



Company Engagement Questions:

KnowTheChain Apparel & Footwear benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain's benchmarking of companies' commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

Please note that answers to these questions will be made publicly available on the website of Business & Human Rights Resource Centre (BHRRC), one of the partners in KnowTheChain. The project will maintain a strict standard of only including information provided via a company's public website or BHRRC's website in the evaluation.

Please send your answers to Felicitas Weber, KnowTheChain project lead: weber@business-humanrights.org, with a cc to Megan Wallingford, Senior Advisor, Advisory Services, Sustainalytics: megan.wallingford@sustainalytics.com.

We encourage companies to answer as many of the questions as possible. You may wish to focus particularly on those for which your company currently does not have information available on its website.

Name of company: VF Corporation

Name of respondent: Letitia Webster

Position of respondent: Vice President of Global Corporate Sustainability

Respondent's contact information (email): Letitia_Webster@vfc.com

Note: For companies with vertically integrated supply chains, any reference to 'suppliers' in the following questions includes manufacturing and production sites owned by the company.

Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

Note: You may be aware that the Corporate Human Rights Benchmark (CHRB) is analyzing companies' broader human rights policies and performance. Where the KnowTheChain benchmark indicators are related to indicators of the CHRB, this is indicated under each engagement question.

We welcome that some companies have disclosed information on their human rights policies and practices for the Corporate Human Rights Benchmark (CHRB). Where companies have

disclosed information on specific CHRB indicators, as well as any links available from the company website, these will be considered in the KnowTheChain analysis. Third party information and links to third parties websites will not be considered.

- [Global Compliance Principles](#)
- [Terms of Engagement](#)
- [Code of Business Conduct](#)
- [Restricted Substances List](#)
- [Sustainability & Responsibility Report](#)
- [VF Ethics and Compliance](#)
- [VF Supplier Factory List](#)

Commitment and governance

Awareness and commitment

2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.

Related to indicator A.1.2 of the CHRB

Yes. VF's [Global Compliance Principles](#) are consistent with the core labor standards established by Worldwide Responsible Accredited Production, the Fair Labor Association and the International Labor Organization's Declaration on Fundamental Rights and Principles at Work. Our Global Compliance Principles cover legal and ethical business practices, child/juvenile labor, forced labor, wages and benefits, hours of work, freedom of association and collective bargaining, health and safety, nondiscrimination, harassment, women's rights, subcontracting, monitoring and compliance, informed workplace, worker residence, facility security and environmental protection.

In order to become a VF Authorized Facility – a facility that is approved to produce VF products – the VF Factory Compliance team conducts an initial audit of the supplier against our Global Compliance Principles to ensure initial compliance. The supplier to VF or our licensees must sign and abide by our Terms of Engagement document, indicating their acceptance of both the Global Compliance Principles and the detailed Factory Compliance Guidelines. These expectations ensure that VF suppliers adhere to a single set of policies, despite any cultural or legal differences. We require all suppliers to submit a signed Terms of Engagement document before they begin work on behalf of our company. If a contractor, supplier or agent fails to comply with the Terms, VF will reevaluate, and possibly terminate, its relationship with the organization. Our first choice, however, will be to work with the organization to improve their policies and standards, with the goal of achieving full compliance.

All VF associates involved with the procurement of our merchandise are responsible for distributing the VF Global Compliance Principles to authorized suppliers, agents, licensees and factories. We also require the principles to be posted in all major workplaces and translated into our associates' native languages. We also communicate our commitment on our Sustainability & Responsibility website.

Links:

<http://sustainability.vfc.com/people/global-compliance-principles/>

<http://sustainability.vfc.com/people/worker-well-being-at-suppliers/human-rights-in-our-supply-chain/>

Supply chain standards

3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.

Related to indicator A.1.2 of the CHRB

Yes. VF's Global Compliance Principles are consistent with the core labor standards established by Worldwide Responsible Accredited Production, the Fair Labor Association and the International Labor Organization's Declaration on Fundamental Rights and Principles at Work. Our Global Compliance Principles cover legal and ethical business practices, child/juvenile labor, forced labor, wages and benefits, hours of work, freedom of association and collective bargaining, health and safety, nondiscrimination, harassment, women's rights, subcontracting, monitoring and compliance, informed workplace, worker residence, facility security and environmental protection.

