

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

V.F. Corporation, founded in 1899, is one of the world’s largest apparel, footwear and accessories companies connecting people to the lifestyles, activities and experiences they cherish most through a family of iconic outdoor, active and workwear brands. Unless the context indicates otherwise, the terms “VF,” the “Company,” “we,” “us,” and “our” used herein refer to V.F. Corporation and its consolidated subsidiaries.

VF is diversified across brands, product categories, channels of distribution, geographies and consumer demographics. We own a broad portfolio of brands in the outerwear, footwear, apparel, backpack, luggage and accessories categories. Our largest brands are *Vans®*, *The North Face®*, *Timberland®* and *Dickies®*.

On January 21, 2020, VF announced its decision to explore the divestiture of its Occupational Workwear business. As stated in the VF FY2020 Form 10-K, during the three months ended March 2020, the Company determined that the Occupational Workwear business met the held-for-sale and discontinued operations accounting criteria. Accordingly, all FY2020 revenue-based figures disclosed within this report exclude the Occupational Workwear business. As the Occupational Workwear business fell within our operational control approach for the reporting year, as defined by the GHG Protocol Corporate Standard, all non-revenue data and company information disclosed within this report includes the Occupational Workwear business.

Given the lag in data availability for the reporting year, unless otherwise noted we report on policies and programs in place during the reporting year aside quantitative data from the prior year.

Our products are marketed to consumers through our wholesale channel, primarily in specialty stores, department stores, national chains, mass merchants, independently-operated partnership stores and with strategic digital partners. Our products are also marketed to consumers through our own direct-to-consumer operations, which include VF-operated stores, concession retail stores, brand e-commerce sites and other digital platforms. Revenues from the direct-to-consumer business represented 41% of VF’s total Fiscal 2020 revenues. In addition to selling directly into international markets, many of our brands also sell products through licensees, agents and distributors. In Fiscal 2020, VF derived 59% of its revenues from the Americas region, 28% from the Europe region and 13% from the Asia-Pacific region.

To provide diversified products across multiple channels of distribution in different geographic areas, we primarily rely on our global sourcing of finished goods from independent contractors. We utilize state-of-the-art supply chain technologies for inventory replenishment that enable us to effectively and efficiently get the right assortment of products that match consumer demand.

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2019	March 31 2020	No	<Not Applicable>

C0.3

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**(C0.3) Select the countries/areas for which you will be supplying data.**

Australia  
Austria  
Bangladesh  
Belgium  
Brazil  
Cambodia  
Canada  
Chile  
China  
China, Hong Kong Special Administrative Region  
Czechia  
Denmark  
Dominican Republic  
Egypt  
El Salvador  
France  
Germany  
Greece  
Honduras  
Hungary  
India  
Indonesia  
Ireland  
Israel  
Italy  
Japan  
Kenya  
Malaysia  
Mexico  
Netherlands  
New Zealand  
Norway  
Panama  
Peru  
Poland  
Portugal  
Puerto Rico  
Republic of Korea  
Russian Federation  
Singapore  
Slovakia  
Spain  
Sweden  
Switzerland  
Taiwan, Greater China  
Thailand  
Turkey  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Viet Nam

**C0.4**

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

**C0.5**

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Operational control

**C1. Governance**

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**C1.1**

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The Chairman, President and CEO reports regularly to the Board of Directors regarding VF's environment impacts, which include progress toward previously-set climate and sustainability targets, goals, and strategies to embed climate change risks and opportunities deeper into the business, as well as our material impacts. The Sustainability and Responsibility team has direct oversight over VF's 'Made for Change' strategy and VF's climate change strategy and reports progress and updates to the CEO quarterly. The Executive Vice President, Global Supply Chain also reports to the CEO on climate strategies and impacts in VF's supply chain. An example of a climate-related decision made by the CEO in FY2020 was the review and approval of new science-based targets for Scope 1, 2, and 3 emissions of our organization.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	<ul style="list-style-type: none"> <li>Reviewing and guiding strategy</li> <li>Reviewing and guiding major plans of action</li> <li>Reviewing and guiding risk management policies</li> <li>Reviewing and guiding annual budgets</li> <li>Reviewing and guiding business plans</li> <li>Setting performance objectives</li> <li>Monitoring implementation and performance of objectives</li> <li>Overseeing major capital expenditures, acquisitions and divestitures</li> <li>Monitoring and overseeing progress against goals and targets for addressing climate-related issues</li> </ul>	<Not Applicable>	VF's CEO and Executive Vice President (EVP), Global Supply Chain regularly report to the board on various aspects of VF's business and sustainability strategy. These include VF's 2021 Business Global Strategy, which includes broader sustainability ambitions, and VF's 'Made for Change' strategy, which contains climate-related goals and targets. These individuals (the CEO and EVP, Global Supply Chain) regularly receive reports on Key Performance Indicators (KPIs) that are part of VF's 'Made for Change' climate-related sustainability strategy from departments they oversee, such as Sustainability & Responsibility (oversight of renewable energy goals & reducing impact of key materials). This reporting structure contributes to the board's oversight of climate issues by providing regular updates on progress towards goals and targets, how brands commit to sustainability practices into their business units, and opportunities for innovations. A company-specific example of this governance mechanism occurred in FY2020, when the VF Treasury department presented the green bond framework to the VF Board of Directors. During a Board of Directors meeting, the Chairman of the Board of Directors reviewed the debt offering and the Board of Directors approved moving forward on the green bond. Green bonds are used to support projects that reduce environmental impacts and advance sustainability initiatives. In February 2020 VF closed its inaugural €500 million green bond, representing the first green bond issued in the apparel and footwear industry.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Procurement Officer (CPO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
President	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

Chief Procurement Officer (CPO) is chosen as the most relevant equivalent title to the Executive Vice President (EVP), Global Supply Chain. The Executive Vice President (EVP), Global Supply Chain, a direct report of the CEO and a member of the VF Executive Leadership Team, has oversight and responsibility over VF's approach to climate change and VF's climate strategy. In addition, the EVP, Global Supply Chain leads sourcing, manufacturing and distribution of VF products. The Vice President of Global Sustainability & Responsibility reports to the EVP, Global Supply Chain and oversees sustainability and responsibility-related issues in our 'Made for Change' strategy.

The Vice President of Global Sustainability and Responsibility oversees Product Stewardship, Responsible Sourcing and Environmental Sustainability for corporate and retail facilities, internal manufacturing and the supply chain. Sustainability is embedded within the business function of supply chain because the greatest risk for impact and opportunity for mitigation lies within this part of VF's overall value chain. That is, the material used in our product, and the manufacturing and finishing of products in both owned and contracted facilities represent the majority of climate-related impacts across the organization. The Vice President also oversees corporate sustainability activities at retail locations, distribution centers and corporate/brand headquarters and sets overall VF sustainability goals and targets. For example, as a part of the VF Made for Change strategy, in FY2020 VF announced its SBTi-approved science-based targets to reduce absolute scope 1 & 2 GHG emissions by 55% by 2030, and scope 3 emissions from purchased goods & services and upstream transportation 30% by 2030. Additionally, VF has set a goal to use 100% renewable energy in VF's owned and operated facilities by 2025. Goals are approved by the EVP, Global Supply Chain, the Executive Leadership Team and the CEO.

**C1.3**

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	'Made for Change' goals, which include climate-related goals and targets, are one of many indicators that impact bonuses and overall performance.
Chief Procurement Officer (CPO)	Monetary reward	Supply chain engagement	Chief Procurement Officer is chosen as the most relevant equivalent title to the Executive Vice President (EVP), Global Supply Chain. 'Made for Change' goals, which include climate-related goals and targets, are one of many indicators that impact bonuses and overall performance for the Executive Vice President, Global Supply Chain.

**C2. Risks and opportunities**

**C2.1**

**(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

**C2.1a**

**(C2.1a) How does your organization define short-, medium- and long-term time horizons?**

	From (years)	To (years)	Comment
Short-term	0	2	These are risks that are current or will occur in the very near future impacting our operations, workers or consumers. The risk refers to issues that require immediate strategies to mitigate. Climate change, worker well-being and materials risks are no longer considered as only long-term issues.
Medium-term	2	5	These are risks that may impact our operations, workers or consumers; but do not exist currently. These risks are often incorporated into 5-year strategy cycles, such as our 'Made for Change' goals. These timeframes are similar to our general approach to business strategy and longer-term financial planning cycles.
Long-term	5	100	These are risks that may impact our operations, workers or consumers in several years and require long-term planning and outlook.

**C2.1b**

## C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our definition of substantive financial risk, as it relates to any of the climate risk mentioned below, would be any impact with a likely probability over the next 5-10 years affecting 1% of our revenue or 1% of our cost of goods sold (COGS) caused by physical climate risk, regulatory or reputational risk. Strategic risks include impacts that have a reputational impact to our brand(s), a lower probability threshold, and/or do not meet the financial threshold as defined above. The risks disclosed in this report meet the conditions for strategic risk but do not yet meet the threshold for substantive financial risk.

