

# **VF Norway Transparency Act**



This is the first Statement in accordance with the Transparency Act (Act relating to enterprises' transparency and work on fundamental human rights and decent working conditions to be published by VF). This statement outlines the steps VF has taken to minimize the risk of any adverse impact on fundamental human rights and decent working conditions in its business and its' supply chains.

At VF, our Purpose and Guiding Principles influence everything we do. Modelling these behaviours and attributes in a holistic manner helps our associates and business partners navigate even the most complex situations. VF believes in partnering with others who share our values and who understand the importance of conducting business ethically. Within VF's Made for Change sustainability and responsibility framework, worker well-being is a key priority. To this end, VF set a goal to measurably improve the lives of two million workers and others within their communities by Fiscal Year 2031. In addition, as part of our focus on workers, we are committed to taking steps to address modern slavery.

VF is committed to respecting all human rights as outlined in the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and other applicable OECD guidance. This commitment to respecting human rights includes freedom from modern slavery.

#### About VF and its supply chain.

VF Norway is a subsidiary of VF Corporation who is a global leader in lifestyle apparel, footwear and accessories. Our products were primarily obtained from approximately 250 independent contractor manufacturing facilities in approximately 37 countries. These contractors are engaged through VF sourcing hubs in Singapore (with satellite offices across Asia) and Panama. These hubs are responsible for managing the manufacturing and procurement of product, supplier oversight, product quality assurance, sustainability within the supply chain, responsible sourcing and transportation and shipping functions. VF doesn't operate any manufacturing facilities.

Within Norway, VF Norway sells the products bought from VF International (a Swiss entity) through wholesale, retail and e-commerce channels.

#### Relevant Policies

##### *Code of Business Conduct*

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

##### *Global Compliance Principles*

Our contracted supplier factories are expected to comply with VF's Terms of Engagement. Contracted factories are also bound by VF's Global Compliance Principles. VF's Global Compliance Principles are informed by the International Labour Organization, the Fair Labor Association, and other international standards on human rights. Consistent with internationally recognized labor

standards, the Global Compliance Principles specify minimum working conditions for employees of our suppliers. The Global Compliance Principles expressly provide that any factories producing goods for VF and the factories' suppliers must not use involuntary or forced labor, including indentured labor, bonded labor, state-imposed forced labor, or any other form of forced labor, including human trafficking. The Global Compliance Principles also address child labor, wages and benefits and working hours. Failure to comply with the Global Compliance Principles may result in termination of the relationship between VF and the contracted factory.

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

### *Vendor Terms of Engagement*

VF evaluates potential contracted factories against VF's standards and require them to agree to VF's Terms of Engagement, prior to entering our supply chain. VF's Terms of Engagement require contracted factories to conduct business in full compliance with all applicable laws, rules and regulations, which include those relating to modern slavery, and comply with the terms of VF's Global Compliance Principles. A contracted factory's breach of the Terms of Engagement can result in VF taking corrective action, including termination as an approved contracted factory.

### *Facility Standards*

To promote uniform standards regarding VF's Global Compliance Principles, VF Corporation Global Assurance has developed the Facility Compliance Standards for establishing, auditing and monitoring facilities across the globe. The standards are based on existing international conventions, guidelines and principles used around the world. The Facility Standards are updated periodically.

The Facility Standards, including the Principle prohibiting forced labor, prohibit certain recruitment or employment practices that could result in forced labor. The Facility Standards prohibit deducting recruitment fees and expenses from wages, access to or control over bank accounts and withholding identity documents. The Facility Standards also require freedom of movement and access to grievance mechanisms. In addition, the Facility Standards contain specific requirements regarding migrant labor if it is used by the contracted factory.

### *Responsible Sourcing Commitments and Policies*

VF's business partners are required to adhere to VF's Human Rights Commitment and Responsible Recruitment and Anti-Forced Labor Commitment. These documents reinforce VF's commitment to upholding human rights and mitigating the risks of forced labor in our value chain. When we learn of potential human rights issues in our supply chain, VF promptly investigates and engages in appropriate remediation. VF has ended and will end our business relationships with suppliers who refuse to remediate human rights issues.

