

VF Corporation - Water 2018

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

V.F. Corporation, organized in 1899, is a worldwide leader in branded lifestyle apparel and related products. Our brands include The North Face®, Wrangler®, Vans®, Lee®, Reef®, Kipling®, Napapijri®, Eagle Creek®, JanSport®, Smartwool®, Timberland®, and many others.

VF is a highly diversified apparel company — across brands, product categories, channels of distribution and geographies. A growing portion of our revenue is derived from sales to consumers through VF operated stores and internet sites. VF additionally derives its revenues from outside the United States, primarily in Europe, Asia, Canada and Latin America. We balance efficient and flexible internally owned manufacturing with sourcing finished goods from independent contractors.

VF's businesses are organized primarily into consumer lifestyle categories, and by brands within those categories, for both management and internal financial reporting purposes. These groupings of businesses are called "coalitions" and consist of the following: Outdoor, Action Sports, Jeanswear, and Workwear. These coalitions are our reportable segments for financial reporting purposes. Coalition management has responsibility to build their brands, with certain financial, administrative and systems support and disciplines provided by central functions within VF.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2017	December 31 2017

W0.3

(W0.3) Select the countries/regions for which you will be supplying data.

Mexico

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Non-manufacturing sites including distribution centers, offices, cut and sew manufacturing sites are exclusions.	Non-manufacturing sites and cut and sew facilities use a minimum amount of water when considering water used across our supply chain.

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Vital	Important	In our direct use, freshwater is integral to the manufacturing of footwear and apparel; therefore, we have given it an importance rating of 'vital for operations'. Water is important in our direct operations especially as it relates to our laundry facilities. In our indirect use, freshwater is required to grow our raw materials, for dyeing textiles and in laundering which is why we rated it as 'vital'.
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Neutral	In our direct use, recycled water is used in the manufacturing of apparel, specifically laundering, in smaller quantities in comparison to freshwater. It is no less important as a part of our manufacturing process; therefore, we rated it as 'important'. The rating of non-fresh water in our value chain is rated as 'neutral' because no current suppliers are tracking the use of recycled or brackish water in the growing of cotton and manufacturing of our products.

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.
Water withdrawals – volumes from water stressed areas	76-99	Based on the boundary set in question W0.6, our facilities are located in high water stressed areas measured through WRI's Aqueduct tool.
Water withdrawals – volumes by source	76-99	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.
Produced water associated with your metals & mining sector activities - total volumes	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes	<Not Applicable>	<Not Applicable>
Water withdrawals quality	76-99	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.
Water discharges – total volumes	Less than 1%	Water discharge volume is immaterial in the manufacturing of apparel and footwear as a minimal amount of water is consumed in the process. The importance of water in the industry lies in the water discharge quality data.
Water discharges – volumes by destination	Less than 1%	Water discharge volume is immaterial in the manufacturing of apparel and footwear as a minimal amount of water is consumed in the process. The importance of water in the industry lies in the water discharge quality data.
Water discharges – volumes by treatment method	Less than 1%	Water discharge volume is immaterial in the manufacturing of apparel and footwear as a minimal amount of water is consumed in the process. The importance of water in the industry lies in the water discharge quality data.
Water discharge quality – by standard effluent parameters	76-99	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.
Water discharge quality – temperature	76-99	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.
Water consumption – total volume	Less than 1%	Consumption is immaterial in the manufacturing of apparel and footwear as a minimal amount of water is consumed in the manufacturing of apparel and footwear.
Water recycled/reused	26-50	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.
The provision of fully-functioning, safely managed WASH services to all workers	76-99	Based on the boundary set in question W0.6, this is monitored at 100% of the sites.

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	1994	Lower	Two of our facilities have closed, going forward the amounts will likely continue to lower as our rates of water recycled will rise.
Total discharges	1994	Lower	Two of our facilities have closed, going forward the amounts will likely continue to lower as our rates of water recycled will rise.
Total consumption	0	About the same	Consumption is immaterial to our sector, as a minimal amount of water is consumed in the manufacturing of apparel and footwear.

W1.2d

(W1.2d) Provide the proportion of your total withdrawals sourced from water stressed areas.

