



## Responsible Recruitment and Anti-Forced Labor Commitment

### Overview

Traditional thinking says the bigger the business, the greater its negative impact. We believe we create more shared value for our stakeholders by using our global scale as a force for good in the world.

We believe in using our size and influence to lead the transformation needed in our industry and to help address the industry's biggest challenges – climate change, materials and worker well-being.

We are diligently driving workplace standards so no worker has to risk their dignity, health or life to work in the apparel supply chain. We are empowering workers to pursue better lives for themselves and their families. Together, these efforts will help us build a thriving, productive workforce.

VF Corporation prohibits the use of all forms of modern slavery, including forced labor, in all direct operations and all contracted operations of our supply chain. Forced labor is defined as all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily<sup>1</sup>. Forced labor includes bonded labor, indentured servitude, involuntary labor, commercial sexual exploitation, forced child labor, state-imposed forced labor, and human trafficking.

We recognize that unethical recruitment practices, including recruitment fees and related costs charged to migrant workers, along with deceptive recruitment practices, may be enablers of forced labor. In line with our Human Rights Commitment and as part of our prohibition on forced labor, we prohibit worker-paid recruitment fees and related costs at VF contracted factories.

We are committed to mitigating the risks of forced labor in our value chain. Our Global Compliance Principles, Terms of Engagement and Factory Compliance programs underpin our commitment. In addition, we take the necessary steps to prevent, investigate, and remediate all incidences of forced labor if found in our value chain.

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<sup>1</sup> ILO, Forced Labor Convention, 1930 (No. 29) The Definition of Forced Labor:  
<https://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm>



## Relevant Policies

As one of the largest apparel, footwear and accessories companies in the world, the VF global supply chain spans approximately 50 countries and thousands of contract suppliers. We have strict standardized supplier engagement procedures when selecting new business partners, including a review of the supplier's ethical standards and business practices to validate the supplier's practices are aligned with our supplier requirements. We require all contractors, suppliers and agents, to comply with legal requirements applicable to their operations and employment. We explicitly state our requirements within the following policies and principles, which prohibit the use of forced or involuntary labor:

- VF's [Code of Business Conduct](#) sets forth business policies and principles for all directors, officers and associates of VF and is designed to help VF conduct business with the highest standards.
- VF's [Global Compliance Principles](#), available in multiple languages, sets forth the minimum requirements that must be met in order to do business with VF. These principles also apply to *all facilities that produce goods for VF Corporation, including facilities owned and operated by VF and its contractors, agents and suppliers.*
- [VF's Facility Guidelines](#) are a step-by-step guide that provides direction for VF contract facilities to assist in compliance with VF's Factory Compliance Audit Program. This document is updated annually, providing clear requirements for VF's global audits. In accordance with the Guidelines, contract facilities may not use involuntary, forced or indentured labor. The Guidelines lay out clear guidance for identifying forced labor through key indicators, including fees and expenses, contracts of employment, wages and benefits, identity documents, and freedom of movement.
- VF's [Terms of Engagement](#) make clear that, taking into account differences in cultures and legal requirements, as well as the fair treatment of workers, VF expects that wherever our products are manufactured, they will be manufactured without the use of forced labor.
- VF's [North Korean Labor Prohibition](#) states that Authorized Facilities and their supply chains may not use North Korean labor located anywhere, including outside of North Korea, unless it can be demonstrated by the Authorized Facility, to VF's satisfaction and in advance, that any North Korean citizen employed in making the goods is not subject to conditions of forced labor.
- VF's [Cotton Fiber Sourcing Policy](#) prohibits the sourcing of cotton from Uzbekistan and Turkmenistan due to child labor, forced labor, and forced child labor concerns. All VF cotton suppliers are required to certify that production of VF products do not use cotton originating from these countries. VF verifies compliance with our policy by conducting audits at Tier 3 raw material suppliers that source lint cotton.
- VF's [Human Rights Commitment](#) outlines VF's undertaking to respect human rights, and remedy violations, in accordance with the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises and other applicable OECD guidance.