## C2.2

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### C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations  
Upstream  
Downstream

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term  
Medium-term  
Long-term

#### Description of process

VF has a robust process for identifying and assessing climate-related risks. We assess climate-related risks, such as transitional and physical risks, on our direct operations and value chain frequently for both current and future (>6 years) risks. While the frequency of monitoring varies with the risk (i.e., supply chain continuity is assessed more frequently than forest-related risks), in general these assessments occur every 6-12 months or more frequently. At a company-level, we identify and assess risks as part of strategy planning. As part of our long-term strategy work, 'Neglected Planet' is considered one of our 14 risk areas for continuous monitoring. As part of this, approaches have been put in place to monitor and prioritize climate-related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame. These efforts have included more robust assessments of our products' carbon footprint and the enterprise-wide assessment of Scope 1, 2 and 3 emissions that resulted in our approved science-based climate targets. In CY2018 the VF strategy team performed a scenario analysis through 2030. 'Neglected Planet' was determined to be an area of risk as well as opportunity. Out of this work, multiple processes have been put in place to monitor these risks. Through the work of our Strategy team, Health and Safety team, and Sustainability and Responsibility team, which included supply chain, government affairs and brand teams, climate-related risks are continually monitored and addressed. Increasingly, to reduce our transitional risks, whether reputational or regulatory, VF Corporation is striving to be a low carbon emitter with a 100% renewable energy goal in all owned and operated facilities by 2025. Additionally, we utilize this risk identification process to examine and implement potential climate-related opportunities, such as taking a public stance on climate change which is an opportunity to show leadership in our climate strategy in an industry that is highly competitive. For example, in FY2020, we announced our science-based climate targets that extend into our supply chain and became a signatory of the United Nations Fashion Industry Charter for Climate Change (UNFCCC), in which we, along with other brands, commit to carbon neutrality by 2050. In FY2020, the Sustainability and Responsibility team commenced a sustainability strategy refresh, which is currently ongoing. This collaborative process has brought together cross-functional teams from multiple departments, brands, and regions of VF, as well as key external stakeholders, to identify risks and opportunities that will feed into short, medium, and long-term climate-related targets for the company. Within this approach, the process for identifying, assessing, and responding to climate-related opportunities has been integrated into the risk identification component of the strategy refresh. These cross-functional teams will identify risks and opportunities with financial impacts on our company and/or possible strategic impacts and develop novel risk management strategies and potential opportunities for financial gain. Case Study – transitional risks: The environmental impacts of the apparel industry could present a transitional and reputational risk as well as an opportunity to differentiate. Therefore, VF included Circular Business Models as a strategic pillar in the Made for Change strategy, with the aspiration to transform the apparel & footwear industry from linear to circular. This translates into medium-term goals to lead the large-scale commercialization of circular business models through brand-led recommerce and rental initiatives. The North Face® has developed the Renewed collection, which sells previously owned, damaged and repaired or used products online and has also established a 'Clothes the Loop' program which encourages consumers to bring their used clothing into retail locations to be recycled and subsequently receive a discount on their next purchase from The North Face®. VF brands, such as The North Face® are capitalizing on the strategic opportunities associated with recommerce models by offering products at a lower price point, which allows a more diverse consumer base to own our products and incentivizes consumers to visit stores to recycle used clothing. All while aligning with our strategic climate-related VF goals and addressing one of the apparel industry's biggest challenges, textile waste. Case study – physical risks: Cotton is a significant material input to our products and is likely to be impacted by chronic physical risks such as drought. As part of our 'Made for Change' strategy, by 2025 all cotton purchased outside the U.S. or Australia will be grown under a cotton sustainability scheme. Brands may have even more ambitious targets – for example, for CY2019, VF's Timberland® brand utilized 78% certified Better Cotton Initiative (BCI) and organic cotton. At the end of FY2020, we started the process of renewing our climate change risk assessment and scenario planning, taking a closer look at our physical risks. Many risks have already been evaluated as part of other risk assessments across VF, such as the risk of drought affecting our cotton pricing and supply as part of our global water risk assessments. As noted in C0.2, the reporting scope of this disclosure is for FY2020 and data from FY2020 is provided whenever possible, unless otherwise noted. Due to a variety of circumstances, certain data and information is only available on a calendar year timeframe and is noted as such when disclosed.

## C2.2a

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current global and local regulations and laws are always considered in our risk assessments. Examples of current regulations assessed include VF's exposure to carbon taxes, cap & trade schemes, energy compliance schemes at the municipal and/or city-level, and product labelling requirements. VF is not currently exposed to major schemes such as the EU ETS or the UK CRC as our industry and/or facilities sizes do not meet necessary thresholds. These risks are assessed by regional procurement teams and 3rd party energy consultants on an ongoing basis. Current climate-related regulation for our supply chain is more complex, as our products are obtained from both owned and contracted manufacturing facilities across the globe. A full list of VF manufacturing locations, updated on a quarterly basis, can be found on the VF website. The impacts on our direct operations from these regulations are assessed by our Supply Chain teams.
Emerging regulation	Relevant, always included	Emerging regulation is relevant and always included in climate-related risk assessments. Relevant risks included are the impact and probability of carbon pricing on our direct operations and/or supply chain and product labelling requirements. These risks are assessed as part of our materiality assessments and long-term strategy work. As an example, 'Forces of Change', an in-house qualitative scenario analysis, has determined 'Neglected Planet' to be one of 14 risk areas for continuous monitoring. As part of this scenario analysis, approaches have been put in place to monitor and prioritize climate related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame.
Technology	Relevant, always included	Technology can be a differentiating factor in a highly competitive industry. Our business depends on cutting edge technology to stay relevant in the marketplace. Relevant climate-related technologies include new types of sustainable materials and innovations in our product production processes. These risks are assessed by our Supply Chain and Product Development/Design teams. Technology risks are also assessed as part of our materiality assessments and/or long-term strategy work. As an example, 'Forces of Change', an in-house qualitative scenario analysis, has determined 'Neglected Planet' to be one of 14 risk areas for continuous monitoring. As part of this scenario analysis, approaches have been put in place to monitor and prioritize climate-related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame.
Legal	Not relevant, explanation provided	Climate-related litigation is unlikely in the apparel industry and therefore is not included in risk assessments.
Market	Relevant, always included	Market risks are included in climate-related risk assessments for both upstream and downstream impacts. Upstream risks include climate-related fluctuations such as drought and other extreme weather events that affect the people and activities across our supply chain, and that affect the ability to source raw materials such as cotton, recycled materials, and forest products which are significant inputs to VF's products. Downstream market risks include consumer preferences, where increasingly we see evidence of consumers interested in low carbon products that can be part of the solution towards mitigating climate change. These risks are also assessed as part of our materiality assessments and/or long-term strategy work. As an example, 'Forces of Change', an in-house qualitative scenario analysis, has determined 'Neglected Planet' to be one of 14 risk areas for continuous monitoring. As part of this scenario analysis, approaches have been put in place to monitor and prioritize climate-related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame.
Reputation	Relevant, always included	Reputational risk is always considered in our climate change approach as, increasingly, consumers see environmental impact reduction as a requirement for companies to conduct business. Risks to our direct operations can include a perception that we are not a leader in climate issues or sustainable materials, which could negatively impact our reputation. As the parent company of consumer-facing brands, we also evaluate sourcing risks that could impact our reputation, including sourcing from suppliers with unsustainable practices or from areas with a higher risk for water scarcity and/or deforestation. These risks are also assessed as part of our materiality assessment and/or long-term strategy work. As an example, 'Forces of Change', an in-house qualitative scenario analysis, has determined 'Neglected Planet' to be one of 14 risk areas for continuous monitoring. As part of this scenario analysis, approaches have been put in place to monitor and prioritize climate-related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame.
Acute physical	Relevant, always included	Acute physical risks are always considered when thinking of our physical manufacturing, retail, distribution and office facilities and the potential of hurricanes, tornadoes and floods causing delays to our business as well as the arrival of products on time. In the short term, these risks are assessed as part of normal Business Continuity Planning. In the long-term, these risks are assessed as part of our Materiality Assessments and/or long-term strategy work. As an example, 'Forces of Change', an in-house qualitative scenario analysis, has determined 'Neglected Planet' to be one of 14 risk areas for continuous monitoring. As part of this scenario analysis, approaches have been put in place to monitor and prioritize climate related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame.
Chronic physical	Relevant, always included	Chronic physical risks may impact our direct operations and supply chain in several ways. Our direct operations may be subject to water scarcity in some areas where we manufacture products, and some areas of our operations may be subject to sea level rise. Our raw material selection and supply chain may also be subject to chronic physical risks such as water scarcity. This is particularly apparent in our cotton supply chain, where prices and availability can fluctuate significantly based on weather. These risks are also assessed as part of our materiality assessments and long-term strategy work. As an example, 'Forces of Change', an in-house qualitative scenario analysis, has determined 'Neglected Planet' to be one of 14 risk areas for continuous monitoring. As part of this scenario analysis, approaches have been put in place to monitor and prioritize climate related risks from a physical, consumer preference, reputation and regulatory perspective, looking at the significance of each risk based on potential impact, likelihood, and time frame.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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**Primary potential financial impact**

Increased direct costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Cotton is a raw material used in many VF products – for example, in CY19 VF's Timberland® brand used 2,775 metric tons of cotton in its apparel and accessories. Chronic drought or variabilities in global water availability as a result of climate change may impact the global cotton supply. Fluctuations in the price, availability and quality of fabrics, leather or other raw materials used by VF in its manufactured products, or of purchased finished goods, could have a material adverse effect on VF's cost of goods sold or its ability to meet its customers' demands. The prices we pay for raw materials depend on global demand and market prices for raw material inputs. The price

and availability of such raw materials may fluctuate significantly depending on many factors, including general economic conditions and demand, crop yields, energy prices, weather patterns and speculation in the commodities markets.

**Time horizon**

Long-term

**Likelihood**

Unlikely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

27000000

**Potential financial impact figure – maximum (currency)**

60000000

**Explanation of financial impact figure**

This range is based on recent historical cotton prices from 2010-2011 where a number of climate fluctuations occurred, such as heavy rains in India, flooding in Australia and Pakistan, and drought in the US. During this time, average annual prices of cotton were approximately 15-65% higher than 2019 levels. The financial impact is calculated by taking VF cotton purchases and calculating the difference of raw material costs assuming a 15-65% higher cost. VF cotton procurement reporting is completed on a calendar year schedule to align with external reporting requirements, the financial impact figures disclosed are representative of data collected during CY2019.