VF enact responsible sourcing policies as needed to uphold compliance with legal requirements and VF's commitment to responsible sourcing. See the Policies and Standards section of our website for more information. For example, VF's Policy on Cotton Fiber Sourcing details our cotton sourcing requirements and mandatory steps that all VF suppliers must take to track the origin and flow of material through each stage of their cotton supply chains.

### Multi-stakeholder Initiatives

Consistent with VF's values, VF has signed numerous public pledges demonstrating the firm opposition to the use of forced labor and otherwise collaborate with multi-stakeholder initiatives, including those discussed in this section.

VF is signatories to the American Apparel and Footwear Industry (AAFA) and the Fair Labor Association's (FLA) Apparel and Footwear Industry Commitment to Responsible Recruitment. As such, VF commit to work with our global supply chain partners to create conditions so that no worker pays for their job; workers retain control of their travel documents and have full freedom of movement; and all workers are informed of the basic terms of their employment.

VF has also signed the Mekong Club's Business Pledge Against Modern Slavery. Together with the Mekong Club, VF enhanced the forced labor section of VF's Global Compliance Principles, which outline VF's expectations for how every business partner and supplier behaves and treats their workers. This includes criteria on human rights, ethical practices, health and safety, transparency, environmental requirements and subcontracting.

To incorporate our "zero-fee" requirement for migrant labor recruitment, VF continues to partner with the International Organization for Migration (IOM) to build capacity within VF and with VF's suppliers regarding responsible recruitment practices and ethical treatment of migrant workers. With technical assistance from the IOM, VF has updated their Facility Standards, the audit scope, the data VF collects on migrant workers, and formalized a set of guidelines for the ethical and responsible recruitment of migrant workers.

### Risk Assessment, factory audits and supplier due diligence and traceability

#### *Human Rights Risk Assessments*

In line with the expectations of the UN Guiding Principles on Business and Human Rights, VF maps their human rights risks. This includes periodic Human Rights Impact Assessment (HRIA) to help VF identify our most salient issues. VF partners with human rights experts to inform our HRIA. In addition to our enterprise-wide risk assessments, VF assessed the risks within their top commodities: cotton, rubber, leather, wool, down and our synthetics material supply chain.

In addition, VF contracted with Verité to compile and analyze publicly available information on documented forced labor incidents and forced labor vulnerabilities in more than 40 countries. These profiles include countries that supply finished products to VF, as well as countries further upstream in our supply chain. This deeper analysis informed the prioritization of actions to mitigate forced labor risks and identify and engage with credible partners or initiatives to implement solutions.

VF's forced labor risk assessments also help VF prioritize worker rights engagement at the Tier-2 level (fabric mills). VF launched the pilot project "Your Voice Matters" with our partners Ulula and Quizrr, along with support from the IOM. Through this project, VF engaged our Tier 2 suppliers in Jordan, Taiwan and Thailand to proactively learn, understand and discuss recruitment processes, conditions for migrant workers, and how VF can work together on improvements. Following a successful pilot, VF converted "Your Voice Matters" to an ongoing program. To gain additional assurance that VF hears from the workers themselves and to understand the impact of the program, we are working in partnership with Ulula and Quizrr to roll out digital solutions for remote impact assessment, more effective communication, and online training for both management and workers.

## *Factory Compliance Audits*

VF conducts routine Factory Compliance Audits at every contracted supplier facility to assess their adherence to VF's principles. Before conducting business with VF, each contracted factory must undergo a Factory Compliance Audit. VF's audit process includes scheduled and unannounced audits by their trained factory compliance auditors and third-party auditors. VF uses own trained factory compliance auditors, as well as accredited third-party auditors to assess vendor compliance with VF's Terms of Engagement and Global Compliance Principles. VF inspects for evidence of health and safety concerns, wage and social compliance, forced labor and human trafficking, child labor issues, harassment-free workplace policies, and environmental issues. Regarding forced labor, VF's auditors look for recognized indicators, including excessive recruitment fees, absence of formal contracts, document retention, excessive working hours, payment of on-time wages and restrictions on freedom of movement. VF's audit procedures also apply to nominated Tier-2 factories, cutting facilities, sewing plants, screen printers, embroiderers, laundries, licensee factories and key fabric mills.