## Responsible Recruitment at VF Contract Factories

Workers at VF contract factories may not be charged any fee or cost related to their recruitment, directly or indirectly, in whole or in part. We support the [Dhaka Principles for Migration with Dignity](#) to enhance respect for the rights of migrant workers from the moment of recruitment, during employment and through further employment or safe return to their home country.

We believe and fully support the “Employer Pays Principle” and its implementation by our global supply chain partners by 2026. In line with the [ILO Definition on Recruitment Fees and Related Costs](#), along with Principle One of the Dhaka Principles for Migration with Dignity, the Employer Pays Principle is defined such that no worker will pay for a job – the cost of recruitment must be borne by the employer, not the worker. Recruitment fees and related costs to secure employment or placement, regardless of the manner such fees are imposed or collected, include; medical, insurance, skills and qualification testing, training and orientation, equipment, travel and lodging, return to home country, and administrative costs, when such fees are associated with recruitment.

Workers must have unrestricted and immediate access to their identification and immigration documents. We strictly prohibit confiscating, destroying, withholding or otherwise denying worker’s access to their identity or immigration documents, including work permits and travel documentation (i.e., passports).

We believe workers should have the freedom to enter and leave work facilities as they please. Workers’ freedom of movement should not be unreasonably restricted. Unreasonable restriction includes being physically confined to the workplace or related premises. Mandatory residence in employer-provided or arranged facilities may not be made a condition of employment unless required by law.

Migrant workers must be free to return to their home country during periods of annual or personal leave without having to pay any form of deposit and be free of the threat of termination or other penalties. In those cases where associates return home during their annual leave, we require the facilities to allow workers to return without repercussions, including termination. The VF supplier may not prevent any migrant worker from contacting their country’s Embassy or Consulate.

We believe factories have a responsibility to provide workers with clear workplace expectations and benefits. By the end of 2020, all written contracts of employment must be provided to migrant workers in a language they understand, clearly indicating their rights and responsibilities and conditions of employment, including wages, benefits, working hours,



locations of the work, living conditions, housing and associated costs, work-related hazards, and other working and employment conditions. Such employment contracts are required to be provided to the migrant worker prior to departure from their country of origin. Contract substitution upon arrival is prohibited.

In an effort to gain alignment with our philosophies and requirements, we prioritize supporting our partners through training and guidance regarding responsible recruitment.

### Partnerships and Multi-stakeholder Initiatives

We are proud of the changes we have been able to make at our partner facilities, yet we know there is more work to be done. We know that we cannot solve the issue of forced labor alone. Aligned with our ideology of using our scale for good, we believe we have a responsibility and an opportunity to participate in sectoral dialogue regarding the mitigation and prevention of forced labor. Currently, we participate in several forums and partnerships with international organizations, industry associations and civil society groups.

Relating to Sustainable Development Goals 8, 10 and 17, we participate in industry-wide initiatives and partnerships that play an important role in combatting, and sustainably ending, forced labor in global supply chains. In addition to our relevant policies that promote human rights throughout the supply chain, our commitments align with, and our leaders actively participate in, the following initiatives:

- [Commitment for Responsible Recruitment](#): We are a signatory to the American Apparel and Footwear Association (AAFA) and Fair Labor Association (FLA)'s industry-wide effort.
- [Mekong Pledge](#): We are a signatory to the Mekong Club's "The Business Pledge Against Modern Slavery." Through this pledge, we acknowledge that modern slavery is a business issue and that businesses have a responsibility to address it and influence positive change. As part of the pledge, we collect and share relevant information to inform business decisions, promote education and training, and contribute to the development of tools to help prevent and raise awareness of address modern slavery.
- [International Labor Organization's \(ILO\) Global Business Network on Forced Labor](#) (GBNFL): We are a member of the GBNFL which brings together the ILO and businesses of all sizes and sectors from around the globe to eradicate forced labor.
- [International Organization for Migration \(IOM\)](#): We partner with the IOM's [Corporate Responsibility in Eliminating Slavery and Trafficking \(CREST\)](#) initiative. With IOM support, we envision the project will develop gender-sensitive guidance, tools and training materials modeled on international and VF standards to enable our team, our supplier partners and associated labor recruiters to carry out due diligence, address risks and remediate recruitment-related violations throughout our global supply chain.