**Cost of response to risk**

383950

**Description of response and explanation of cost calculation**

VF is dedicated to mitigating our risk associated with the potential fluctuation of cotton pricing by supporting sustainable cotton growing methods and committing to increasing the procurement of sustainably sourced raw materials. VF has established a public goal that by 2025 all cotton purchased by VF, that is not from the U.S. or Australia, is grown under a cotton growing sustainability scheme. This goal will help to mitigate the potential risk of cotton for VF as both U.S. and Australian suppliers use advanced and efficient growing methods that reduce the environmental impact of cotton, and 'sustainability schemes' (defined as recycled, organic, and Better Cotton Initiative (BCI) certified cotton) also help reduce the environmental impact of cotton. An example of VF's active management of this goal is that during CY2019 approximately 45% of cotton procured by VF originated from the U.S. or Australia, and 38% of cotton utilized in our products was BCI certified. VF brands are equally committed to sustainability action in their sectors. Case study: in CY2019, VF's Timberland® brand used 2,775 metric tons of cotton in its apparel and accessories, of which 78% was either organic certified (29%) or sourced through BCI (43.5%). BCI Cotton can be mixed with other cotton before it reaches the factory, which means that BCI Cotton can end up in our products as well as those of our competitors. What a brand can ensure is that BCI Cotton has entered the global supply chain in volumes that correspond to the amount needed for the production of its products. This applies to all brands and textile buyers. By ordering BCI Cotton, we support more sustainable cotton production, regardless of where the cotton ultimately ends up (in our own products or in our competitors'). This system, called Mass Balance, enables a faster upscaling of a more sustainable cotton supply than would otherwise have been possible. By procuring Better Cotton for its products, Timberland® supports more sustainable cotton production throughout the textile industry. The cost of the response to this risk is calculated as the total amount VF spent on the Better Cotton Initiative. In CY2019, this included the cost of the BCI membership fee (€35,000), BCI volume-based fees (approximately €261,000), and financial support to BCI for a farming initiative in India that provides training to farmers on growing methods that reduce the environmental impact of cotton (€50,000).

**Comment**

As noted in C0.2, the reporting scope of this disclosure is for FY20 and data from FY20 is provided whenever possible, unless otherwise noted. Due to a variety of circumstances, select data is only available on a calendar year timeframe and is noted as such when disclosed. In alignment with C0.4, the cost of response to risk was calculated using the March 27, 2020 closing euro/U.S. dollar exchange rate, €1.00 = U.S. \$1.1098, as published by Bloomberg L.P.

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

The 2015 Paris Agreement saw record global consensus to accelerate action against climate change, and as of 2019, 57 carbon pricing initiatives have been implemented, or are scheduled for implementation at the regional, national, and subnational level according to the World Bank. While VF, to date, is not directly affected by cap-and-trade schemes, approximately 50% of our square footage is located in countries that have implemented or are adopting a range of methods to price carbon, such as carbon taxes or cap-and-trade. In the near- and medium-term future, the probability of this risk impacting VF is low, as the majority of our facilities (80%+ by square footage) are under 5,000 square feet and not likely to meet reporting requirements. In the long term, as the world transitions to a low-carbon economy, it is possible that VF may be subject to pricing of GHG emissions if more governments adopt carbon-pricing mechanisms, thresholds for existing mechanisms are lowered, or industry-specific legislation is introduced.

**Time horizon**

Long-term

**Likelihood**

Exceptionally unlikely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

820000

**Potential financial impact figure – maximum (currency)**

9700000

**Explanation of financial impact figure**

The financial impact is a range of carbon pricing in two scenarios. The first is a higher probability scenario that includes some carbon pricing of larger facilities, such as distribution centers, at \$20/metric ton in countries or regions where there is existing legislation (such as the EU, Canada, China, and the US). The second is an estimation of a rapid transition to a low-carbon economy (a 1.5-degree scenario) of a global carbon price of \$100/metric ton.

**Cost of response to risk**

235000

**Description of response and explanation of cost calculation**

VF is actively working to mitigate potential regulatory risks associated with cap-and-trade through membership and participation in the organization known as Business for Innovative Climate and Energy Policy (BICEP) Network, a project of Ceres, and the Renewable Energy Buyers Alliance (REBA). BICEP's charter is to work with both government and non-governmental organizations to design and introduce climate and energy policy that will prepare businesses for the risks associated with climate change. REBA is an association of large-scale energy buyers working towards the creation of zero-carbon energy system in collaboration with its members. We are also managing this risk by setting ambitious goals that reduce our GHG footprint. We have committed to the sourcing of 100% of electricity from renewable sources within VF-owned and operated facilities by 2025, in line with the enterprise commitment to RE100. In FY2020, VF's total renewable energy procurement, as a percentage of electric power, was 22.4%, an increase of 10% from 2017. Case study: In FY2020, VF announced its SBTi-approved science-based target to reduce absolute scope 1 & 2 GHG emissions by 55% by 2030, and scope 3 emissions from purchased goods & services and upstream transportation 30% by 2030. The cost of management for the response to this risk includes the cost of VF's science-based climate target feasibility study (\$180,000), conducted throughout FY2019 – FY2020, and our annual membership fees for BICEP (\$30,000) and REBA (\$25,000).

**Comment****Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Emerging regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**Company-specific description**

As of 2019, 57 carbon pricing initiatives have been implemented, or are scheduled for implementation at the regional, national, and subnational level and more are likely to follow as governments implement Nationally Determined Contributions (NDCs) over the next several decades according to the World Bank. During FY2020, VF manufactured and sourced products from both owned and contracted manufacturing facilities across the globe, and in CY2019, surveyed 477 tier-1 and tier-2 suppliers regarding their carbon and energy policies through the Higg Index FEM self-assessment. A full list of VF manufacturing locations, updated on a quarterly basis, can be found on the VF website. Given our global supply chain, it is possible that we may be exposed to carbon pricing in the future, and some or all of this cost may be passed on to us.

**Time horizon**

Long-term

**Likelihood**

Exceptionally unlikely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

49000000

**Potential financial impact figure – maximum (currency)**

98000000

**Explanation of financial impact figure**

The financial impact is calculated by using scope 3 emissions for categories more likely to be affected by carbon taxes, including purchased goods & services, fuel-and-energy-related activities, and upstream/downstream transportation. The range is based on a \$40/metric ton of carbon (proposed under a 2-degree scenario) and a \$100/metric ton of carbon (proposed under a 1.5-degree scenario). Given the size of our global supply chain, it is possible that we may be exposed to carbon pricing in the future, and some of this cost may be passed along to VF. Based on our assessment, when overlaying the probability for supply chain costs to be passed along to a



purchaser such as VF, we approximate 20% of this financial impact has the potential to be passed along to us.

**Cost of response to risk**  
270000

**Description of response and explanation of cost calculation**

VF works to mitigate the potential impacts of this climate-related risk by setting corporate goals, advocating for climate-friendly policies and continuing strong supply chain management of environmental issues. Within the VF Made for Change strategy, we have a public goal to reduce the impacts of our materials by 35% by 2025. We are also a member and participant of BICEP, a project of Ceres. This organization’s charter is to work with both government and non-governmental organizations to design and introduce climate and energy policy that will prepare businesses for the risks associated with climate change. As part of our strategy to reduce supply chain impacts, we are active participants in the Sustainable Apparel Coalition (SAC) and use their Material Sustainability Index (MSI) to assess product impacts. Additionally, through the Higg Index FEM, VF requests suppliers to disclose their environmental impacts, including emissions. In CY2019, 477 tier-1 and tier-2 suppliers have adopted the Higg index. VF’s cost of management is calculated as VF’s science-based climate target feasibility study (\$180,000), conducted throughout FY2019, membership costs for the Sustainable Apparel Coalition (\$60,000) and BICEP (\$30,000).

**Comment**

As noted in C0.2, the reporting scope of this disclosure is for FY2020 and data from FY2020 is provided whenever possible, unless otherwise noted. Due to a variety of circumstances, certain data and information is only available on a calendar year timeframe and is noted as such when disclosed.

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**Identifier**

Risk 4

**Where in the value chain does the risk driver occur?**

Upstream

**Risk type & Primary climate-related risk driver**

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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**Primary potential financial impact**

Decreased revenues due to reduced production capacity

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

During FY2020, VF manufactured and sourced products from both owned and contracted manufacturing facilities across the globe. A full list of VF manufacturing locations, updated on a quarterly basis, can be found on the VF website. During CY2019, VF assessed water stress for key suppliers and determined that 151 are located in extremely high-to-high at-risk locations; 30% of these at-risk suppliers are located in Vietnam, 20% in China, 11% in Bangladesh, and 7% in India. Water scarcity could cause reputational damage, supply disruptions, or other increased operating costs. Additionally, improper wastewater discharge could exacerbate local water scarcity issues by polluting an already scarce resource.

**Time horizon**

Long-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The financial impact is not currently assessed.

**Cost of response to risk**

60000

**Description of response and explanation of cost calculation**

In order to assess and control these risks, VF is a member of the Sustainable Apparel Coalition (SAC) and participates in annual requests to suppliers to complete the Higg Index, a sustainability self-assessment tool. All participating tier-1 and tier-2 suppliers are requested to report their annual water consumption in the Higg index, indicate water sources and identify their use of process water. The factory is then encouraged to set a baseline and target towards water reduction initiatives. Supply chain water risk is also tracked in Higg through the World Resource Institute’s (WRI) Aqueduct tool and the World Wildlife Fund’s (WWF) water risk filter. Case Study: During CY2019, 477 tier-1 and tier-2 suppliers completed the Higg index Facility Environmental Module (FEM) self-assessment. Additionally, VF supports suppliers in adoption of the Higg FEM by facilitating in-person and virtual training sessions which provide key information related to the successful management of environmental impacts, including water consumption and wastewater discharge. Furthermore, VF has implemented a company-wide wastewater policy (the “VF Global Wastewater Discharge Standards” policy) which applies to all relevant suppliers, as defined within the policy. For FY2020, 97% of VF suppliers were determined to be compliant with the VF Global Wastewater Discharge Standards. The cost of management is exclusive to participation in the Sustainable Apparel Coalition (\$60,000), which includes the use of the Higg Index.