	% withdrawn from stressed areas	Comparison with previous reporting year	Identification tool	Please explain
Row 1	100	This is our first year of measurement	WRI Aqueduct	WRI's Aqueduct tool was used to assess water stressed areas using addresses and water mapping of VF's Mexico O&O facilities. While our owned and operated facilities are located in high water stressed areas, the business has planned for and is implementing a number of measures to reduce our water usage with increased recycling & reuse and increase the use of water saving technologies for the laundering and finishing processes.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Not relevant	<Not Applicable>	<Not Applicable>	No fresh surface water is used at our owned facilities and there is no plan to in the future.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	No brackish surface water is used at our owned facilities and there is no plan to in the future .
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	No renewable groundwater is used at our owned facilities and there is no plan to in the future .
Groundwater – non-renewable	Relevant	1994	Lower	Two of our facilities have closed lowering our usage this year we will likely continue to use less as water saving technologies increasingly get implemented.
Produced water	Not relevant	<Not Applicable>	<Not Applicable>	No produced water is used at our owned facilities and there is no plan to in the future .
Third party sources	Not relevant	<Not Applicable>	<Not Applicable>	No third party source is used at our owned facilities and there is no plan to in the future.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Not relevant	<Not Applicable>	<Not Applicable>	No fresh surface water discharging exists and there is no plan to in the future .
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	No brackish surface water discharging exists and there is no plan to in the future.
Groundwater	Not relevant	<Not Applicable>	<Not Applicable>	No groundwater discharging exists and there is no plan to in the future.
Third-party destinations	Relevant	1994	Lower	Two of our facilities have closed, going forward the amounts will likely continue to lower as our rates of water recycled will rise.

W1.2j

(W1.2j) What proportion of your total water use do you recycle or reuse?

	% recycled and reused	Comparison with previous reporting year	Please explain
Row 1	11-25	About the same	Our facilities are continuing to use reverse osmosis technology to reuse our water within our facilities though there has been only a small increase of our use of recycled water year over year. There are goals internally to continue improving the amount that we recycle and reuse, ultimately reducing our dependence on freshwater.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

- Yes, our suppliers
- Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

51-75%

% of total procurement spend

76-100

Rationale for this coverage

Water use information is requested from suppliers where processed water is utilized. All strategic tier 1 and tier 2 suppliers must report the amount of water use in Higg index 3.0. Additionally, all subcontracted garment laundries, screen printers, and dye houses using 50 cubic meters of process water or more per day fall within the scope of VF's Global Wastewater Standards. Wastewater information is required as a part of our auditing process. VF requests suppliers to report any water reduction targets and what progress has been made to date. In the future, VF will be incorporating water reporting as a part of the supplier's regular score cards.

Impact of the engagement and measures of success

Water data is collected through SAC's Higg 3.0 and directly filled out by suppliers. From this data, we identify which suppliers are in high risk areas. We identified that the total number of suppliers reported in Higg 3.0 represent more than 80% of VF business procurement spending. Compliance with VF's Global Wastewater standards are also required by suppliers using over 50 metric tons of water each day, where wastewater testing and reports are required proving that they are discharging to a publicly owned treatment works (POTW) or have a sufficient effluent treatment plant (ETP) at the facility. Factories not providing VF with information in Higg 3.0 or in compliance with our waste water standards are immediately put on a Corrective Action Plan, and VF has a Sustainable Operations team member dedicated to assisting factories to ensure remediation is completed. Additionally, VF requests suppliers to report any water reduction targets and what progress has been made to date.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Onboarding & compliance

Details of engagement

Inclusion of water stewardship and risk management in supplier selection mechanism
Requirement to adhere to our code of conduct regarding water stewardship and management

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

Ensure compliance with all environmental regulations and compliance with our 16 principles of engagement

Impact of the engagement and measures of success

Factories are in compliance with environment regulations and global wastewater guideline

Comment

Type of engagement

Innovation & collaboration

Details of engagement

Encourage/incentivize innovation to reduce water impacts in products and services

% of suppliers by number

1-25

% of total procurement spend

51-75

Rationale for the coverage of your engagement

Our production team helps to promote and integrate water savings best practices to reduce the cost of business for our suppliers. Examples of the practices promoted include: adjust chemical formula and it is the right thing to do, remove desize, Spray potassium, permanganate on raw garments, combine desize and stonewash/enzyme wash, soft rigid, low liquor ratio for stone wash, and ozone.

