



# **VF CORPORATION**

## **Terms of Engagement**

VF Corporation operates under a Code of Business Conduct, which sets forth the key principles under which the Company and its worldwide subsidiaries are required to operate. The Code of Conduct states that the conduct of business with employees, customers, consumers, suppliers and all others shall be on an honest, fair and equitable basis. It has been and will continue to be the Company's policy to obey the laws of each country and to honor our obligations to society by being an economic, intellectual, and social asset to each community and nation in which the Company operates.

In the selection of its contractors, suppliers and agents, VF works hard to choose reputable business partners who are committed to ethical standards and business practices compatible with those of the Company. At the very minimum, VF expects its contractors, suppliers and agents, to comply with all legal requirements applicable to their operations and employment.

The purpose of these TERMS OF ENGAGEMENT is to make clear that, taking into account differences in cultures and legal requirements, we expect that wherever our products are manufactured they will be manufactured in a manner compatible with the high standards that have contributed to the outstanding reputation of our brands and our Company. Each of the Company's contractors, suppliers and agents, agrees that, by accepting orders from the Company or any of its subsidiaries, it will abide by and implement these Terms of Engagement and require the same from each of its VF approved and authorized subcontractors. Each of the Company's contractors, suppliers and agents acknowledges that its failure to honor this agreement will compel VF to reevaluate, and possibly terminate, its business relationship with such supplier.

### **1. ETHICAL STANDARDS**

VF will only do business with contractors, suppliers and agents who operate within a set of ethical standards compatible with VF's Code of Business Conduct.

### **2. LEGAL REQUIREMENTS**

VF will only do business with contractors, suppliers and agents that comply with the applicable laws and regulations of the jurisdictions in which they operate.

### 3. INTELLECTUAL PROPERTY RIGHTS

We will not do business with contractors, suppliers and agents who do not respect our intellectual property rights in our brands.

### 4. PRODUCT LABELING

All VF contractors, suppliers and agents must accurately label our products with the country of origin in compliance with the laws of the United States and those of the country of manufacture. For products shipped to countries other than the United States, the laws of the importing country will prevail.

### 5. INDEMNIFICATION

Each VF Contractor will indemnify and hold VF harmless from and against all losses arising out of or resulting from such contractor's failure to adhere to these Terms of Engagement.

### 6. VF CORPORATION GLOBAL COMPLIANCE PRINCIPLES

All VF manufacturers will manufacture products in accordance with the VF Corporation Global Compliance Principles.



# VF Corporation

## Global Compliance Principles

These Compliance Principles apply to all facilities that produce goods for VF Corporation, or any of its subsidiaries, divisions, or affiliates, including facilities owned and operated by VF and its contractors, agents and suppliers herein referred to as “VF Authorized Facilities”.

While VF recognizes that there are different legal and cultural environments in which factories operate throughout the world, these Compliance Principles set forth the basic requirements all factories must meet in order to do business with VF.

VF strongly encourages contractors, agents, and suppliers to exceed these Compliance Principles and to promote best practices and continuous improvement throughout all of their factories. These Global Compliance Principles or their equivalent must be posted in all major workplaces, translated into the language(s) of the employees.

**Principle 1 - Legal and Ethical Business Practices:** VF Authorized Facilities must fully comply with all applicable laws of the countries in which they are located including all laws, regulations and rules relating to wages, hours, employment, labor, health and safety, the environment, immigration, and the apparel industry. Employers must be ethical in their business practices.

**Principle 2 – Child Labor:** No person shall be employed at an age younger than 15 (or 14 where consistent with International Labor Organization guidelines) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15. All VF Authorized Facilities must observe all legal requirements for work of employees under 18 years of age, particularly those pertaining to hours of work and working conditions.

**Principle 3 - Forced Labor:** VF Authorized Facilities will not use involuntary or forced labor - indentured, bonded or otherwise.

**Principle 4 - Wages and Benefits:** VF recognizes that compensation packages vary by country. All VF Authorized Facilities must compensate their employees fairly by providing compensation packages comprising wages and benefits that, at the very least, comply with legally mandated minimum standards or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits. Employees must be fully compensated for overtime according to local law and each employee must be provided with a clear, written accounting for each pay period.

**Principle 5 - Hours of Work:** VF Authorized Facilities must ensure employees' hours worked shall not, on a regularly scheduled basis, exceed the lesser of (a) the legal limitations on regular and overtime hours in the jurisdiction in which they manufacture or (b) 60 hours per week including overtime (except in extraordinary business circumstances). Employees must be informed at the time of hiring if mandatory overtime is a condition of employment. All employees will be entitled to at least one day off in every seven-day period.