**Comment**

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**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Market	Changing customer behavior
--------	----------------------------

**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**Company-specific description**

VF's success to date has been due in large part to the growth of its brands' reputation and consumer's connections to our brand. If we are unable to timely and appropriately respond to changing consumer demands, the reputation of our brands may be impaired. According to research published by Business for Social Responsibility (BSR) and other thought leaders, consumers are increasingly concerned about climate change and its impacts, and sustainability in general; while this is true across our customer base, it is particularly apparent in our outdoor segment, which comprises approximately 44% of VF's revenue. We believe that doing good for society is a business imperative, and we are committed to be a purpose-led company that puts purpose on par with value creation as a philosophy as a profitable company. If we are not able to realize this strategy or are not seen as a leader in climate change and other sustainability issues, revenue may be impacted from shifting consumer preferences.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-high

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

The impact has not been quantified financially.

**Cost of response to risk****Description of response and explanation of cost calculation**

We manage this risk through our commitment to be a purpose-led company. In FY2020, we operated two strategic global innovation centers that focused on technical and performance product development. The centers were staffed with dedicated scientists, engineers and designers who combined proprietary insights with consumer needs, and a deep understanding of technology and new materials. We also actively communicate with our consumers and set ambitious goals. We disclose our sustainability strategy in voluntary communications, such as our Sustainability & Responsibility report, as well as in financial documents, such as our Form 10-K. Case Study: In CY2018, VF launched a series of interactive traceability maps on our website for ten of our brand's most iconic products, including the Vans® Checkerboard slip-ons. By publishing product traceability maps, VF communicates its commitment to transparency while providing consumers with the opportunity to trace the lifecycle of their products from material supplier(s) to the distribution center. In FY2020, the VF Product Stewardship and Traceability team continued its work of increasing product transparency by publishing over 40 up-to-date traceability maps on the VF website since 2018, with the stated goal to incrementally increase the number of traceability maps disclosed in years.

**Comment****Identifier**

Risk 6

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Changing customer behavior
--------	----------------------------

**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

&lt;Not Applicable&gt;

**Company-specific description**

Climate change is projected to shorten winters, increase the frequency of extreme events such as blizzards, and introduce more variability into regional climates. Our business is adversely affected by unseasonable weather conditions. A significant portion of the sales of our products is dependent in part on the weather and is likely to decline in years in which weather conditions do not favour the use of these products. For example, periods of unseasonably warm weather in the fall or winter can lead to inventory accumulation by our wholesale customers, which can, in turn, negatively affect orders in future seasons. In addition, abnormally harsh or inclement weather can also negatively impact retail traffic and consumer spending. All of these risks may have a material adverse effect on our financial condition, results of operations or cash flows.

**Time horizon**

Long-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The impact has not been quantified financially.

**Cost of response to risk****Description of response and explanation of cost calculation**

VF works to mitigate this risk through our commitment to being a purpose-led company. In FY2020 we operated two strategic global innovation centers that focused on technical and performance product development. The centers were staffed with dedicated scientists, engineers and designers who combine proprietary insights with consumer needs, and a deep understanding of technology and new materials. We also used a qualitative scenario analysis called "Forces of Change" in CY2018, which looked at impacts that could affect our business by 2030. "Neglected Planet" was one of 14 scenarios assessed, which examined the impact of regulatory and reputational risks to VF as a whole, as well as the apparel industry in general. This scenario planning has led to a more integrated look at climate change planning in our strategy teams. Additionally, VF's The North Face® brand is an active member of the nonprofit advocacy organization, Protect Our Winters (POW), and during FY2020 launched a carbon offset advocacy program with POW which included licensing The North Face® carbon calculator platform. This platform was developed by The North Face® in 2017 as a part of the company's efforts to calculate, reduce, and offset carbon emissions associated with The North Face® athlete expeditions. Working with POW, this tool is now available on the POW website for all outdoor enthusiasts and climate change advocates to calculate their carbon footprint and take meaningful action on climate.

**Comment****C2.4****(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.4a****(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.****Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

Circular business models, as described in our Made for Change sustainability strategy, presents an opportunity for VF to unlock new revenue streams for our brands while continually and meaningfully cutting our environmental impact. They enable us to build better products, extend product life, transform transactions into deeper relationships, and turn waste into value. The apparel industry is no stranger to circular systems. But at VF, our approach is a little different. We believe there's more to circular than recycling, which is why we're focused on three areas that sit at the intersection of what our customers want, what environmental constraints demand, and where we've identified untapped business opportunity: Recommerce, Rental and Circular Design. In apparel, these business models are already proving to be successful. Global apparel resale, a \$28B industry today, is expected to grow to \$64B by 2025. Building circular products and systems requires us to disrupt current processes and push ourselves to think differently. This shift in approach has the potential to result in more innovative products and better customer experiences. Our ambition is to use our scale to lead the apparel and footwear industry in the transition from linear to circular. We will make second-life apparel second nature for customers.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – minimum (currency)**

335000000

**Potential financial impact figure – maximum (currency)**

800000000

**Explanation of financial impact figure**

These figures represent estimates of the business opportunity for recommerce only with a specific focus on our outdoor brands. The low-end estimate represents three components: 1) observable Gross Merchandise Value (GMV) as of calendar year 2017 for our outdoor brands in secondary marketplaces, 2) the capacity of recommerce to expand demand to new customers down-market and 3) our capacity to merchandise and cross-sell our brands new and used items in recommerce offering. The high-end value represents the low value subjected to compound annual growth rates (CAGR) seen throughout the online recommerce industry.

**Cost to realize opportunity**

110000

**Strategy to realize opportunity and explanation of cost calculation**

VF's Sustainability & Responsibility strategy, 'Made for Change', targets key areas to drive transformational change and create value for our business. One pillar of the strategy is focused on new circular and sustainable business models to (i) harness retail opportunities in new sectors, (ii) scale foundational social and environmental programs to lead the industry toward greater progress at a faster rate, and (iii) empower our brands, associates, and consumers to act with purpose and impact with intention. VF brands are equally committed to sustainability action in their sectors. Relevant case studies of this strategy: Vans® has partnered with TerraCycle® to launch a shoe recycling pilot at 23 southern California stores. The North Face® also launched the Renewed collection in 2018 selling previously owned, damaged and repaired or used products. The recommerce model addresses one of the apparel industry's biggest challenges, textile waste, and offers our products at a lower price point, which allows a diverse set of customers to experience our brands. Examples of costs to realize this opportunity in FY2020 includes, but are not limited to, support of industry-led initiatives focused on circularity, such as VF's support of the Accelerating Circularity to Eliminate Textile Waste initiative (\$60,000) through our membership with the Textile Exchange (\$40,000) and VF's ongoing participation in the Ellen MacArthur Make Fashion Circular program (\$10,000).

**Comment****Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

As a purpose-driven organization powered by movements of sustainable and active lifestyles, providing healthy, productive workspaces is critical to our success. At VF, we have a green building policy that requires all headquarter facilities meet LEED Platinum, distribution centers meet LEED Gold and manufacturing facilities meet LEED Silver at a minimum. We own and operate approximately 1,400 facilities around the world, giving us a clear opportunity to deploy innovative, efficient and financially prudent green building strategies across our portfolio. The sustainable design features required to meet LEED certification is one way to increase the efficiency of our buildings. On average, LEED buildings are 25 to 30 percent more energy efficient than conventional buildings. As of FY2020, 16 of our buildings have been LEED certified by the U.S. Green Building Council (USGBC). We have created a set of Green Building Standards to which all new VF facilities must adhere. We are using a suite of tools to make it easy for our design, real estate and construction teams to access resources on green building practices. When LEED certification is not possible, we implement other efficiency measures, such as LED retrofits and more efficient store designs in our retail stores.

**Time horizon**

Short-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

840000

**Potential financial impact figure – minimum (currency)**

&lt;Not Applicable&gt;

**Potential financial impact figure – maximum (currency)**

&lt;Not Applicable&gt;

**Explanation of financial impact figure**

The financial impact is estimated based on the annual energy savings from relocating 20 facilities (distribution centers and offices) to a LEED-certification facility (or its equivalent) over the next 10 years. Savings are calculated by assuming a 25% efficiency increase, VF's average electric power unit cost in North America, average distribution centers & office square footages, and average energy intensity from the US Commercial Buildings Energy Consumption Survey (CBECS).

**Cost to realize opportunity**

500000

**Strategy to realize opportunity and explanation of cost calculation**

VF has a range of strategies that reflect its diverse portfolio. For larger facilities such as headquarters and distribution centers with longer leasing terms, VF's strategy to make this opportunity a reality is through our Green Building Standards, requiring new facilities meet our strict requirements of LEED Platinum for headquarters, LEED Gold

for distribution centers and LEED Silver for manufacturing facilities. For buildings, such as retail stores, which may be located in shopping malls and/or have relatively short leasing terms, other strategies such as LED retrofits may be more appropriate. Case Study: During FY2020, VF continued its planned transition from its Greensboro, North Carolina headquarters and several brand offices to the new VF headquarters in downtown Denver, Colorado. In alignment with the VF Green Building Standards, the new Denver headquarters will be certified USGBC LEED Platinum Interior. Ongoing building efficiency initiatives during FY2020 include progress toward the installation of real-time energy monitoring systems, LED lighting, installations of independent temperature and light motion sensors, electric car charging stations, and similar-efficiency projects. The cost to realize this opportunity is assuming two LEED buildings a year are added to the VF portfolio. Studies range regarding the additional cost for LEED building certification, however generally we estimate a 6.5% premium building cost to achieve LEED Platinum, with the understanding that that we will recover those costs through energy savings over time.