Impact of the engagement and measures of success

We are able to save 6 to 12 liters per pair of jeans

Comment

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Water management and stewardship is integrated into supplier evaluation processes

% of suppliers by number

76-100

% of total procurement spend

76-100

Rationale for the coverage of your engagement

We want to make sure suppliers are evaluated according to VF code of conduct and our 16 guiding principles before doing business with VF. This is a requirement to do business with VF.

Impact of the engagement and measures of success

All suppliers are evaluated and we follow up with their rating. 273 of our suppliers have adopted the Higg index to date .

Comment

Strategic tier 1 and tier 2 suppliers' water performance will also be evaluated based on Higg index to set a water baseline.

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

VF prioritizes our customers based on how much business we do with each of them. In collaboration with Walmart and The Sustainability Consortium (TSC), we are working to address issues of wastewater in the textile supply chain and looking at why we have that waste to begin with. Out of this process, we are collaborating to create supplier tool kits and guidance documents to share across the industry.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

No

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Direct operations

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Not defined

How far into the future are risks considered?

2 to 5 years

Type of tools and methods used

Enterprise Risk Management

Tools and methods used

Other, please specify (Internal company methods)

Comment

As a part of the continuous supply chain risk assessment process, water risk is assessed in our owned manufacturing every 5 years. Additionally water quality, scarcity and community impact is assessed as a part of New facility opening risk assessments.

Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of other company-wide risk assessment system

Frequency of assessment

Not defined

How far into the future are risks considered?

2 to 5 years

Type of tools and methods used

Enterprise Risk Management

Tools and methods used

Other, please specify (Supply Chain Risk Assessment)

Comment

As a part of the continuous supply chain risk assessment process under the supply chain business continuity management work water risk is assessed in our supply chain about every 5 years. This assessment is determined by probability, severity and duration of risk and constructed in a simulation model to determine the magnitude of the impact.

Other stages of the value chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as a standalone issue

Frequency of assessment

Annually

How far into the future are risks considered?

2 to 5 years

Type of tools and methods used

Tools on the market

Databases

Tools and methods used

WRI Aqueduct

Maplecroft Global Water Security Risk Index

Comment

The company wide long-term water risk assessments leverages WRI Aqueduct Water Risk data on current and future change in water supply, demand, stress and variability, as well as on regulatory and reputational business risks. Combining science based global information on water risks to owned manufacturing laundry, dye houses, and raw material sourcing regions with key metrics on purchasing volumes and cost, we identified the potential financial value of water risks. VF Corp takes this approach to

W3.3b

(W3.3b) Which of the following contextual issues are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Water availability at a basin/catchment level	Relevant, always included	The tool used is Internal Company Knowledge in the form of environmental assessments, which are completed for all VF proposed owned sites. These include water quality and availability assessments at the local level. Other studies are completed if other issues arise.
Water quality at a basin/catchment level	Relevant, always included	VF Corp has not yet included this factor in water risk assessments. We embarked on our overall comprehensive water strategy and partnership with WWF and are considering these scenarios.
Stakeholder conflicts concerning water resources at a basin/catchment level	Relevant, always included	VF Corporation worked with WRI to access data from RepRisk and determine: (a) country level ESG risks for all countries where VF Corporation operates and sources from, and (b) specific ESG regulatory and reputational risks to VF Corporation based on market analysis and research by RepRisk.
Implications of water on your key commodities/raw materials	Relevant, always included	The tools used were Lifecycle Assessment & WRI's Aqueduct Tool. VF Corporation worked with WRI to assess exposure to baseline water stress, seasonal variability in cotton growing regions such as the US, China and India, the countries of origin of all key commodities, and the potential business implications associated with each risk.
Water-related regulatory frameworks	Relevant, always included	On staff, water management engineer expertise is used to inform our water risk assessment, otherwise seen as Internal Company Knowledge. VF Corporation engages with local governments to understand permitted discharge laws in the countries where we operate across Central America. VF has ongoing communication with city and state regulators as well as the Mexican federal water authority, Conaguas. Representatives come to the facilities to conduct regular discharge water testing.
Status of ecosystems and habitats	Relevant, not included	VF Corporation has not yet included this factor in water risk assessments. We embarked on our overall comprehensive water strategy and partnership with WWF and are considering ecosystems and habitats.
Access to fully-functioning, safely managed WASH services for all employees	Relevant, always included	The tool used is Internal Company Knowledge in the form of environmental assessments, which are completed for all VF proposed owned sites. These include water quality and availability assessments at the local level. Other studies are completed if other issues arise.
Other contextual issues, please specify	Please select	

W3.3c

(W3.3c) Which of the following stakeholders are considered in your organization's water-related risk assessments?