**Principle 6 - Freedom of Association and Collective Bargaining:** VF Authorized Facilities shall obtain and comply with current information on local and national laws and regulations regarding Freedom of Association and Collective Bargaining. No employee shall be subject to harassment, intimidation or retaliation in their efforts to freely associate or bargain collectively.

**Principle 7 - Health and Safety:** VF Authorized Facilities must provide their employees with a clean, safe and healthy work environment, designed to prevent accidents and injury to health arising out of or occurring during the course of work. All VF Authorized Facilities are required to comply with all applicable, legally mandated standards for workplace health and safety in the countries and communities in which they operate.

**Principle 8 – Nondiscrimination:** While VF recognizes and respects cultural differences, employment – including hiring, remuneration, benefits, advancement, termination and retirement – should be based on ability and not on belief or any other personal characteristics. VF Authorized Facilities may not discriminate on the basis of race, age, color, national origin, gender, religion, sexual orientation, disability, political opinion, or social or ethnic origin.

**Principle 9 - Harassment:** VF Authorized Facilities must treat all employees with respect and dignity. VF Authorized Facilities may not subject employees to corporal punishment, physical, sexual, psychological or verbal harassment or abuse. In addition, VF Authorized Facilities may not use monetary fines as a disciplinary practice.

**Principle 10 - Women's Rights:** VF Authorized Facilities must ensure that women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions open to male workers. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees. Workers who take maternity leave (of a duration determined by local and national laws) will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits. Workers will not be forced or pressured to use contraception. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health. Facilities shall provide appropriate services and accommodation to women workers in connection with pregnancy.

**Principle 11 - Subcontracting:** VF Authorized Facilities will not utilize subcontractors in the manufacturing of VF products or components without VF's written approval and only after the subcontractor has agreed to comply with the Terms of Engagement, including these Global Compliance Principles.

**Principle 12 - Monitoring and Compliance:** VF Authorized Facilities will maintain on site all documentation necessary to demonstrate compliance with these Global Compliance Principles. VF and its subsidiaries will undertake affirmative measures, such as announced and unannounced on-site inspections of production facilities, to monitor compliance with these Global Compliance Principles. VF Authorized Facilities must allow VF representatives full access to production facilities, employee records and employees for confidential interviews in connection with monitoring visits. In addition, VF Authorized Facilities must respond promptly to reasonable inquiries by VF representatives concerning the subjects addressed in the audit.

**Principle 13 - Informed Workplace:** VF Authorized Facilities should inform employees about the workplace standards orally and through the posting of standards in a prominent place and undertake other efforts to educate employees about the standards on a regular basis.

**Principle 14 - Worker Residence (Dormitory):** Dormitories of VF Authorized Facilities must provide a clean, safe, and healthy residence environment. The dormitory design must provide adequate privacy, security, and freedom of movement for all occupants. Dormitory facilities must comply with all applicable, legally mandated standards, for public domiciles in the countries and communities in which they are located.

**Principle 15 - Facility Security:** It is VF Corporation policy that all suppliers establish facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments. Such items would include drugs, biological agents, explosives, weapons, radioactive materials, illegal aliens, and other contraband.

**Principle 16 – Environment:** VF Authorized Facilities must comply with all laws and regulations relating to environmental protection in the countries in which they operate. Facilities should have policies and procedures in place to ensure environmental impacts are minimized with respect to energy, air emissions, water, waste, hazardous materials and other significant environmental risks. Facilities are expected to make sustainable improvements in environmental performance and require the same of their suppliers and sub-contractors.

**Violations of these Global Compliance Principles will be appropriately remedied at the cost of the facility. VF reserves the right to take necessary measures to ensure future compliance with these Global Compliance Principles. Failure to comply with these Global Compliance Principles may ultimately result in termination of the relationship between VF and the Authorized Facility.**



**VF CORPORATION  
CERTIFICATION  
OF TERMS OF ENGAGEMENT**

**VF CORPORATION AND ITS SUBSIDIARIES RESERVE THE RIGHT TO CANCEL ALL CURRENT PURCHASE ORDERS WITH ANY CONTRACTOR, SUPPLIER OR AGENT FOUND TO BE IN VIOLATION OF THE TERMS OF ENGAGEMENT STANDARDS.**

**I have read and fully understand VF's Terms of Engagement and certify that we are in compliance with these terms.**

**Contractor, Supplier or Agent  
Company Name:**

\_\_\_\_\_  
**(Print)**

**Address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Contractor, Supplier or Agent  
Representative:**

\_\_\_\_\_  
**(Signature)**

\_\_\_\_\_  
**(Print – Representative Name)**

\_\_\_\_\_  
**(Representative's Title)**

**Date:** \_\_\_\_\_