#### Comment

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#### Identifier

Opp3

#### Where in the value chain does the opportunity occur?

Upstream

#### Opportunity type

Resource efficiency

#### Primary climate-related opportunity driver

Use of more efficient production and distribution processes

#### Primary potential financial impact

Reduced direct costs

#### Company-specific description

During FY2020, VF manufactured and sourced products from both owned and contracted manufacturing facilities across the globe. A full list of VF manufacturing locations, updated on a quarterly basis, can be found on the VF website. The majority of our product's environmental impacts occur within our supply chain, where there are many opportunities to gain efficiencies, which may result in cost savings that could be passed on to VF. VF has already seen some efficiencies from our programs; for example, in a partnership with the International Finance Corporation (IFC) during the 2-year CY2018 to CY2019 period, 18 strategic suppliers located in Vietnam and Bangladesh participated in a VF/IFC energy efficiency program. This energy efficiency program focused on increasing efficiency related to energy consumption, water use, GHG emissions, and financial savings.

#### Time horizon

Medium-term

#### Likelihood

More likely than not

#### Magnitude of impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

1500000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

The potential financial impact to VF is calculated through a partnership with the IFC during CY2018 – CY2019. Through the partnership, participating suppliers are requested to report on annual financial savings that are associated with environment efficiency initiatives that they have implemented through the program. To reach this potential financial impact, reported savings from each facility (ranging from \$500 - \$800,000 depending on the factory) were summed together. While it is not possible to determine if all these savings would be passed on to VF, this number is indicative of the energy savings possible by partnerships with suppliers.

#### Cost to realize opportunity

60000

#### Strategy to realize opportunity and explanation of cost calculation

The VF Responsible Sourcing team and Supply Chain Sustainability team partners with participating suppliers to adopt a more integrated approach to the responsible use of water, chemicals and energy. We collaborate with select suppliers to assist in the installation of energy efficient technologies in their facilities, and we work with others to embed an energy conservation mindset through continuous training programs and other educational resources. We are active participants in the Sustainable Apparel Coalition (SAC) and request tier-1 and tier-2 suppliers to report their energy impacts through the Higg Index. During CY2019, 477 tier-1 and tier-2 VF suppliers adopted the Higg index. Case study: Through the VF/IFC supplier energy efficiency partnership during CY2018 - CY2019, VF supported 18 strategic suppliers located in Vietnam and Bangladesh in reducing their environmental impact and increasing operational efficiency. Through this participation in this program, VF and the IFC have helped suppliers save approximately 285,000,000 MJ of energy, 415,000 m3/year of water, and 30,000 tons of GHG CO2e per year. The cost of management is inclusive of annual SAC fees.

#### Comment

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#### Identifier

Opp4

#### Where in the value chain does the opportunity occur?

Direct operations

#### Opportunity type

Energy source

#### Primary climate-related opportunity driver

Use of lower-emission sources of energy

**Primary potential financial impact**

Returns on investment in low-emission technology

**Company-specific description**

VF has a broad array of facilities under its operational control, including approximately 1300 retail locations, 30+ distribution centers, 140 regional headquarters and offices, and other facilities types across 50 countries. This range of facilities represents an opportunity to reduce our exposure to future fossil fuel price fluctuations by transitioning to lower-emission sources of energy. We have already experienced energy cost savings in some onsite solar arrays; for example, at VF's Vans® brand's headquarters in Costa Mesa, California, a 1 MW carport solar array system generates roughly 50 percent of its energy needs. The system will save millions of dollars and roughly 60,000 MTCO2e over its 20-plus-year lifespan. We anticipate this opportunity will be realized in the medium-long term and increase the resiliency of our operations.

**Time horizon**

Long-term

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We are currently evaluating renewable energy opportunities as part of our goal to source 100% of our electricity from renewable sources in our owned and operated facilities by 2025. We anticipate reporting financial impact figures in upcoming reporting years.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

We have a 'Made for Change' goal to source 100% of our electricity from renewable sources in our owned and operated facilities by 2025. To demonstrate our commitment, we joined RE100 in 2015 and became signatories of the Corporate Renewable Energy Buyers' Principles as of 2016. Our current renewable energy purchases are at 22%, which includes a mix of green tariffs (mostly in Europe), Renewable Energy Credits (from The North Face® and Timberland®), and several onsite solar installations. We are assessing new strategies in FY2020 & FY2021 to determine the most effective way to achieve our goal, including the use of market instruments such as Power Purchase Agreements (direct & virtual PPAs), onsite renewables, green tariffs, and Energy Attribute Certificates.

**Comment**

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**Identifier**

Opp5

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues through access to new and emerging markets

**Company-specific description**

According to research published by Business for Social Responsibility (BSR) and other thought leaders, customers want to be part of the solution to end climate change. Creating products that have a positive impact or reduced impact can meet customers' new demands. VF brands, such as Vans®, Timberland® and The North Face®, innovate products and materials to drive reduced climate impact. Examples include climate beneficial wool and regenerative agriculture, which are not only solutions to our climate change impact challenges, but also have compelling storytelling components from both a social and environmental perspective to attract customers.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

No, we do not have this figure

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

The impact has not been quantified financially.

**Cost to realize opportunity**

**Strategy to realize opportunity and explanation of cost calculation**

At VF, our 2025 goal is to reduce our materials impacts by 35%, set by aggregating goals of each VF brand. In conjunction with the announcement of our approved science-based targets, in FY2020 VF announced a sustainable materials vision that 100% of our top nine materials will originate from regenerative, recycled sources by 2030. Each brand has a slightly different strategy to develop and introduce product lines that both reduce environmental impact and uniquely connect with consumers. For example, during CY2019, the VF Timberland® brand used 96% Leather Working Group (LWG) audited leather, 78% certified BCI and organic cotton, and 68% of their footwear product portfolio is recycled, organic, or renewable. VF's The North Face® brand has continued to expand its Climate Beneficial Wool collection, launched in 2017. Meanwhile, our investments in sustainable design and innovation led to the Napapijiri® brand's Ze-Knit collection. This new technical line of digitally knitted garments meets customers' demand for sustainable apparel and presents a future opportunity for on-demand apparel production at scale. An additional case study of this opportunity is VF's 2018 acquisition of the icebreaker® brand, our first purpose-led acquisition. We're closely aligning our purpose commitment with our Global Business Strategy and innovation agenda to prioritize and accelerate the pursuit of more purpose-led acquisitions, innovations and strategic investments.

**Comment**

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**C3. Business Strategy**

**C3.1**

**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes

**C3.1a**

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative

**C3.1b**

**(C3.1b) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
Other, please specify ('Forces of Change' In-house Scenario Planning )	- How the selected scenario(s) were identified, with reference to the inputs, assumptions and analytical methods used VF conducted a qualitative scenario analysis called "Forces of Change", which included "Neglected Planet" as one of 14 scenarios relevant to our business. While this was not a quantitative scenario analysis, VF Strategy and Sustainability & Responsibility teams reviewed and examined the impacts of climate change on the apparel industry through 2030. - A description of the time horizon(s) considered, and why they are relevant to your organization The scenario analysis assessed the impacts of climate on various aspects of the apparel industry, particularly around how product line offerings may need to evolve with a shifting climate, through 2030. - A description of the areas of your organization that have been considered as part of the scenario analysis Areas included as part of the analysis include regulatory and reputational considerations, product line diversity, and our acquisition / divestiture strategy. - A company specific description summary of the results of the conducted scenario analysis / how the scenario analysis have informed your business objectives and strategy. As a part of our 'Forces of Change' scenario exercise in 2018 which looked at how current macro trends impacts could affect our business by 2030, 'Neglected Planet' was one of 14 scenarios assessed. The scenario looked at VF Corporation as a whole and the global impact each scenario would have on the apparel industry, as well as our own business. Additionally, the scenario planning process has led to a more integrated approach to climate change planning when assessing future acquisitions. In collaboration with the Enterprise Risk Management team, our Sustainability & Responsibility team also plans to explore a more in-depth quantitative research / scenario analysis in the coming two years. - A case study/example of how the results of scenario analysis have directly influenced your business objectives and strategy The "Neglected Planet" scenario analysis emphasized the need for brands to be part of the solution to climate change. For example, offering diversity in product lines, including both summer and winter wear, to reflect a changing climate.

