1	649	706	146	
Tier 2 (audited in 2018)	13	170	10	
Total Number of Factories by Type	2016	2017	2018	
Total Number of Factories (Tier 1, Tier 2, Subcontractor, Licensees)	1,740	1,736	1,747	
Total Tier 1 Factories & Subcontractors	1,046	975	1,060	
Nominated Tier 2 Factories (audited in 2018)	146	201	194	
Total Number Licensee of Factories (including shared with Direct Source)	548	560	493	
Suppliers by Region	2016	2017	2018	
Americas	416	420	403	
APAC	1,104	1,109	1,145	
EMEA	220	207	199	
Total Number of Audits Performed in 2018	2,169	2,190	2,319	
Number of Third-Party Audits	138	191	114	
VF Internal Audits	2,031	1,999	2,205	
Percentage of Tier 1 audited annually (or more than annually)	94%	96%	95%	
Number of terminations with suppliers (rejected factories) due to compliance findings (by Region)				
Americas	Tier 1	4	10	15
	Tier 2	0	0	0
Asia	Tier 1	121	123	127
	Tier 2	3	7	4
EMEA	Tier 1	14	8	9
	Tier 2	0	0	0
Total number of suppliers not accepted during initial audit				
	Tier 1	77	82	103
	Tier 2	3	0	1

HOW WE CLASSIFY OUR SUPPLIERS – TIER 1 – 3

We use standard industry classifications to define the different tiers of suppliers that we work with. In this section of the report, you will find references to Tier 1 – 3 suppliers.

Tier 1: Production Manufacturing
Facilities where the finished products are made. These are sometimes referred to as cut and sew facilities.

Tier 2: Material Production
Facilities where materials are manufactured. Fabric is made from yarn and dyed. These are sometimes referred to as dye houses and/or fabric mills.

Tier 3: Material Processing
Facilities which process raw materials into yarn and other intermediate materials. This includes processing of natural and synthetic materials into yarn.



GRI 308-2
GRI 414-2

How We Report & Data Appendix | continued

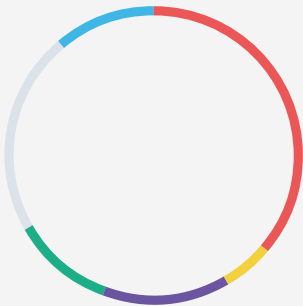
SUPPLIER HEALTH AND SAFETY RESULTS

Fire Safety & Evaluation Training	2018	% of all workers
Total Workers Trained	458,668	48%

Critical Life Safety Inspection	2018	
	Completed Number of Factories	Total Number of Factories
Tier 1 Factories and Licensee Factories inspected under VF's Critical Life Safety (CLS) program	462	1,021
Tier 1 Factories that have remediated all CLS findings	210	259

SUSTAINABLE OPERATIONS TEAM BY REGION

Number of People



CHINA	13
EMEA	2
BANGLADESH/INDIA	5
CAMBODIA	4
VIETNAM	8
SOUTH & CENTRAL AMERICA	4
TOTAL	36

ENERGY USAGE BY SCOPE

	2016	2017	2018	Units
Scope 1				
Compressed Natural Gas (CNG)	3,775,035	3,775,035	3,775,035	gallons
Diesel	79,944	79,579	55,255	gallons
Diesel – Mobile	2,064,920	2,356,192	2,696,091	gallons
Gasoline (Petrol)	5,502	8,533	11,494	gallons
Gasoline (Petrol) – Mobile	55,175	57,331	50,381	gallons
Jet Fuel (Jet A or A-1)	728,216	692,781	549,954	gallons
Number 2 Fuel Oil	33,542	21,292	18,492	gallons
Propane	8,995	8,021	9,804	gallons
Liquefied Petroleum Gas (LPG)	61,736	61,484	61,356	MMBtu
Natural Gas	728,420	681,822	664,845	MMBtu
HCFC – 22 ²⁵	252	252	252	lbs
HFC – 410A ²⁵	50	50	50	lbs
Scope 2				
Chilled Water	621	176	207	MMBtu
Steam	782	751	812	MMBtu
Renewable Power (Offsite)	17,939,225	20,486,214	24,444,456	kWh
Renewable Power (Onsite)	3,918,030	4,376,433	4,343,368	kWh
Brown Power	317,434,577	327,907,137	325,675,210	kWh
Renewable Energy Credit (REC)	23,186,160	24,621,996	25,200,000	kWh
Scope 3²⁴				
Air Travel Long Haul	60,423,995	67,546,198	80,042,167	miles
Air Travel Medium Haul	67,452,658	69,447,097	78,098,366	miles
Air Travel Short Haul	5,027,237	5,037,970	5,289,387	miles