	Relevance & inclusion	Please explain
Customers	Relevant, always included	It is important that as a part of our license to operate VF manage resources, especially water, responsibly. VF Corporation factors customers into our water risk assessment by responding to customer surveys, such as Walmart, as it pertains to water related issues. This keeps our customers abreast of VF's water footprint.
Employees	Relevant, always included	Across VF and our brands, our employees expect us to manage our resources responsibly. We believe this resource management is important for recruiting top talent and employee retention, which is why employees are considered in the organization's risk assessment at many levels. From employees' need for WASH facilities in our owned manufacturing to our CHEMIQ program, which eliminates chemicals from our supply chain before workers ever come in contact with them in the facility or within the community in which those workers live. Additionally, at the facility level, plant managers receive training on the importance of water management.
Investors	Relevant, always included	Many of our investors are interested in our resource management program and expect us to responsibly manage this throughout our owned manufacturing and supply chain. As a method of engagement, this year through the CDP, we are publishing this information for our investors to better understand our approach to water related risk. Additionally, we are engaging in the UN Principle for responsible investment and discussing our approach to water and how we are managing our risks.
Local communities	Relevant, always included	VF Corporation incorporates local communities into its water risk assessment by making sure we leave the places we work, as we found them or better. Local communities are considered as a part of our Worker & Community Development program which has a focus centered on water & sanitation providing education around WASH and water wells & towers for communities in need. Additionally, the local communities are considered through our business practices and supplier requirements such as VF's CHEM-IQ program, which eliminates chemicals from wastewater before they enter our supplier factories, as well as by requiring testing of waste water discharge from the suppliers we work with.
NGOs	Relevant, always included	VF Corporation engages with NGOs as a part of our water risk assessment to better understand the issues. WRI was engaged in 2015 to assist with our first in depth water risk assessment. As we continue to build our comprehensive water strategy this year, NGO partnerships will be instrumental to our success of the program.
Other water users at a basin/catchment level	Relevant, always included	Other water users such as community members and employees at the local level are considered in water risk assessments. When the city's local well collapsed that was providing to our facility in Torreon, VF built a well that was large enough for both the facility as well as the city community.
Regulators	Relevant, always included	VF has ongoing communication with city and state regulators as well as the Mexican federal water authority, Conaguas. Representatives come to the facilities to conduct regular discharge water testing.
River basin management authorities	Relevant, always included	VF Corporation engages with the river basin management authorities by self testing and reporting facility discharge on a regular basis as well as complies with city testing where VF facilities are located throughout Central America.
Statutory special interest groups at a local level	Relevant, always included	VF is a member of various industry groups such as the Sustainable Apparel Coalition and The Sustainable Consortium, assisting in the development of their supplier survey questionnaires that includes information on water quality and quantity.
Suppliers	Relevant, always included	Suppliers are always considered in our risk assessments as they make up the majority of our supply chain. All key nominated and strategic supply chain partners using process water are asked to report via the SAC's Higg Index. Those nonstrategic operations are not yet included.
Water utilities at a local level	Relevant, always included	VF Corporation engages with the water utilities by self testing and reporting facility discharge on a regular basis as well as complying with random testing by the utility body
Other stakeholder, please specify	Please select	

W3.3d

(W3.3d) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

VF Corp integrates water into different risk assessments across the company and from there can identify and respond to these water-related risks. By combining science based global information on water risks to owned manufacturing laundry, dye houses, and raw material sourcing regions with key metrics on purchasing volumes and cost, we identified the potential financial value of water risks. These assessments include supply chain risk assessments, new facility opening risk assessments, and companywide long term water risk assessments. As a part of the continuous supply chain risk assessment process, water risk is assessed in our owned manufacturing every 5 years. During the assessments, VF management practices and controls were identified that manage and mitigate water risks in our owned manufacturing. In response to the data being collected from these companywide facilities, VF sets performance standards for direct operations to ensure that we are upholding water quality standards and involve local and state government agencies as needed.