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Management

4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments

Related to indicator B.1.1 of the CHRB

Responsibility for human rights is inherent in the objectives of senior supply chain leaders at VF, including Tom Glaser, Vice President, VF Corporation & President, Supply Chain. His responsibilities include the oversight of all of VF's global manufacturing, sourcing and operations and he has regular meetings with the VP of HR, General Counsel, VP of Product Sourcing and VP of Public Affairs to discuss human rights issues.

The Factory Compliance Team reports to the VP of Internal Audit, Scott Moree, who reports directly to the Audit Committee of VF's Board of Directors.

Senior leaders and their direct reports, including those in VF's Supply Chain and Factory Compliance organizations, have received training on VF's Code of Conduct, which specifically outlines management's additional responsibilities to uphold the Company's values. Training is provided in multiple languages and comprehension measures are included to ensure understanding. In addition, members of VF's senior leadership team receive annual facilitator-led training on various relevant topics such as anti-corruption.

VF evaluates our ongoing relationship with our suppliers using a balanced scorecard approach. Typical metrics contained within our vendor and factory scorecard include on-time-delivery, quality performance, and shipping accuracy. In addition to these metrics, a factory's compliance score is the most heavily weighted metric, reducing the overall factory score by 50% should the factory have a "Developmental" rating.

Training

5. Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe.

Related to indicator B.1.5 (internal training) and B.1.7 (training of suppliers) of the CHRB

The VF Compliance team conducts internal and external trainings on our human rights policy. This training covers our Sourcing Teams, Licensees, 3rd Party Audit Companies, and our Internal Audit Team. The training is conducted in person.

The scope of the training varies depending upon the group, needs, or changes that may have taken place within the audit program. Our basic training covers:

- What is Factory Compliance?
- Why have a Factory Compliance Program?
- The Global Compliance Principles
- The Audit Procedure: Audit Scope, Designations and Cadence
- Examples of Compliance Issues
- Corrective Action Plans
- Sustainable Operations – Remediation Support

The VF Factory Compliance team evaluates all suppliers prior to entering into a business relationship. If the supplier is found to have critical issues, VF will not engage. If an existing supplier fails to make progress against their Corrective Action Plan (CAP), the factory will be given six months to demonstrate their commitment and ability to become a fully compliant facility; continuous improvement must be made against all CAPs. Factories are given a maximum of three years to receive an Accepted designation for only Minor issues.

Stakeholder engagement

6. In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.

Related to indicator A.1.4 of the CHRB

As part of the audit process, VF regularly engages stakeholders, including NGOs, union representatives, operators and managers.

Beyond compliance, we are beginning to partner with governments and civil society to be part of advancing solutions that create opportunities for our associates and people in the communities where we have a presence. In addition, we are working closely with governments NGO partners, factory owners, and workers to advance safer, more efficient production practices for long-term success. We will continue to firmly support efforts throughout our supply chain to advance a culture that empowers workers and improves the lives of those who contribute to the success of our industry.

Traceability and risk assessment

Traceability

7. Please describe your company's supply chain tracing processes. Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.

Related to indicator D.2.3 of the CHRB

VF will soon begin reporting Tier 1 supplier factories on a quarterly basis. This information will be made available on a company website that is forthcoming. The list may fluctuate over time to reflect the seasonality of VF's business and corresponding production. All factories must meet VF's strict standards and adhere to our Global Compliance Principles. VF's Tier 1 supplier factory list does not include licensee and sub-contractor factories or Tier 2 material suppliers.

Risk assessment

8. Please describe your companies' risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).

For examples of commodities where forced labor risks have been identified - such as cotton from Brazil, silk from Uzbekistan or leather from the Bangladesh - see Verite (2016) – "Strengthening protections Against Trafficking in Persons in Federal and Corporate Supply Chains Research on Risk in 43 Commodities Worldwide".

Related to indicator B.2.1 of the CHRB

Our supply chain often extends into countries such as Bangladesh and Cambodia that have minimal government regulation and enforcement around human rights. Compliance

issues that may arise include unsafe working conditions, freedom of association, child and forced labor, human trafficking and minimal wages.