**C3.1d**

**(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Climate change risks could affect products and services through short-, medium-, and long-term impacts to our raw materials and consumer demand for sustainable products. Impacts to raw materials could cause reduced availability of materials, increased costs (which may be passed along to the consumer), and supply chain disruptions or delays. Examples of raw material impacts include: 1) chronic drought may impact the global cotton supply; 2) transitional risks, such as carbon pricing, could impact the pricing of nylon and polyester; 3) acute events (such as hurricanes, flooding, etc.) could impact our distribution processes and cause disruptions or delays. Consumer demand can be affected in various ways. For example, our business is adversely affected by unseasonable weather conditions. A significant portion of the sales of our products is dependent in part on the weather and is likely to decline in years in which weather conditions do not favour the use of these products. Additionally, as a leader in the apparel industry, our products and services could be impacted by reputational concerns if we are not seen as engaging in climate-related issues. Identified climate-related product risks and opportunities have influenced multiple components of the VF business strategy. In order to capitalize on shifts in consumer demand for products with positive environmental and social impacts, VF acquired icebreaker® - our first purpose-led acquisition and the significant strategic decision to date – which strengthens VF’s industry leadership in the use of natural and sustainable performance materials and increasing our product offering for consumers demanding more sustainable goods.
Supply chain and/or value chain	Yes	Climate change is affecting and/or could affect our supply chain in various ways, from physical and transitional impacts, to our raw materials and tier 1 and tier 2 suppliers. Examples medium-and-long-term impacts from raw material include: 1) chronic drought may impact the global cotton supply; 2) transitional risks, such as carbon pricing, could impact the pricing of nylon and polyester; 3) acute events (such as hurricanes, flooding, etc.) could impact our distribution processes and cause disruptions or delays. Our supply chain may be subject to carbon pricing that increases operational costs, which could be passed to VF from our suppliers. Physical risks, such as water scarcity, may affect our tier 1 and tier 2 suppliers and introduce increased reputational risk if local water supplies are seen as unsustainably managed. We also see opportunities to increase resiliency of our supply chain through sustainable purchasing goals (such as our goal to reduce the average impact of our key materials by 35% by 2025; our sustainable materials vision as part of our approved science-based targets that 100% of our top nine materials will originate from regenerative, renewable or recycled sources by 2030 ) and reducing costs through partnerships with key suppliers to increase energy efficiency. Climate-related risks and opportunities in the supply chain have influenced several components of VF’s strategy, including climate policy advocacy and supplier engagement. VF is a member of several industry coalitions and trade organizations that advocate for climate change policy at the national and regional level. Additionally, through membership in the Sustainable Apparel Coalition and use of the Higg FEM, VF actively collaborates with suppliers around the globe on managing their negative environmental impacts to help mitigate potential climate-related risks. The most substantial strategic decision related to climate change to date is VF’s SBTi-approved Science-based Target to reduce scope 3 emissions from Purchased Goods & Services and Upstream Transportation 30% by 2030 from a 2017 baseline.
Investment in R&D	Yes	As a part of VF’s ‘Made for Change’ strategy, climate change plays a key role in our ‘Scale for Good’ pillar. Incorporating climate change into our strategy has been heavily influenced by changing consumer preferences, especially in the outdoor industry, to gain strategic advantage over competitors by offering innovative products with a reduced environmental impact. Investment in R&D represents a significant opportunity to grow our business through new sustainable product lines and materials, as well as new business models in the short-to-medium term. In FY2020, we operated two strategic global innovation centers that focused on technical and performance product development, including sustainable material development. The centers were staffed with dedicated scientists, engineers and designers who combined proprietary insights with consumer needs, and a deep understanding of technology and new materials. Additionally, circular business models present an opportunity for VF to unlock new revenue streams for our brands while continually and meaningfully cutting our environmental impact. They enable us to build better products, extend product life, transform transactions into deeper relationships, and turn waste into value. The recommerce model, also offers our products at a lower price point, which allows new consumers to experience our brands. The launch of VF’s The North Face® brand Renewed circularity website and products has been a significant strategic decision, integrating environmental-related opportunities into our business model.
Operations	Yes	Climate change will have a medium-to-long term impact our operations through both transitional and physical risks. Transitional risks could increase our operational costs, including carbon taxes imposed on our direct operations or supply chain. Physical risks could include temperature extremes, which could increase our operational energy costs to maintain consistent temperatures; sea level risk could impact some of our coastal facilities in the long-term; acute physical events (such as flooding, hurricanes, blizzards, etc.) could increase the probability of disruptions or delays in our direct operations or supply chain. Opportunities associated with VF operations include cost savings through efficiency improvements such as Green Building practices, LED retrofits, sustainable retail design, and renewable energy/low carbon purchases. Climate-related operational risks have been integrated into VF’s Made for Change strategy, resulting in several energy efficiency initiatives, including a company-wide goal to reach 100% renewable energy in its owned facilities by 2025. The most significant strategic decision to date has been VF’s SBTi-approved science-based target to reduce absolute scope 1 & 2 GHG emissions by 55% by 2030, and scope 3 emissions from purchased goods & services and upstream transportation 30% by 2030.

**C3.1e**

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets	Revenues: VF’s Sustainability strategy targeted key areas to drive transformational change and create value for our business, including internal strategies related to circular economy business models. Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term. Direct Costs: Our direct costs may be impacted by transitional risks to our suppliers or fossil-fuel based inputs and physical climate impacts on our raw materials (e.g., drought impacting cotton yields). Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term. Capital Expenditures & Indirect Costs: Rising energy costs and carbon pricing have influenced financial planning for capital expenditures and indirect costs through efficiency efforts, green building design and investments in renewable energy. Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term. Capital Allocation: We seek to grow through acquisitions and incorporate our purpose-led mission as a key consideration in our capital allocation strategy. Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term. Acquisitions & Divestitures: We seek to grow organically, through acquisitions, and incorporate our purpose-led mission as a key consideration in new acquisitions. Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term. Access to Capital: As we seek to grow through acquisitions and new products, our ability to achieve our Global Business Strategy, may impact access to capital in the short-term. Case Study: in FY20 VF announced the closing of its inaugural €500 million green bond offering, representing the first green bond issued in the apparel & footwear industry. Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term. Assets: Climate change may impact the financial viability of assets when assessed through physical risks, including extreme weather events in the medium-to-long term. Time horizons covered in financial planning mechanisms that mitigate these risks are short & medium-term.

**C3.1f**

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

**C4. Targets and performance**



## C4.1

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### (C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

## C4.1a

---

### (C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

**Target reference number**

Abs 1

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2018

**Covered emissions in base year (metric tons CO2e)**

102786

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2031

**Targeted reduction from base year (%)**

55

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

46253.7

**Covered emissions in reporting year (metric tons CO2e)**

97089

**% of target achieved [auto-calculated]**

10.0774247642498

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, this target has been approved as science-based by the Science-Based Targets initiative

**Please explain (including target coverage)**

In CY19 (FY20), the Science-Based Targets Initiative approved VF's target to reduce absolute scope 1 & 2 GHG emissions 55% by 2030 (FY2031) from a CY2017 (FY2018) baseline. We are reporting on all targets in alignment with our new fiscal year. This data was re-baselined to remove Kontoor emissions post-divestiture and include new brand acquisitions. In FY20, we reduced our scope 1 & 2 emissions 5.5% since FY18, which is approximately 10% of our goal to reduce emissions by 55%.

---

**Target reference number**

Abs 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 3 (upstream)

**Base year**

2018

**Covered emissions in base year (metric tons CO2e)**

4617014

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2031

**Targeted reduction from base year (%)**

30

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

3231909.8

**Covered emissions in reporting year (metric tons CO2e)**

4617014

**% of target achieved [auto-calculated]**

0

**Target status in reporting year**

New

**Is this a science-based target?**

Yes, this target has been approved as science-based by the Science-Based Targets initiative

**Please explain (including target coverage)**

In CY19 (FY20), the Science-Based Targets Initiative approved VF's target to reduce absolute scope 3 GHG emissions from purchased goods & services and upstream transportation 30% by 2030 (FY2031). We are reporting on all targets in alignment with our new fiscal year. Because of supplier reporting cycles that occur later in the year, we are reporting our baseline (CY2017/FY2018) as we collect information to update our FY20 data.

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**C4.2****(C4.2) Did you have any other climate-related targets that were active in the reporting year?**

Target(s) to increase low-carbon energy consumption or production

---

**C4.2a****(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.****Target reference number**

Low 1

**Year target was set**

2017

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Please select

**Target denominator (intensity targets only)**

&lt;Not Applicable&gt;

**Base year**

2018

**Figure or percentage in base year**

20.3

**Target year**

2026

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

22.4

**% of target achieved [auto-calculated]**

2.63488080301129

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Yes, this target contributes to Abs1 (our Science-Based Target to reduce absolute scope 1 &amp; 2 GHG emissions 55% by 2030 (FY2031) from a CY2017 (FY2018) baseline.

**Is this target part of an overarching initiative?**

RE100

**Please explain (including target coverage)**

We are reporting on all targets in alignment with our new fiscal year. VF is a member of RE100 and has a commitment to use 100% renewable energy at all owned and operated facilities globally by 2025. Currently, 22.4% of our electric power originates from renewable energy sources.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	2	75500
Implemented*	16	11213
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

11212.75

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

44727

Payback period

No payback

Estimated lifetime of the initiative

Ongoing

Comment

Includes 14 new green tariffs and 2 unbundled REC purchases. Investment is reflective of unbundled REC purchases (additional costs for green tariffs unavailable or no additional cost).

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	Financial analysis is a key part of all projects requiring capital expense.
Compliance with regulatory requirements/standards	VF supplies energy and other data as required by the regulatory requirements in the areas of our operations.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

## C5. Emissions methodology

---

### C5.1

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

#### Scope 1

**Base year start**

April 1 2017

**Base year end**

March 31 2018

**Base year emissions (metric tons CO2e)**

23678

**Comment**

We have rebaselined our FY2018 data to reflect our updated organizational structure in alignment with the GHG Protocol. These include removing recent divestitures and adding newly acquired brands.

#### Scope 2 (location-based)

**Base year start**

April 1 2017

**Base year end**

March 31 2018

**Base year emissions (metric tons CO2e)**

92734

**Comment**

We have rebaselined our FY2018 data to reflect our updated organizational structure in alignment with the GHG Protocol. These include removing recent divestitures and adding newly acquired brands.