To receive an "accepted" rating, a factory must not have any serious health, safety, or labor issues in its facility. A factory receiving an accepted rating is audited annually. A factory receiving a "developmental" rating may still produce our products, but a follow-up audit will be scheduled after six months, and the factory is expected to have all issues remediated that were noted in the corrective action plan. A factory with persistent safety, health or labor issues that fails to remediate issues in an acceptable manner will be rejected as our supplier and unauthorized to supply product for VF. VF's Facility Standards provide direction for our contracted factories to assist in compliance with our audit program.

Under VF's Global Compliance Principles, contracted factories must allow VF representatives full access to production facilities, employee records and employees for confidential interviews in connection with monitoring visits.

## *Audit Results and Response*

In fiscal year 2023, over 1,000 audits were conducted globally. The audits included an assessment of compliance with VF's labor standards, among other issues. Factories were rejected for failing to meet one or more of VF's standards, including issues related to health and safety, wages and benefits, and environmental requirements.

In some parts of the world, supplier factories may face unique challenges in conforming to VF's Global Compliance Principles. In these cases, VF works to help those factories understand their deficiencies and how to resolve the issues that exist. VF's Sustainable Operations Team members also work with factory management to build capacity so that the factories can meet VF's compliance requirements. However, if a factory has persistent safety, health or labor issues that they fail to remediate, VF will terminate our business relationship in a responsible manner.

## *Supplier Due Diligence and Traceability*

VF conducts supplier due diligence and supply chain tracing to support and enforce our prohibition on the use of forced labor in our supply chain. Prior to onboarding any new factory, VF screens the factory against various prohibited entity lists and reputable public sources and identifies entities potentially implicated in forced labor. VF also initiated several technology pilots to enhance our ability to proactively identify and mitigate forced labor risk in our supply chain. VF maintains a heightened focus on due diligence, supplier screening and traceability for any countries or regions with

a higher reported risk of forced labor. VF monitors and responds to new legal requirements related to forced labor as they are enacted.

Tracing the origins of our cotton fiber is critical to aligning with VF's Cotton Sourcing Policy and complying with customs laws. Our cotton traceability survey is distributed to all Tier 1 factories producing cotton-based product and nominated Tier 2 fabric mills producing cotton or cotton-blended fabric. Starting at Tier 1 product manufacturing, we trace the material through each tier of the supply chain, identifying Tier 2 fabric mills, Tier 3 yarn spinners, Tier 4 cotton gins and Tier 5 cotton farms, as well as any trader or agent involved in the transfer between these tiers. For additional specifics regarding cotton, please see our Policy on Cotton Fiber Sourcing.

VF continues to expand its traceability work beyond cotton to cover other commodities. Increased supply chain visibility enables us to better connect with and communicate requirements on traceability, so our suppliers can provide the required documentation to verify chain of custody of raw materials used for VF products.

### Training

VF associates are required to complete online and facilitator-led training on our Code of Business Conduct during their first 30 days and sign an agreement to abide by its principles, including those related to modern slavery. For our associates and management who have direct responsibility for monitoring, auditing and enforcing our Global Compliance Principles, we provide additional training conducted by our staff or a third party. Training includes topics such as identifying child labor, involuntary or forced labor and preventing human trafficking. Over 4,500 associates have received training on human trafficking.

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

### GRIEVANCE MECHANISM AND ETHICS HELPLINE

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

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

VF is committed to upholding human rights globally. We believe it is the responsibility of every person who touches our business to assist in upholding those rights as outlined throughout this statement.