We believe we have a responsibility to understand all of the dimensions of these human rights issues and implement lasting and impactful solutions. At the heart of our approach is our strong belief that every individual should be treated fairly and with respect. All our significant investment agreements and contracts include human rights clauses or undergo human rights screening, as defined in our Global Compliance Program. All factories that produce VF branded apparel and footwear must ensure that the people who make our products are guaranteed certain essential rights: the right to fair compensation, the right to associate freely and bargain collectively, the right to work free from discrimination and harassment, and the right to a safe, clean workplace. We regard these rights as non-negotiable imperatives in the workplace regardless of location.

Human rights risks and impacts are a key part of all VF sourcing decisions. VF conducts Factory Compliance audits that cover all elements of our Global Compliance Principles (including Forced Labor). Each factory receives a designation (Accepted, Developmental, Rejected) based upon the severity of the non-compliant issues found. In addition, the Sourcing team has a vendor scorecard which recognizes Accepted Factory Compliance designations; this recognition extends to long term relationships and prioritization for placing production.

Once a factory is accepted as a VF vendor, they are subject to our Master Manufacturing Terms and Conditions. As stated in these terms, all vendors agree to comply with all documents and notices posted on our Preferred Vendor Website (as well as any additional policies VF may send to them from time to time during the contract - Master Manufacturing Terms and Conditions sections 12.5, 27.2). The Preferred Vendor Website includes the full [Terms of Engagement](#), [Code of Business Conduct](#), our [Restricted Substances List](#), and other vital documents (Master Manufacturing Terms and Conditions section 28.1).

As part of factory compliance monitoring, VF conducts initial, follow-up, and annual audits at active factories. Key performance areas include regional issues (e.g. Alliance Membership in Bangladesh), audit quality, and risk mitigation.

Factories are audited for potential violations related to legal business practices, child labor, forced labor, payroll and wage issues (e.g. unfair wages, late wages), inadequate social benefits, excessive work hours, building structure violations, safety issues, Freedom of Association, discrimination, harassment, Women's Rights, Subcontracting, dormitories, and the Environment. At the end of each audit, the factory is rated as accepted, developmental, or rejected. If developmental and rejected factories do not remedy violations, they will be removed from VF's supply chain.

Specifically, for Forced Labor we:

1. Review factory orientation and induction education materials utilized for new hires to determine adequacy of information concerning communication of regular workdays and maximum work hours allowable per day, week, and month.
2. Verify that the facility issues payments of wages directly to employees.
 - a. Review process for distribution of wages.
 - b. Review withholdings information on payment documentation.
 - c. Interview employees to confirm process for distribution of wages and adequacy of withholdings information.

3. Observe facility constraints and interview employees and confirm that they have freedom of movement that is not impeded except for the protection of facility property and security of facility personnel.
4. Review service agreements of Security personnel to determine limitations over their ability to detain employees.
5. Determine if passports are accessible to foreign workers.
6. Determine if any agent fees paid by the worker are legal and reasonable based upon country of origin and factory's region.

VF's Sustainable Operations team monitors for potential violations and follows up with all factories where a potential violation was identified. If a violation is confirmed, VF works with the factory to develop a corrective action plan and follows up to ensure expectations are met. VF evaluates 100% of its tier 1 suppliers and approximately 70% of tier 2 suppliers annually and makes decisions to exit suppliers when necessary.

The results of these audits are reported and reviewed on a monthly basis by senior leadership, including Tom Glaser, Vice President, VF Corporation and President, Global Supply Chain.

VF engages with associations and governments to ensure VF's human rights expectations are understood whenever the company is considering market entry or revisiting existing sourcing strategies. As VF's supply chain evolves, and enters new sourcing countries, we use the opportunity to engage with governments and our industry is being developed. We also communicate our expectations to supplier owners prior to them constructing new factories, ensuring factories are designed with VF's Factory Compliance standards from the beginning.

Recently, VF has engaged the governments of Bangladesh, Cambodia, Ethiopia, Kenya, and Vietnam regarding human rights.

Purchasing practices

Purchasing practices

9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.

Related to indicator D.2.2 of the CHRB

Human rights risks and impacts are a key part of all VF sourcing decisions. VF evaluates our ongoing relationship with our suppliers using a balanced scorecard approach. Typical metrics contained within our vendor and factory scorecard include on-time-delivery, quality performance, and shipping accuracy. In addition to these metrics, a factory's compliance score is the most heavily weighted metric, reducing the overall factory score by 50% should the factory have a "Developmental" rating. Factories that do not attain VF's minimum Factory Compliance requirement are rejected from VF's supply chain.