## Human Rights Due Diligence

We can't fix what we don't know. Our social compliance audits are complemented with human rights due diligence. We implement a due diligence framework, in line with international standards, that uses an evidence-based approach to identify and prioritize forced labor risks.

We partner with human rights experts and stakeholders, nationally and internationally, to conduct assessments of salient human rights concerns within our sphere of influence. We conduct regular human rights risk assessments, inclusive of forced labor, that help guide how our teams identify and prioritize, prevent, mitigate, and remediate efforts. We conduct targeted research to inform policies and actions. For example, throughout 2020 we will implement two important risk scoping assessments, the first covering forced labor risks across all levels throughout our global supply chain, and the other focusing on labor rights risks, inclusive of forced labor, in key commodity supply chains, including cotton, rubber, leather, wool, and down.

We believe in and are committed to transparency. Our [factory map](#), updated quarterly and available at [www.vfc.com](http://www.vfc.com), displays all VF-owned and operated and direct-sourced Tier 1 facilities, including value-added operations subcontracted by tier 1 vendors. We are increasing the transparency of our supply chain by providing additional information for contract factories, including the percentage of migrant workers at each location. Similarly, our in-depth [traceability program](#) provides the necessary visibility into supply chain risks, which empowers our teams to more proactively address potential human rights concerns.

## Monitoring

We conduct [Factory Compliance Audits](#) that include initial, follow-up, and annual audits at all in-scope factories.

Our auditors review supplier compliance with VF forced labor policies and compliance requirements. Factories are audited across a range of compliance areas, including labor practices (and forced labor identification), payroll and wage practices, social benefits, work hours, working environment, subcontracting, and dormitories. As we strive for continuous improvement, we employ applications and technology, such as the Mekong Club's Apprise Audit, to individually and collectively engage workers that enhance our ability to uncover forced labor risks.

In order for a factory to produce products for VF, the facility must meet our standards. The VF Factory Compliance team evaluates all factories prior to entering into a business relationship. If the factory is found to have critical issues of non-compliance with VF's factory requirements,



we will not conduct business with the factory. If an existing factory does not meet our standards, it is placed on a Corrective Action Plan (CAP), which includes the requirement of expeditious remediation, potentially including additional training for the supplier. Continuous improvement must be made against all CAP items for the factory to remain a VF supplier. Forced labor is considered a critical violation of VF standards.

We are proud of the work to date and know we have more traceability work to do deeper in our supply chain. We are increasing factory audits and capacity-building at Tier 2 facilities, as defined as key material suppliers of textiles, leather and polymers.

### **Training and Capacity Building**

We empower our associates with the tools to make assessments efficiently. Our associates are required to complete online and facilitator-led training regarding the VF Code of Business Conduct during their first 30 days of employment and execute an agreement to abide by its principles. For associates and management who have direct responsibility for monitoring, auditing and enforcing the Global Compliance Principles, we provide additional training conducted by our internal experts and/or a third party. Training includes methods for identifying forced labor.

As an IOM partner, we are enhancing forced labor training for each individual and team that travels to VF suppliers, including training relating to labor migration, migrant worker vulnerabilities and international recruitment standards.

### **Ethics Hotline**

As we previously stated, no worker should have to risk their dignity, health or life to work in the apparel supply chain. We are empowering workers to pursue better lives for themselves and their families.

We believe our efforts will help us build a thriving, productive workforce within our industry and beyond.

We welcome input from all stakeholders, especially the workers throughout our supply chain. For questions or concerns regarding human rights related to our operations or products, our [Ethics Helpline](#) is available to all of our stakeholders, 24 hours per day, seven days per week, in every country where VF operates and in over 150 languages.