Additionally, VF works on advocacy on the importance of water. Recently, Wrangler published a scientific paper in collaboration with The Nature Conservancy to communicate the importance of healthy soils and their ability to retain more water, this and other similar education efforts are being developed across the organization on the nexus of water.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Substantive change would be any major impact from physical water risk, regulatory or reputational risk to direct operations and/ or the supply chain that affects cost of goods (COGS) sold or annual sales by a delay in inventory.

W4.2b

(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	VF evaluates water risks through a number of assessments. VF assessed risks in our direct operations by combining science based global information on water risks to owned manufacturing laundry with key metrics on purchasing volumes and cost. Deloitte then used this data to identify the potential financial value of water risks. This assessment will be repeated this year. In addition, water risk assessments are done for all new facility openings. In these assessments, water availability and flow rates are assessed based on current and future local factors. During the assessments, VF management practices and controls were identified to manage and mitigate water risks in our owned manufacturing. While some of our facilities are located in high water stressed areas that have risk, VF Corporation's ability to move capacity from one facility to another reduces that risk to a non-substantive level. One specific risk identified was supply quantity in our owned manufacturing, yet our management practices and ability to install reverse osmosis to increase the recycling of water to close to 100% reducing that risk to a non-substantive level as well. Additionally, for all owned manufacturing we do an initial site assessment and then monitor the situation on an ongoing basis to insure the supply of water is not changing. If we start to see a change in supply we would repeat the assessment and involve local and state government agencies as needed.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Flood and drought as well as other water stressors has been assessed as risks in the supply chain. Because of the diversity and flexibility of our global supply chain and our ability to move capacity from one facility to another, we deemed the risk to be low and not enough to cause substantive change to the business. The water risk assessment that deemed supply chain risk non-substantive leveraged WRI Aqueduct Water Risk data on current and future change in water supply, demand, stress and variability, as well as on regulatory and reputational water related business risks. Combining science-based global information to owned manufacturing laundry, supplier dye houses, and raw material sourcing regions with key metrics on purchasing volumes and cost, Deloitte identified the potential financial value of water risks. Additionally, to avoid supplier discharge risks, VF has Global Wastewater Standards. This requires water use information collection from suppliers including, all subcontracted garment laundries, screen printers, nominated fabric mills and dye houses who use 50 cubic meters of process water or more per day. VF uses this information to ensure that they are discharging to a publicly owned treatment works or have sufficient effluent treatment plant at the facility.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Efficiency

Primary water-related opportunity

Cost savings

Company-specific description & strategy to realize opportunity

VF is taking a number of approaches to identify opportunities for efficiency. Some examples of this is focusing on our owned and operated facilities with high water costs, working with our innovation centers on new technology that reduce the amount of chemicals and water used in our products as well as our suppliers, and educating our suppliers on water and wastewater practices. Through our Responsible Sourcing associates, we leverage industry program such as NRDC, PACT, IFC VIP industry programs that can reduce costs and increase the health and safety of our facilities and surrounding communities.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Low-medium

Potential financial impact

Explanation of financial impact

This information is considered proprietary

Type of opportunity

Resilience

Primary water-related opportunity

Resilient to future regulatory changes

Company-specific description & strategy to realize opportunity

All of our water related efforts are creating resiliency for VF Corporation against future regulatory changes. Our efforts to increase recycled water in our owned and operated facilities, as well as increase the quality of our wastewater, are limiting our exposure to regulations that may require zero liquid discharge or increased stringency on our effluent discharge

Estimated timeframe for realization

>6 years

Magnitude of potential financial impact

Low

Potential financial impact

Explanation of financial impact

This information is considered proprietary

Type of opportunity

Markets

Primary water-related opportunity

Strengthened social license to operate

Company-specific description & strategy to realize opportunity

Across our business, responsible water efforts are strengthening our social license to operate. These efforts include publishing public goals like Wrangler's 20% water intensity goal, educating our suppliers on water and wastewater practices that can reduce costs and increase the health and safety of our facilities and surrounding communities, digging a local well in Torreon where one of our owned facilities exist for the local community to access clean water, water towers in Cambodia for the local communities surrounding our factories, and even purchasing a wetland in Colorado to promote biodiversity for migratory water fowl and the consumers who enjoy those natural spaces.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low-medium

Potential financial impact

Explanation of financial impact

This information is considered proprietary.