Once a factory is accepted as a VF vendor, they are subject to our Master Manufacturing Terms and Conditions. As stated in these terms, all vendors agree to comply with all documents and notices posted on our Preferred Vendor Website (as well as any additional policies VF may send to them from time to time during the contract - Master Manufacturing Terms and Conditions sections 12.5, 27.2). The Preferred Vendor

Website includes the full Terms of Engagement, Code of Business Conduct, our Restricted Substances List, and other vital documents (Master Manufacturing Terms and Conditions section 28.1).

Supplier selection

10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.

Related to indicator B.1.7 of the CHRB

Yes. The VF Compliance team evaluates all suppliers prior to entering into a business relationship. If the supplier does not meet VF requirements, VF will not engage. If performance at an existing supplier slips and efforts to correct the issue are unsuccessful, VF may slow or cease production at that factory.

11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?

VF's global supply chain includes a department called "supply planning." This department is responsible for knowing the capacity of all factories in our supply chain, and estimating the percent of production available to VF. The sourcing personnel throughout VF's supply chain must consult VF's supply planning team prior to placing an order, ensuring our order does not overload the capacity of that factory. Should a factory produce more than 50% of their capacity for VF, this supplier is required to operate in an enhanced partnership manner with VF.

Moreover, VF takes great strides to minimize fluctuations in our orders to suppliers. We recognize our industry operates in high and low seasons, however given VF's size and scale, we are able to work closely with our key suppliers to "level-load" our orders in their factories. More specifically, VF's brand products include a number of basic and carry over styles (i.e. backpacks for the back-to-school shopping season). The demand for these products can be estimated, and the manufacturing conducted over a longer term time frame, as opposed to just-in-time prior to the back-to-school shopping season.

Integration into supplier contracts

12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts?

Related to indicator B.1.4.b of the CHRB

Yes. VF communicates its human rights policy commitments through manufacturing agreements with all suppliers. VF's Master Manufacturing Terms and Conditions assert that all VF vendors/suppliers are subject to the terms of agreement, including VF's Terms of Engagement and Global Compliance Principles. VF further communicates these commitments through the Preferred Vendor Website. All vendors/suppliers are required to comply with all documents and notices posted on the Preferred Vendor Website (Master Manufacturing Terms and Conditions section 12.5). These agreements contain contractual language regarding compliance, and must be signed by all manufacturers prior to beginning work on VF products.

Cascading standards

13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe.

Related to indicator A.1.2 of the CHRB

While we expect our suppliers to conduct their business in a legal and ethical manner, and utilize responsible suppliers, we have two internal processes that help ensure VF's values cascade throughout the supply chain as well. First, our factory audit scope includes sub-contractors such as cutting facilities, screen printers, embroiderers, laundries, and packaging locations. We also conduct Life Safety Audits (including Forced Labor) at facilities engaged in the production of Textiles, Leather, and Polymer (soles and foot beds). Second, a majority of our garment suppliers purchase fabrics through recommended VF suppliers. These suppliers are covered as noted above.

Article P3-1C of VF's audit scope requires auditors to evaluate the following:

1. Review factory orientation and induction education materials utilized for new hires, to determine adequacy of information concerning communication of regular workdays and maximum work hours allowable per day, week, and month.
2. Verify that the facility issues payments of wages directly to employees.
 - a. Review process for distribution of wages.
 - b. Review withholdings information on payment documentation.
 - c. Interview employees to confirm process for distribution of wages and adequacy of withholdings information.
3. Observe facility constraints and interview employees and confirm that they have freedom of movement that is not impeded except for the protection of facility property and security of facility personnel.
4. Review service agreements of Security personnel to determine limitations over their ability to detain employees.
5. Determine if passports are accessible to foreign workers.
6. Determine if any agent fees paid by the worker are legal and reasonable based upon country of origin and factory's region.

Violations of this code element are considered as Critical in nature and may result in a factory designation of 'Rejected'.

Recruitment

Recruitment approach

14. Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.