#### Scope 2 (market-based)

**Base year start**

April 1 2017

**Base year end**

March 31 2018

**Base year emissions (metric tons CO2e)**

79109

**Comment**

We have rebaselined our FY2018 data to reflect our updated organizational structure in alignment with the GHG Protocol. These include removing recent divestitures and adding newly acquired brands.

### C5.2

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**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

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### C6.1

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**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

17379

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

The reported figure is gross emissions. When accounting for carbon offsets (used in goal reporting), our FY20 emissions were 16,491 metric tons CO2e.

## C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

### Row 1

#### Scope 2, location-based

We are reporting a Scope 2, location-based figure

#### Scope 2, market-based

We are reporting a Scope 2, market-based figure

#### Comment

## C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

### Reporting year

#### Scope 2, location-based

94943

#### Scope 2, market-based (if applicable)

80598

#### Start date

<Not Applicable>

#### End date

<Not Applicable>

#### Comment

## C6.4

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

## C6.5

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

### Purchased goods and services

#### Evaluation status

Relevant, calculated

#### Metric tonnes CO2e

4036757

#### Emissions calculation methodology

Emissions were calculated using primary energy data reported from strategic Tier 1 & 2 suppliers through the Sustainable Apparel Coalition (SAC) Higg FEM and MSI Index. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

#### Percentage of emissions calculated using data obtained from suppliers or value chain partners

80

#### Please explain

## Capital goods

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

887491

### Emissions calculation methodology

Financial information for capital goods was obtained from the annual SEC 10k disclosures and evaluated using the Carbon Trust modelling tool. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Financial information for capital goods was obtained from the annual SEC 10k disclosures and evaluated using the Carbon Trust modelling tool. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

31185

### Emissions calculation methodology

Financial information for fuel-and-energy-related activities was calculated using scope 1 & 2 emissions data and average global upstream emission factors. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

741043

### Emissions calculation methodology

Supply chain logistics data was obtained on air, rail and road transport modes and emission factors were used from Carbon Trust's life cycle inventory. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Waste generated in operations

### Evaluation status

Not relevant, calculated

### Metric tonnes CO<sub>2</sub>e

2042

### Emissions calculation methodology

Waste generated was tracked and collected in our owned and operated sites and emission factors applied from Carbon Trust. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

38242

### Emissions calculation methodology

Business travel was tracked and collected by our travel agency and emission factors were applied from Carbon Trust based on CY17 (FY18) data.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

84372

### Emissions calculation methodology

Emissions were calculated by using average employee distance and vehicle types, total number of employees, and global employee commuting emission factors. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Upstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

VF does not have any upstream leased assets that are not already included in our scope 1 & 2 inventory.

## Downstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

131626

### Emissions calculation methodology

Supply chain logistics data was obtained on air, rail and road transport modes and emission factors were used from Carbon Trust's life cycle inventory. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

According to apparel sector guidance for Science-Based Targets from the Science-based Targets Institute, the processing of sold products is not a relevant scope 3 category for our industry. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

## Use of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

631520

### Emissions calculation methodology

Inputs such as total products sold, consumer washing behaviors, and product durability were used in conjunction with LCA data on average emissions per wash/dry cycle and extrapolated to all units sold. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

116792

### Emissions calculation methodology

Financial information on total products sold was collected from financial disclosures and emission factors were applied by Carbon Trust. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

VF does not have any downstream leased assets that are not already included in our scope 1 & 2 inventory.

## Franchises

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

49994

### Emissions calculation methodology

Franchise emissions were calculated using revenue from licensed goods partners (the franchisee) to allocate emissions on a tCO2e/dollar revenue basis, using VF Corp's own value chain emissions to calculate a representative tCO2e/dollar revenue. Licensed goods revenue was obtained from the annual SEC Form 10-K disclosures. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Investments

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

85586

### Emissions calculation methodology

Financial information on investments for CY2017 was input into a 3rd party tool that calculates value chain emissions based on financial data. Data is specific to CY2017, the last year data was available as part of our approved Science-based Target submitted in CY2019. Moving forward, VF will adjust to an annual scope 3 update of purchased goods & services and upstream transportation. Other non-material categories will be periodically reviewed for updates.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

## Other (upstream)

### Evaluation status

Please select

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain



**Other (downstream)**

**Evaluation status**

Please select

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

C6.7

**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

C6.10

**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.00000926

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

97089

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

10488556000

**Scope 2 figure used**

Market-based

**% change from previous year**

6.8

**Direction of change**

Decreased

**Reason for change**

Emissions decreased by 4.7% while revenue increased by 2.2%, leading to a 6.8% intensity reduction (metric tons / unit revenue). Some emission reductions can be attributed to new projects implemented in FY19 (including new green energy contracts and unbundled REC purchases).

C7. Emissions breakdowns

C7.1

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

C7.1a

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	17366	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	6	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	7	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	0	IPCC Fifth Assessment Report (AR5 – 100 year)

## C7.2

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Asia, Australasia	193
Europe, Middle East and Africa (EMEA)	1896
Latin America (LATAM)	1051
North America	14239

## C7.3

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

### C7.3c

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Distribution Centers	3939
Transportation	1490
Manufacturing	1396
Office	7417
Other	999
Residential	0
Retail	2138

## C7.5

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Asia, Australasia	14437	14395	23895	0
Europe, Middle East and Africa (EMEA)	11607	5919	42390	26283
Latin America (LATAM)	27551	27551	66675	0
North America	41348	32733	128282	32080

## C7.6

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

### C7.6c

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Distribution Centers	22437	20736
Manufacturing	26166	26526
Office	11695	11228
Other	3382	3157
Residential	67	74
Retail	31196	18877

C7.9

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	2613	Decreased	2.6	Of the 4.7% decrease seen from FY19 to FY20, additional renewable energy contributed to 2.6% of the decrease. Additional renewable energy consumption is calculated from green energy tariffs beginning in FY20 and net additional REC purchases. Green tariffs beginning in FY20 resulted in -1388 metric tons CO2e in FY20. REC purchases in FY19 equated to 9,313 metric tons CO2e and purchases in FY20 equated to 10,538 metric tons CO2e. The net additional reductions from RECs is therefore -10,538- -9,313=-1,225. This equates to a total change in renewable energy consumption of 2,613 (-1,225 metric tons CO2e from additional RECs + -1,388 metric tons CO2e green tariffs). The emission value is calculated by the emission reduction activities divided by FY2019 (101926 metric tons CO2e): -2613/101926=-2.6% decrease.
Other emissions reduction activities	954	Decreased	0.9	Of the 4.7% decrease seen from FY19 to FY20, other emission reduction activities contributed to 0.9% of the decrease. Reduction activities implemented in CY2018/FY2019 resulted in approximately 954 metric tons CO2e reduction in FY20. The emission value is calculated by the emission reduction activities divided by FY2019 (101926 metric tons CO2e): -954/101926=-0.9% decrease.
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output	3101	Decreased	3	Additional facilities opened within our boundary (changes in output) contributed to a 3% decrease from FY19 to FY20. Changes in output was calculated by taking emissions from all new stores in FY20 subtracted by representative emissions of stores closed in FY19/FY20. This resulted in a net 3,101 metric tons CO2e reduction in FY20. The emission value is calculated by the emission reduction activities divided by FY2019 (101926 metric tons CO2e): -3101/101926=3.0% decrease.
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions		<Not Applicable >		
Unidentified	1830	Increased	1.8	"Unidentified" emissions activity is calculated by taking the absolute change and other activities (-4,838 metric tons absolute change + 2613 metric tons CO2e renewable energy + 954 metric tons CO2e from emission reduction activities + 3,101 metric tons CO2e from change in output) = 1,830 metric tons CO2e. The emission value is calculated by the emission reduction activities divided by FY2019 (101926 metric tons CO2e): 1,830/101926=1.8% increase from unidentified sources.
Other		<Not Applicable >		

C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

C8. Energy

C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	Yes

**C8.2a**

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	85105	85105
Consumption of purchased or acquired electricity	<Not Applicable>	55027	202590	257617
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	195	195
Consumption of purchased or acquired cooling	<Not Applicable>	0	95	95
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	3335	<Not Applicable>	3335
Total energy consumption	<Not Applicable>	58362	287986	346348

**C8.2b**

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	No
Consumption of fuel for the generation of heat	No
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

5703

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

253.2278

**Unit**

kg CO2e per MWh

**Emissions factor source**

US EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013

**Comment**

---

**Fuels (excluding feedstocks)**

Petrol

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

626

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

240.4664

**Unit**

kg CO<sub>2</sub>e per MWh

**Emissions factor source**

US EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013

**Comment**

---

**Fuels (excluding feedstocks)**

Jet Gasoline

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

22525

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

246.4324

**Unit**

kg CO<sub>2</sub>e per MWh

**Emissions factor source**

The Climate Registry 2018 Gen. Reporting Protocol - USA Transport

**Comment**

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**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

1372

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

---

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

211.4291

**Unit**

kg CO2e per MWh

**Emissions factor source**

US EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013

**Comment**

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**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

54598

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

181.23511

**Unit**

kg CO2e per MWh

**Emissions factor source**

US EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013

**Comment**

---

**Fuels (excluding feedstocks)**

Propane Gas

**Heating value**

HHV (higher heating value)

**Total fuel MWh consumed by the organization**

281

**MWh fuel consumed for self-generation of electricity**

<Not Applicable>

**MWh fuel consumed for self-generation of heat**

<Not Applicable>

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

215.3872

**Unit**

kg CO2e per MWh

**Emissions factor source**

US EPA MRR Final Rule (40 CFR 98) - Commercial Sector 2013

**Comment**

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C8.2d

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(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3335	3335	3335	3335
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

## C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

### Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

### Low-carbon technology type

Solar

### Country/region of consumption of low-carbon electricity, heat, steam or cooling

United States of America

### MWh consumed accounted for at a zero emission factor

3031

### Comment

Includes several onsite solar systems.