Type of opportunity

Products and services

Primary water-related opportunity

New R&D opportunities

Company-specific description & strategy to realize opportunity

Our Global Innovation Centers are always focusing on material and technical innovations. These technologies often look to reduce the amount of chemicals and water used in our products. One recent example is that by using efficient enzyme technologies, Wrangler has been able to reduce water use without compromising quality. This improved wash down process combined with increased water recycling yielded significant resource conservation. As innovators in the textile industry, VF has been funding the creation and use of new technologies including foam indigo dye.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Medium-high

Potential financial impact

Explanation of financial impact

This information is considered proprietary.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Select facilities, businesses, or geographies only	Reference to international standards and widely-recognized water initiatives Commitments beyond regulatory compliance Acknowledgement of the human right to water and sanitation Other, please specify (Wastewater Standards Policy)	VF's Global Waste Water Discharge Standards, in accordance with BSR's standards, commits to ensuring the long-term health of the earth and communities, now and for future generations and acknowledges the important role water plays. All vendors are subject to our compliance audit program and if using 50 cubic meters per day or more of process water are required to follow the policy. When an audit is being completed, VF looks to determine whether local water regulations are followed, wastewater analysis by a certified third-party laboratory are completed, and all reports are submitted. In the case that the water standards are not met, they are then placed on a Corrective Action Plan. An example of the parameters set forth is that sites are required to have a domestic sewage treatment and must not discharge any untreated water into the environment. In addition, this year we are reassessing the 2013 standards and updating it accordingly.

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board Chair	Steve Rendle, our Board Chair is responsible for all Sustainability & Responsibility efforts.

W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities	The VP of global sustainability reports to the Board’s Nomination and Governance Committee on Sustainability related matters including water. Additionally, water is reported to the board through a number of different ways, Water is included in our Enterprise Risk Management Assessments and Innovation Strategy.

W6.3

(W6.3) Below board level, provide the highest-level management position(s) or committee(s) with responsibility for water-related issues.

Name of the position(s) and/or committee(s)

Other, please specify (VP of Global Responsible Sourcing)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Half-yearly

Please explain

Name of the position(s) and/or committee(s)

Other, please specify (VP of Global Sustainability)

Responsibility

Both assessing and managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Please select

Please explain

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, direct engagement with policy makers

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

There is no formal process in place today but we recognize the importance of aligning across policies. Conversations have been had to align all corporate public policies with our sustainability & responsibility agenda.

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Design and innovation are key capabilities of our 2021 Global Business Strategy and water savings technologies have the opportunity to be a large cost saver and manufacturing innovation for VF. Our global innovation centers continue to consider water as an opportunity under the larger lens of design and innovation objectives.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Our global innovation centers continue to consider water as an opportunity under the larger lens of design and innovation objectives.
Financial planning	Yes, water-related issues are integrated	5-10	As it pertains to cost savings, new technologies, innovations and manufacturing upgrades financial planning takes place for water related equipment as well as education to our suppliers and working within our communities on water and sanitation.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

	Water-related CAPEX (+/- % change)	Anticipated forward trend for CAPEX (+/- % change)	Water-related OPEX (+/- % change)	Anticipated forward trend for OPEX (+/- % change)	Please explain
Row 1	0		0		

W7.3

(W7.3) Does your organization use climate-related scenario analysis to inform its business strategy?

	Use of climate-related scenario analysis	Comment
Row 1	Yes	As a part of our future strategy development process, scenario planning is an integral part in envisioning how our business will function in the future and these details are shared directly to our board.

W7.3a

(W7.3a) Has your organization identified any water-related outcomes from your climate-related scenario analysis?