Related to indicator D.2.5.b of the CHRB

VF's Factory Compliance team requires suppliers that utilize recruitment agencies to be transparent with VF on the recruitment process. In addition, VF's Factory Compliance

standards require that any agent fees paid by the worker are legal and reasonable based upon country of origin and factory's region. Moreover, VF's standards require workers to have access to their passports within 24 hours, if held safely by the facility.

Recruitment fees

15. Please describe your company's approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.

Related to indicator D.2.5.b of the CHRB

Article P3-1C of VF's audit scope requires auditors to evaluate the following: Determine that the facility does not utilize involuntary, forced, indentured, or prison labor. All workers should be free to move about the factory (except for the protection of facility property or security) or to leave the factory at will. If passports are maintained by the factory, they must be accessible to the workers within 24 hours of request.

Recruitment audits:

16. Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?

For further information, see Verité – Fair Hiring Toolkit. Conducting Interviews with Labor Recruiters.

VF audits our suppliers, but not their recruitment agencies. We expect our suppliers to use only recruitment agencies that meet VF's compliance requirements.

Worker voice

Communication of policies to workers

17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).

Related to indicator B.1.4.b of the CHRB

VF communicates its human rights policy commitments through manufacturing agreements with all suppliers. VF's Master Manufacturing Terms and Conditions assert that all VF vendors/suppliers are subject to the terms of agreement, including VF's Terms of Engagement and Global Compliance Principles. VF further communicates these commitments through the Preferred Vendor Website. All vendors/suppliers are required to comply with all documents and notices posted on the Preferred Vendor Website (Master Manufacturing Terms and Conditions section 12.5). These agreements contain contractual language regarding compliance, and must be signed by all manufacturers prior to beginning work on VF products.

Worker voice

18. Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).

Example available here

Related to indicator B.1.8 of the CHRB

In many sourcing regions, where we recognize worker's voices may not have an opportunity to be heard, we partner with 3rd parties to engage workers outside of the workplace. Some of these engagements are through VF sponsored worker help lines (China, Bangladesh) and others are through community activities (Cambodia, Dominican Republic, Mexico). We value the information workers share when outside the factory environment, and continue to explore opportunities to expand coverage for our programs.

Worker empowerment

19. Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.

For additional information on worker empowerment, see context in "Responding to Challenges of Freedom of Association" chapter of Ethical Trading Initiative's practical guide on "Freedom of Association in Company Supply Chains", and related company example on page 35

Related to indicator D.2.6.b of the CHRB

All VF operations and suppliers are subject to our Global Compliance Principles. As stated in Principle 6, 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.

All factories that produce VF branded apparel and footwear must ensure that the people who make our products are guaranteed certain essential rights: the right to fair compensation; the right to associate freely and bargain collectively; the right to work free from discrimination and harassment; and the right to a safe, clean workplace. We regard these rights as non-negotiable imperatives in the workplace regardless of location.

Grievance mechanism

20. Please describe your company's grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

Related to indicator C.1 and C.5 of the CHRB

As stated in VF's Code of Conduct, Open Door Policy and Non-Retaliation Policy, VF encourages all employees to raise concerns about potential violations of our Code of Conduct or the law, including potential human rights violations. Employees are provided multiple reporting options such as their manager, another trusted manager, Human Resources, VF Ethics and Compliance and the Ethics Helpline. The Ethics Helpline is free, confidential and available 24 hours a day, seven days a week to anyone who wishes to raise a concern. Where allowed by law, reports may be made anonymously.

In 2014, reports increased by 48% over 2013, and in 2015, VF experienced a 118% increase primarily due to enhanced awareness of reporting channels. In response, VF provided additional training to investigators and increased the number of employees with direct responsibility for managing reports.

VF also provides mobile services in specific countries (e.g. Bangladesh) through which workers can call a local helpline and report a complaint.

Details on the Bangladesh worker helpline can be found on the [Alliance for Bangladesh Worker Safety website](#) (VF is a founding member of the Alliance).

VF has a strict non-retaliation policy and does not tolerate retaliation toward anyone for raising a concern, coming forth with a good-faith report, or participating in an investigation. All reports of human rights issues and other concerns are handled confidentially and reporters may raise concerns anonymously. Each reporter that raises a concern via the Ethics Helpline receives a report number and passcode allowing further confidential communication with the assigned investigator. VF has not brought a retaliatory suit or fired an employee for raising a human rights violation concern. VF's Global Compliance Principles also contain provisions prohibiting suppliers from taking retaliatory action against workers.