24 In 2018, we report only commercial air travel under Scope 3. We are setting Science Based Targets which will cover a broader scope of Scope 3 emissions.

25 The data presented for these categories is determined through assumed proxy data and not specifically measured. Where data was unavailable data from previous usage was used to estimate current usage. We believe the information presented is the best available data. HCFC-22, HFC-410A and Compressed Natural Gas has been estimated.



GRI 302-1
GRI 302-2

How We Report & Data Appendix | continued

ENERGY USE % CHANGE (2010 – 2018)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Energy use % change	–	-3%	-6%	1%	3%	4%	-6%	2%	1%

ENERGY INTENSITY (2010 – 2018)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Energy use (kWh)	758,834,766	735,504,032	693,376,397	703,607,774	727,912,726	757,364,415	714,463,159	725,605,539	731,099,241
Revenue (\$)	7,702,589,000	9,459,232,000	10,879,855,000	11,419,648,000	10,831,889,000	10,996,393,000	11,026,147,000	11,811,177,000	13,681,137,000
Energy use per dollar (kWh/\$)	0.099	0.078	0.064	0.062	0.067	0.069	0.065	0.061	0.053

WASTE: TOTAL WEIGHT BY STREAM FOR OWNED-AND-OPERATED FACILITIES

(Metric Tons)

	2017
Landfill	14,423
Recycling	40,185
Composting	184
Hazardous	5,538
Reuse	9,157

* Due to data collection changes, only 2017 data is available at this time.



GRI 302-4
GRI 302-3
GRI 306-2

How We Report & Data Appendix | continued

CHEM-IQSM PROGRAM RESULTS

	2016			2017			2018		
	Number of Chemicals Screened	Number of Factories Completed Screening	Number of Chemicals Phased Out	Number of Chemicals Screened	Number of Factories Completed Screening	Number of Chemicals Phased Out	Number of Chemicals Screened	Number of Factories Completed Screening	Number of Chemicals Phased Out
Cut & Sew	664	20	13	237	18	24	1,573	48	26
Fabric Mills	3,096	54	15	645	32	5	1,926	66	15
Tanneries	277	2	0	17	2	0	621	16	5
Subcontractors	138	6	5	273	11	6	582	29	12
Others	2,633	94	9	695	31	24	1,271	39	14
Chemicals screened by VF's CHEM-IQSM program per year	6,808	–	–	1,867	–	–	5,973	–	–

WORKER AND COMMUNITY DEVELOPMENT RESULTS

People reached

Country	2017	2018	Total
Bangladesh	14,300	33,384	47,684
Cambodia	16,300	33,800	50,100
China	0	460	460
India	12,000	5,200	17,200
Kenya	0	17,400	17,400
Lesotho	0	8,700	8,700
Vietnam	2,500	11,835	14,335
Dominican Republic	800	0	800
Total			156,679

Worker and Community Development by Focus Area

	2017	2018
Childcare & Education	3,300	27,460
Health & Nutrition	33,600	78,935
Water & Sanitation	12,000	11,000

Some workers participated in multiple programs so the total numbers by focus area are higher than the total number of people reached.

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