Please select

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

Please explain

VF does not see a need for an internal price on water at this time as internal efforts are already in place to strive for ever increasing efficiency and reduction of water use.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Site/facility specific targets and/or goals	Targets are monitored at the corporate level	Targets and goals are set based on business need and priorities. Owned and operated manufacturing facilities to date have been prioritized as we have operational control. Additionally, as a part of our raw materials strategy, water is also seen as a key area to impact in the growing, milling, sewing and finishing of our materials and products. Additionally, our brands have their own targets, for example, Wrangler has a goal of reducing their water use by 5.5 billion gallons by 2020.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water use efficiency

Level

Brand/product

Primary motivation

Brand value protection

Description of target

Wrangler's goal to reduce water usage at its facilities by 20 percent by the year 2020

Quantitative metric

% reduction in total water withdrawals

Baseline year

2012

Start year

2016

Target year

2020

% achieved

Please explain

Information on the percentage that has been achieved to date has not been published yet.

Target reference number

Target 2

Category of target

Water recycling/reuse

Level

Site/facility

Primary motivation

Cost savings

Description of target

At our Torreon facility, a goal to reach 75% recycling rate of water by 2018.

Quantitative metric

% increase in water recycling/reuse

Baseline year

2016

Start year

2016

Target year

2018

% achieved

45

Please explain

Information on the percentage that has been achieved to date has not been published yet.

Target reference number

Target 3

Category of target

Product water intensity

Level

Company-wide

Primary motivation

Reduced environmental impact

Description of target

Reduce the average impact of our key materials by 35%, water being one of the key features that can reduce our impact.

Quantitative metric

Other, please specify (MSI Score % reduction)

Baseline year

2017

Start year

2017

Target year

2025

% achieved**Please explain**

Information on the percentage that has been achieved to date has not been published yet.

W9. Linkages and trade-offs

W9.1

(W9.1) Has your organization identified any linkages or tradeoffs between water and other environmental issues in its direct operations and/or other parts of its value chain?

Yes

W9.1a

(W9.1a) Describe the linkages or tradeoffs and the related management policy or action.

Linkage or tradeoff

Linkage

Type of linkage/tradeoff

Increased energy efficiency

Description of linkage/tradeoff

There is a direct correlation between energy efficiency and process water use. If water use goes down so does energy use, increasing energy efficiency.

Policy or action

The way this is addressed is by tying our supply chain water use reduction and energy efficiency programs together as they directly affect each other. For example, when a factory is using large amounts of water for dyeing but they only need one-third of it, we address the problem through energy efficiency work, though it directly impacts water. Likewise, a reduction of process water means less work for an effluent treatment plant (ETP), which has a direct impact on energy usage.

Linkage or tradeoff

Tradeoff

Type of linkage/tradeoff

Other, please specify (Climate change)

Description of linkage/tradeoff

Climate change's impact on rising temperatures has the potential to increase water demand for the cotton growing.

Policy or action

VF is focused on reducing the environmental impact of our materials that is why Wrangler works closely with cotton farmers to increase soil health and the soils ability to retain water.

W10. Verification

W10.1

(W10.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1d)?

No, we do not currently verify any other water information reported in our CDP disclosure

W11. Sign off

W-FI

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

W11.1

(W11.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	VP of Global Sustainability	Environment/Sustainability manager

W11.2

(W11.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

SW. Supply chain module

SW0.1

(SW0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	11800000000

SW0.2

(SW0.2) Do you have an ISIN for your organization that you are willing to share with CDP?

Yes

SW0.2a

(SW0.2a) Please share your ISIN in the table below.

	ISIN country code	ISIN numeric identifier (including single check digit)
Row 1	US	9182041080

SW1.1

(SW1.1) Have you identified if any of your facilities reported in W5.1 could have an impact on a requesting CDP supply chain member?

This is confidential

SW1.2

(SW1.2) Are you able to provide geolocation data for your site facilities not already reported in W5.1?

No, this is confidential data

SW2.1

(SW2.1) Please propose any mutually beneficial water-related projects you could collaborate on with specific CDP supply chain members.

SW2.2

(SW2.2) Have any water projects been implemented due to CDP supply chain member engagement?

No

SW3.1

(SW3.1) Provide any available water intensity values for your organization's products or services across its operations.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	Public or Non-Public Submission	I am submitting to	Are you ready to submit the additional Supply Chain Questions?
I am submitting my response	Public	Investors Customers	Yes, submit Supply Chain Questions now

Please confirm below

I have read and accept the applicable Terms