Monitoring

Auditing process

21. Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.)ⁱ, and c) interviews with workers.

For further details on document reviews see Verite – [Fair Hiring Toolkit. Conducting a Review of Documentation](#).

Related to indicator B.1.6 of the CHRB

VF's Factory Audit team monitors for potential violations and follows up with all factories where a potential violation was identified. If a violation is confirmed, VF works with the factory to develop a corrective action plan and follows up to ensure expectations are met. VF evaluates 100% of its tier 1 suppliers and approximately 70% of tier 2 suppliers annually and makes decisions to exit suppliers when necessary.

As part of factory compliance monitoring, VF conducts initial, follow-up, and annual audits at active factories. Key performance areas include regional issues (e.g. Alliance Membership in Bangladesh), audit quality, and risk mitigation.

Factories are audited for potential violations related to child labor, payroll and wage issues (e.g. unfair wages, late wages), inadequate social benefits, excessive work hours, building structure violations, and safety issues. At the end of each audit, the factory is rated as accepted, developmental, or rejected. If developmental and rejected factories do not remedy violations, they may be removed from VF's supply chain.

The results of these audits are reported and reviewed on a monthly basis by senior leadership, including Tom Glaser, Vice President, VF Corporation & President, VF Supply Chain.

Audit disclosure

22. Does your company disclose

a) the percentage of suppliers audited annually - **95%**

b) the percentage of unannounced audits – **10%**

c) information on who carried out the audits (this may include further information on the expertise of auditors such as relevant certifications, in cases where third-party audits are used, the names of the auditors, and in cases where internal auditors are used, details on department/team/group within which the auditor(s) sits)

Internal Auditors (90% of audits conducted) are IRCA and SAI certified. The internal Factory Compliance Team reports to VF Internal Audit, which in turn reports to the VF Board of Directors Audit Committee. Our audit team functions independently of our Sourcing group. 3rd party auditors (BV, Fair Working Conditions, ITS and ICG) are all trained to use the VF Factory Compliance Audit Scope. We monitor the names of the auditors utilized by third party companies.

d) a summary of findings, including details of any violations revealed?

Each audit (over 2100 audits were conducted in 2015) results in a Corrective Action Plan report which details audit findings, Violation Severity Levels, and remediation requirements. A summary of our findings can be reviewed in our Corporate Sustainability Report.

Please provide a URL with the relevant information.

<http://sustainability.vfc.com/people/worker-well-being-at-suppliers/vfs-auditing-policy/>

Remedy

Corrective action plans

23. Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.

Related to indicator B.1.6 of the CHR B

Yes. VF's Sustainable Operations team monitors for potential violations and follows up with all factories where a potential violation was identified. If a violation is confirmed, VF works with the factory to develop a corrective action plan and follows up to ensure expectations are met. VF evaluates 100% of its tier 1 suppliers and approximately 70% of tier 2 suppliers annually and makes decisions to exit suppliers when necessary.

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The results of these audits are reported and reviewed on a monthly basis by senior leadership, including Tom Glaser, Vice President, VF Corporation & President, VF Supply Chain.

Remedy

24. Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.

Related to indicator C.7 of the CHRB

Yes. VF continuously engages with employees, and there are opportunities during the year for VF to engage with NGOs, labor, governments and not-for-profit groups to address matters of concern. We take each and every opportunity seriously and respond to all. There are times when we can quickly align on matters of concern, there are times when remediation or resolving an item takes time, and there are times when an agreement is not reached regarding the extent of a matter and how to best act. Communications are received by VF's Internal Audit organization, the Responsible Sourcing team, the Supply Chain group or the Public Affairs team. There is a system in place to ensure that subject-matter experts across the organization are communicated with quickly to address matters of interest or concern. Third-parties are consulted. Advisor views are enlisted. Due diligence is completed.

Recent situations have included responses to concerns in Bangladesh, including an instance of supplier misconduct associated with violence and freedom of association, concerns associated with freedom of association and collective bargaining in Honduras, and a plant safety incident in Swaziland. The two former issues have been successfully resolved and the Swaziland matter is in process -- to be completed by year's end. There is more work to be done to streamline the approach, but a framework is in place and is improved upon based on learnings from each situation and the expertise and guidance of credible 3rd parties.