### Sourcing method

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

### Low-carbon technology type

Solar

### Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe, Middle East and Africa (EMEA)

### MWh consumed accounted for at a zero emission factor

304

### Comment

Includes several onsite solar systems.

### Sourcing method

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

### Low-carbon technology type

Low-carbon energy mix

### Country/region of consumption of low-carbon electricity, heat, steam or cooling

Europe, Middle East and Africa (EMEA)

### MWh consumed accounted for at a zero emission factor

28283

### Comment

Includes many green tariffs in Europe supported by energy attribute certificates.

### Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

### Low-carbon technology type

Low-carbon energy mix

### Country/region of consumption of low-carbon electricity, heat, steam or cooling

United States of America

### MWh consumed accounted for at a zero emission factor

26744

### Comment

Includes two unbundled REC purchases in the USA.

## C9. Additional metrics

### C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

## C10. Verification

### C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

### C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

## C11. Carbon pricing

### C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

### C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

Yes

### C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

**Credit origination or credit purchase**

Credit purchase

**Project type**

Forests

**Project identification**

Carbon offsets US Forestry Projects verified to the Climate Action Reserve standard.

**Verified to which standard**

CAR (The Climate Action Reserve)

**Number of credits (metric tonnes CO2e)**

1147

**Number of credits (metric tonnes CO2e): Risk adjusted volume**

1147

**Credits cancelled**

Yes

**Purpose, e.g. compliance**

Voluntary Offsetting

### C11.3



**(C11.3) Does your organization use an internal price on carbon?**

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

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**C12. Engagement**

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**C12.1**

**(C12.1) Do you engage with your value chain on climate-related issues?**

Yes, our suppliers

Yes, other partners in the value chain

---

**C12.1a**

**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Information collection (understanding supplier behavior)

**Details of engagement**

Collect climate change and carbon information at least annually from suppliers

**% of suppliers by number**

50

**% total procurement spend (direct and indirect)**

80

**% of supplier-related Scope 3 emissions as reported in C6.5**

58

**Rationale for the coverage of your engagement**

As part of our strategy to reduce our supply chain impacts, we are an active member of the Sustainable Apparel Coalition (SAC). We engage with the SAC to better understand persistent barriers to progress, stay ahead of opportunities, and create and share best practices. As part of this engagement, we request tier-1 and tier-2 suppliers to report their energy and water impacts through the Higg Index Facility Environmental Module (FEM) on an annual basis.

**Impact of engagement, including measures of success**

During CY2019, 477 tier-1 and tier-2 suppliers completed the Higg index FEM self-assessment. Measures of success include increased adoption of the Higg Index FEM, increased supplier verification, and improvements on supplier performance plans.

**Comment**

As noted in C0.2, the reporting scope of this disclosure is for FY2020 and data from FY2020 is provided whenever possible, unless otherwise noted. Due to a variety of circumstances, certain data and information is only available on a calendar year timeframe and is noted as such when disclosed.

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**C12.1d**

**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

VF engages with smallholders on climate-related issues related to deforestation and regenerative agriculture. VF's *Timberland*® brand is working with a number of organizations as part of its Plant the Change Initiative. Partnering with seven global organizations, *Timberland*® has a goal to plant 50 million trees around the world in the next 5 years.

Specific to smallholders, VF's *Timberland*® brand works with the Smallholder Farmers Alliance (SFA), an organization that works to feed and reforest a renewed Haiti using a new agroforestry model in which smallholders plant trees to earn credits that they exchange for seed, tools, training and other agricultural and community services. Since 2010, this has resulted in close to 7.5 million trees in Haiti.

*Timberland*® also works with Trees for the Future, an organization that works to improve the livelihoods of impoverished farmers by revitalizing degraded lands. To do so, they provide farmers with seeds, technical training, and on-site planning assistances. We are also partnering with Trees for the Future to educate and empower farmers in Kenya and Senegal to plant trees around their crops to increase their yields so they can make a better living.

We are also working with transformative organizations that connect our brands to smallholders to support regenerative agriculture. Regenerative agriculture builds soil fertility, sequesters carbon, protects watersheds, and facilitates biodiversity. VF's *Timberland*® brand engages with smallholders through a partnership with the Savory Institute, which facilitates large-scale regeneration of the world's grasslands through Holistic Management.

Through this partnership (announced in FY21), VF's *Timberland*® brand is working to identify, aggregate and connect early-adopter regenerative ranches with large-scale tannery partners to help build a regenerative supply chain for the footwear and apparel industry. In Fall 2020, the *Timberland*® brand will launch a collection of boots made with leather from verified regenerative ranches sourced through Savory's Minnesota Hub, Thousand Hills Lifetime Grazed.

**C12.3**

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**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations

**C12.3a**

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**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Clean energy generation	Support	VF has engaged directly with both State and Federal legislators on clean energy topics.	VF's <i>Timberland</i> ® brand directly supported legislature in New Hampshire that would allow businesses to participate in group net metering above one megawatt. VF's <i>The North Face</i> ® brand advocated for climate policy, including clean energy, climate policy, and electric vehicle legislation, at the state and national level.

**C12.3b**

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**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

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**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

Sustainable Apparel Coalition

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Sustainable Apparel Coalition (SAC) was founded by a group of sustainability leaders from global apparel and footwear companies, including VF, who recognize that addressing our industry's current social and environmental challenges are both a business imperative and an opportunity. The SAC's vision is an apparel and footwear industry that produces no unnecessary environmental or social harm and has a positive impact on the people and communities associated with its activities. Through multi-stakeholder engagements, the SAC seeks to lead the industry toward a shared vision of sustainability built upon a common approach for measuring and evaluating apparel and footwear product sustainability performance that will spotlight priorities for action and opportunities for technological innovation. In 2012, the SAC launched the Higg Index on a global scale to create a common global framework for assessing product level sustainability.

**How have you influenced, or are you attempting to influence their position?**

VF is a founding member of the Sustainable Apparel Coalition (SAC) and the VF Vice President of Global Sustainability and Responsibility is the chair of the SAC Board. Several members of the VF Sustainability and Responsible Sourcing teams actively engage with the SAC as committee members on a regular basis; VF also provides additional financial support to advance SAC initiatives that reduce climate-related impacts where relevant.

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**Trade association**

Outdoor Industry Association

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Outdoor Industry Association (OIA) is committed to helping our industry identify and implement best practices in environmental and social responsibility. We recognize the critical role that collaboration plays in these efforts. In 2007, OIA established the OIA Sustainability Working Group (SWG), the result of several leading outdoor companies recognizing that they could make meaningful progress by working together on shared issues throughout their global supply chains. As of FY2020, VF's The North Face® brand, Smartwool® brand, and Timberland® brand remain actively involved in the OIA SWG, which has recently been renamed the OIA Climate Action Corps.

**How have you influenced, or are you attempting to influence their position?**

The VF Vice President of Global Sustainability and Responsibility is a member of OIA's Sustainable Business Innovation Board Committee, and many employees across the VF enterprise actively work with the OIA to advance policies that reduce climate-related impacts where relevant. Additionally, as a member of the OIA Climate Action Corps, participating VF Brands join more than 80 outdoor industry companies in measuring, reducing, and sharing their GHG emissions reduction initiatives.

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**C12.3f**

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

VF senior leadership is engaged and supportive of our Climate Change policy engagement. VF's Sustainability and Responsibility team coordinates efforts with Corporate Communications and our Government Affairs teams and other key stakeholders before engaging. Therefore, any participation is evaluated for alignment and support of VF's own internal position regarding climate change and our understanding of risks and opportunities defined by our climate change strategy. If a particular engagement poses a potential conflict with our internal position, VF will address the engagement opportunity on a case-by-case basis engaging with Corporate Communications, Government Affairs, and Sustainability functions, and is ultimately approved by the Executive Leadership Team.

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**C12.4**

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

VF FY20 10k.pdf

**Page/Section reference**

Strategy: Pg 8 Emission targets: Pg 8 Other Metrics: Pg 8

**Content elements**

Strategy  
Emission targets  
Other metrics

**Comment**

VF publishes information on its sustainability strategy, emission targets, and other metrics (renewable energy, sustainable material targets and innovations) within our annual mainstream report.

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**Publication**

In voluntary sustainability report

**Status**

Underway – previous year attached

**Attach the document**

VF+2018+Made+for+Change+report.pdf

**Page/Section reference**

Governance: pg 27 Strategy: pg 7-9 Emissions targets: Pg 9 Other metrics: pg 9 Emissions figures: pg 40

**Content elements**

Governance  
Strategy  
Emissions figures  
Emission targets  
Other metrics

**Comment**

VF currently publishes CSR (Sustainability & Responsibility) reports on a biennial basis. Our 2018 report, published in December 2019, is included as the latest publication. We plan to publish our next sustainability report in the fall of 2021.

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**C15. Signoff**

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**C-FI**

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**(C-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.**

**C15.1**

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**(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	Vice President, Global Sustainability and Responsibility	President

**SC. Supply chain module**

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**SC0.0**

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**(SC0.0) If you would like to do so, please provide a separate introduction to this module.**

**SC0.1**

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(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	10488556000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	US	US91820410

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	Our manufacturing facilities produce goods across several brand lines. Allocation of unit operations, and their emissions, is a hurdle that VF has not yet overcome, but expects to in the near future.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

In the near future, VF aims to develop internal procedures and data streams to track how different brand products are manufactured and pass through the supply chain. Once VF is able to allocate those products to specific emissions (Scope 1, 2 or 3), then we will be better informed to report customer allocations.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

Please select

SC3.1

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(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?

No

SC3.2

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(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?

No

SC4.1

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(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

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In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms