VF Corporation - Water Security 2022

W0. Introduction

W0.1

(W0.1) Give a general description of 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. Our largest brands are *Vans®, The North Face®, Timberland®* and *Dickies®.*

Unless otherwise noted, all information disclosed, including amounts and percentages, reflect the results of operations and financial condition of VF's continuing operations. The Occupational Workwear business, sold on June 28, 2021, and the Jeans business, subject to the spin-off completed May 22, 2019, have been excluded. On December 28, 2020, VF acquired 100% of the outstanding shares of Supreme Holdings, Inc.

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 46% of VF’s total fiscal 2022 revenues. In addition to selling directly into international markets, many of our brands also sell products through licensees, agents and distributors. In fiscal 2022, VF derived 57% of its revenues from the Americas region, 29% from the Europe region and 14% 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.

W0.2

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

	Start date	End date
Reporting year	April 1 2021	March 31 2022

W0.3

(W0.3) Select the countries/areas in which you operate.

Australia
Austria
Bangladesh
Belgium
Brazil
Cambodia
Canada
China
Czechia
Denmark
Dominican Republic
El Salvador
France
Germany
Greece
Honduras
Hong Kong SAR, China
India
Indonesia
Ireland
Israel
Italy
Japan
Malaysia
Mexico
Netherlands
New Zealand
Nicaragua
Norway
Panama
Poland
Portugal
Puerto Rico
Republic of Korea
Russian Federation
Singapore
Spain
Sweden
Switzerland
Taiwan, China
Turkey
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

W0.4

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

USD

W0.5

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

Companies, entities or groups over which operational control is exercised

W0.6

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

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	US91820410

W1. Current state

W1.1

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

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Not very important	Vital	In our direct use, sufficient amounts of good quality freshwater available for use is not a very important input, as defined by CDP, for our direct business operations. This importance rating was chosen because the primary use of good quality freshwater in VF facilities (e.g., offices, retail, and distribution centers, etc.) is for water, sanitation, and hygiene (WASH) services. Access to sufficient amounts of good quality freshwater is still a local issue in some regions where we operate and is therefore, in this regard, important to VF; however, it is not a key component of our direct business operations. This importance rating for direct use is unlikely to change for VF's existing facilities; however, future mergers and acquisitions may alter VF's operational dependency on freshwater. In our indirect use, sufficient amounts of good quality freshwater available for use is a vital input, as defined by CDP, within the VF supply chain as access to good quality freshwater is a key component of growing raw materials and some supplier operations. This importance rating was chosen because the primary use of good quality freshwater in our indirect operations includes, cultivation of cotton crops, key supplier operations (e.g. dying), and worker health and sanitation. Lack of access to sufficient amounts of freshwater could compromise future production and possibly increase the cost of goods sold (COGS) for VF. The importance rating for indirect use is unlikely to change for VF's existing business segments and product lines, however, future mergers and acquisitions may alter VF's dependency on freshwater.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not important at all	Neutral	In our direct use, the availability of recycled, brackish, and/or produced water is not important at all, as defined by CDP, to VF direct operations. This importance rating was chosen because following the successful spin-off of the Jeanswear business segment in 2019, recycled, brackish, and/or produced water is no longer used as an input in our direct operations. The importance rating for direct use is unlikely to change for VF's existing owned-and-operated assets; however, future mergers and acquisitions may alter VF's operational use of recycled, brackish, and/or produced water. In our indirect use, the availability of recycled, brackish, and/or produced water is neutral, as defined by CDP, for VF indirect operations. This importance rating was chosen because there is relatively small evidence of VF suppliers tracking the use of recycled or brackish water in the cultivation of cotton and/or the manufacturing of our products. The primary use of recycled, brackish, and/or produced water in our indirect operations is as an input in the manufacturing of products. This importance rating is unlikely to change for VF's existing business segments and products lines, though as water becomes more costly, it is possible that recycled water will be used in our supply chain.

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	11841800000		<Calculated field>	As noted in W1.1, sufficient amounts of good quality freshwater available for use is not a key component of VF's direct business operations (e.g., retail, offices, distribution centers, etc.), and therefore we do not publicly disclose water withdrawal trend figures.

W1.4

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

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

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

Row 1

% of suppliers by number
26-50

% of total procurement spend
76-100

Rationale for this coverage
Through the Higg Facility Environmental Module (FEM), VF collected data on water-related issues from more than 500 Tier 1 and Tier 2 suppliers in CY2021. Suppliers are requested to indicate sources of water supply and track water risk through WRI and WWF tools. The initial selection of suppliers to report through the Higg FEM was based on procurement spend and strategic importance to the company. VF has since developed internal goals to expand the amount of tier 1 and tier 2 suppliers, by procurement spend, that are completing the Higg FEM on an annual basis. Suppliers are incentivized to report through the incorporation of Higg FEM scores into procurement scorecards. For specific VF operating regions, suppliers are financially incentivized to complete the HIGG FEM assessment as participation will increase suppliers' performance on their VF procurement scorecard. Additionally, key in-scope suppliers using 50 cubic meters of process water or more per day fall within the scope of VF's Global Wastewater Discharge Standards.

Impact of the engagement and measures of success
Through frequent supplier engagement, VF is able to measure success towards key internal and external targets with water data provided by suppliers through the Higg FEM. Surveyed suppliers are asked to report a variety of data points, including: facility-level water consumption, facility-level wastewater discharge, potential water-stress risks, and management processes on an annual basis. Higg FEM supplier scores, including water-related scores, are used by the VF supply chain sustainability team to track against internal Higg FEM supplier performance goals and measure success. For example, in the CY2021 Higg FEM, verified VF suppliers achieved an average performance score of 66.8 for water and 59.72 for wastewater (out of 100). Additionally, supplier water data is used internally by the VF supply chain sustainability team to assess potential water-related environmental risks.

Comment
As noted in W0.2, the reporting scope of this disclosure is for FY2022 and data from FY2022 is provided when available, unless otherwise noted. Select data collected through external partnerships is available on a calendar year timeframe and is noted as such when disclosed.

W1.4b

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

Type of engagement
Onboarding & compliance

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

% of suppliers by number
76-100

% of total procurement spend
76-100

Rationale for the coverage of your engagement
VF supplier factories are audited on an annual basis against the VF Facility Guidelines by the VF Sustainable Operations team or accredited third parties. All VF authorized facilities must comply with all laws and regulations relating to environmental protection in the countries in which they operate. Facilities must have policies and procedures in place to ensure environmental impacts are minimized with respect to water and other significant environmental risks. Facilities are expected to make sustainable improvements in environmental performance and require the same of their suppliers and sub-contractors. Audits cover a variety of water-related issues, including for suppliers that discharge industrial wastewater, the confirmation that all wastewater (including domestic and process water) is treated before discharging into the natural environment. In FY2022, 84% of facilities were determined to be compliant with the VF Global Wastewater Discharge Standards.

Impact of the engagement and measures of success
An outcome of this engagement that is beneficial to VF is supplier compliance with the VF Facility Guidelines' Environmental Principle, which consists of audit protocols to limit environmental degradation of local community waterways. Successful supplier engagement is defined as supplier awareness of our standards and compliance principles. Metrics used to measure successful engagement include the percentage of authorized facility audits completed annually and the percentage of facilities that are determined to be compliant with the VF Global Wastewater Discharge Standards, 84% in FY2022. An additional beneficial outcome of this engagement includes the risk mapping of wastewater discharge throughout our supply chain, which VF uses as advanced insights on the potential environmental impacts of our global supplier network.

Comment

W1.4c

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

VF recognizes we cannot achieve our goals alone and value our partnerships, collaboration and external engagement. At VF, we collaborate with relevant stakeholders in the creation and implementation of our strategies and programs. This includes regularly engaging with numerous external organizations to guide and support key aspects of our Made for Change strategy. In FY2021, VF completed a revision of its stakeholder engagement strategy to help proactively leverage the insights of external stakeholders and maximize their impact across the value chain and enterprise. Within our value chain, VF engages with suppliers, factory workers, customers, and retailers where there are opportunities for shared interest and a collaborative approach to driving more significant change. Successful engagements include partnerships that progress our goals and improve the natural environment. Company-specific examples of value chain engagement include: NGO partnerships (*e.g.* Clean by Design, etc.), customer-focused campaigns, and direct engagement with suppliers on water stewardship through the Higg FEM self-assessment. Company example: In FY2022, VF and its family of brands engaged with retailers through the Brand & Retail Module (BRM). The BRM was developed by the Sustainable Apparel Coalition (SAC) with the aim of helping brands and retailers comprehensively assess their sustainability risks and impacts and drive continuous improvements. To complete the BRM, VF engaged with and communicated results to retailers and success is measured by annual performance on BRM environment and social scores. All VF and brand submissions were verified by a third-party auditor. In FY2022, VF published the CY2021 BRM verified scores on www.vfc.com; VF brand performance on the environmental section, which assesses water use and discharge, ranged from 59% - 83%.

W2. Business impacts

W2.1

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

No

W2.2

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

No

W3. Procedures

W3.3

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

Yes, water-related risks are assessed

W3.3a

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

Value chain stage
Direct operations

Coverage
Partial

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

Frequency of assessment
Annually

How far into the future are risks considered?
1 to 3 years

Type of tools and methods used
Tools on the market
Enterprise risk management
Other

Tools and methods used
WRI Aqueduct
External consultants

Contextual issues considered
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Customers
Employees
Investors
Local communities
NGOs
Regulators

Comment

Value chain stage
Supply chain

Coverage
Full

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

Frequency of assessment
Annually

How far into the future are risks considered?
3 to 6 years

Type of tools and methods used
Tools on the market
Other

Tools and methods used
WRI Aqueduct
WWF Water Risk Filter
Internal company methods

Contextual issues considered
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered
Investors
Local communities
NGOs
Regulators
Suppliers

Comment

W3.3b

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

VF assesses current and future (>6 years) climate-related risks on its value chain. 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. Climate-related risks, are continually monitored and addressed through risk assessment processes embedded throughout the enterprise, including through our ERM, Strategy, Government Affairs and Global Sustainability & Responsibility teams. In FY2022, VF completed an enterprise-wide risk assessment in alignment with the TCFD framework where water related risks were considered.

Contextual Issues: When assessing water-related risks VF considers contextual issues, including water regulatory frameworks, status of ecosystems and habitats, and access to fully-functioning, safely managed WASH services for all employees. Water regulatory frameworks inform VF's Global Water Discharge Standards, which all in-scope suppliers must comply with, and influence eco-efficient building updates within our direct operations. Access to fully-functioning, safely managed WASH services for all employees is also important, as outlined in our health and safety guidelines for employees, and access to WASH services in the supply chain is a key component of our Worker and Community Development (WCD) program. Lastly, the status of ecosystems and habitats and potential disruptions to ecosystems and habitats could have significant impacts on our business by increasing the cost of goods sold for water-dependent materials (e.g., cotton) or by increasing operations costs for suppliers with water-intensive operations, impacting VF's strategy. Potential disruptions to ecosystems could also negatively impact operations as damage to ecosystems may increase the risk of damage to owned-and-operated assets during severe weather events.

Stakeholders Considered: VF also considers stakeholders such as customers, employees, investors, local communities, suppliers, regulators and NGOs when assessing water-related risks. Customers, employees and investors all expect VF to manage the impacts of our business on natural resources responsibly. In particular, customers are key to the long-term business growth and consumer insights identify water as a vulnerable natural resource. We also believe that responsible resource management is important for recruiting top talent and employee retention, therefore employees are always considered in our assessment. Additionally, investors are increasingly interested in VF's ability to manage ESG risks, including natural resources, employees, and supply chain labor management. Therefore, investors are always deemed relevant and are included in our assessments. VF also considers the potential indirect impacts of our business on workers and local communities throughout our value chain. Therefore, we have established stringent global wastewater standards, in accordance with the Business for Social Responsibility (BSR) Water Quality Guidelines, to mitigate potential risks to employees, their families, and local communities and require facilities to comply with local environmental regulations. Suppliers are also important to VF since our global supply chain network consists of hundreds of authorized facilities, producing millions of products for VF brands each year, and suppliers can significantly impact water risk at the local level. In addition, VF regularly engages with a variety of environmental and social NGOs as part of our assessment to better understand NGO concerns, interests and expectations related to water in the apparel industry.

Application of Tools and Methods: Within this enterprise-level framework, water-related issues are integrated into several internal assessments across the company and outcomes are used to inform the internal decision-making process of identifying and responding to potential water-related risks. Examples of assessments and tools used include, but are not limited to, the following. Within our direct operations, VF identifies and assesses potential water-related risks for select sites through internal company-wide risk assessment systems and the use of WRI tools for select facilities on an annual basis. In FY2022, VF engaged with external consultants to complete an enterprise-wide risk assessment in alignment with the TCFD framework where water related risks were considered. Within indirect operations, VF requests key Tier 1 and Tier 2 suppliers to complete the Higg FEM self-assessment on an annual basis, which includes the use of WRI and WWF tools to assess geographic water-related risks. Water-related risks are also assessed for the full value chain for specific materials through using life cycle assessments and the VF WCD program utilizes internal company methods to assess access to WASH services in the supply chain.

W4. Risks and opportunities

W4.1

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

Yes, only in our value chain beyond our direct operations

W4.1a

(W4.1a) 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 risks mentioned below, would be any impact with a likely probability in any given year 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.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	200	26-50	The facility's cited are located within VF's indirect operations and are identified through the use of assessment tools such as the WRI Aqueduct Risk Atlas and the WFF Water Risk Filter as a part of the Higg FEM assessment.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Viet Nam	Saigon

Number of facilities exposed to water risk

% company-wide facilities this represents
Please select

Production value for the metals & mining activities associated with these facilities
<Not Applicable>

% company's annual electricity generation that could be affected by these facilities
<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities
<Not Applicable>

% company's total global revenue that could be affected
Please select

Comment

W4.2a

(W4.2a) Provide details of risks identified within your value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Viet Nam	Saigon

Stage of value chain
Supply chain

Type of risk & Primary risk driver

Reputation & markets	Increased stakeholder concern or negative stakeholder feedback

Primary potential impact
Company brand damage

Company-specific description
Increased impacts from water-related risks in VF's supply chain could have a strategic impact on our business as negative stakeholder feedback may cause reputational damage to the company and our brands. Examples of these risks could include environmental degradation from the discharge of untreated industrial wastewater and/or reduced access to potable water in the surrounding communities due to industrial wastewater pollution. In CY2021, VF assessed water stress for key suppliers and determined that over 200 are located in extremely high-to-high at-risk locations. Countries with the most suppliers in extremely high-to-high at-risk locations included Vietnam (13%), China (8%), Bangladesh (5%), and India (5%). The primary potential impact of increased stakeholder concern or negative stakeholder feedback in our supply chain is company brand damage.

Timeframe
4-6 years

Magnitude of potential impact
Medium-low

Likelihood
About as likely as not

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
We do not have a figure at this time.

Primary response to risk

Supplier engagement	Promote greater due diligence among suppliers

Description of response
Through the Higg FEM, VF requests key Tier 1 and Tier 2 suppliers to report on water use and industrial wastewater discharge on an annual basis. This process promotes increased due diligence and reporting on water issues within the VF supply chain. Through the Higg FEM, suppliers are requested to track water withdrawal and wastewater discharge data, assess the current water-stress of their operating region, develop targets for water reduction and action plans focused on achieving water reduction targets. In an effort to increase responsible natural resource management within our supply chain, VF provides Higg FEM training to suppliers around the globe, which includes training on the water components of the Higg FEM. Since 2018, the VF supply chain sustainability team has trained over 1,000 factory representatives, across nearly 400 supplier facilities, on the implementation of environmental best practices for manufacturing.

Cost of response
60000

Explanation of cost of response
VF annual membership with the Sustainable Apparel Coalition (SAC), sixty-thousand dollars, includes access to the Higg FEM which is used to both assess and mitigate water-related risks within our supply chain on an annual basis.

W4.2b

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

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Climate-related risks, are continually monitored and addressed through risk assessment processes embedded throughout the enterprise, including through our ERM, Strategy, Government Affairs and Global Sustainability & Responsibility teams. The outcomes of these risk assessments have not identified water as having a substantive financial or strategic impact on direct operations.

W4.3

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

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

W4.3a

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

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

During FY2022, VF sourced products from 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. For example, through a partnership with the Apparel Impact Institute's Clean by Design initiative, a Tier 2 supplier in Taiwan for a VF brand worked to achieve energy, water, and financial savings through efficiency programs. The project was implemented during CY2019 to CY2021, with the following energy efficiency achievements: a total reduction of 9,152,498 MJ of energy, 37,953 m3 of water savings (per year), 1,027 GHG MT (per year), and $356,413 (USD) of savings.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

650000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

The potential financial impact to VF is calculated through supply chain energy efficiency programs, CY2019 – CY2021, with the Apparel Impact Institute. Every year VF partners with multiple agencies including IFC, GIZ, Apparel Impact Institute, and others. Through these partnerships, 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. Potential financial impact calculation: Average savings based on $500-800 range ($650) * 1,000 facilities surveyed = $650,000. The VF Responsible Sourcing team and Supply Chain Sustainability team partner 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 key Tier 1 and Tier 2 suppliers to report their energy impacts through the Higg FEM Index. During CY2021, over 500 Tier 1 and Tier 2 VF suppliers completed the Higg FEM assessment.

W6. Governance

W6.1

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

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

W6.1a

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

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitments beyond regulatory compliance Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change Other, please specify (Wastewater Standards Policy)	In FY2021, VF's extended supply chain used approximately 160 million m3 of water. Our most significant water impacts are in our supply chain, including cotton cultivation, leather production and water use by dye houses. VF's Global Wastewater Discharge Standards, in alignment with the Business for Social Responsibility (BSR) standards, commits to the long-term health of the planet and people, now and for future generations and acknowledges the important role which water plays. All vendors are subject to our compliance audit program and are required to comply with the Standard if using 50 cubic meters per day or more of process water. When an audit is being completed, VF looks to determine whether local water regulations are followed, wastewater analysis by a certified third-party laboratory are completed, and all reports are submitted every six months to VF. In the case that the water standards are not met, they are then placed on a Corrective Action Plan. The target testing parameters set forth for suppliers can be found on page five of the Standards and all sites are required to have a domestic sewage treatment and must not discharge any untreated water directly into the local waterways. VF strives to achieve a target of 100% compliance with all global supplier policies on an annual basis. Progress against these targets are communicated in VF's public sustainability and responsibility disclosures, including water-related compliance. In FY2022, 84% of VF's in-scope suppliers were found to be compliant with the VF Global Wastewater Discharge Standards. Additionally, VF Corporation's Human Rights Commitment, a public company-wide policy, acknowledges water as a human right and is committed to ensuring access to clean water throughout our supply chain, including returning clean water into the communities and villages where our production takes place.

W6.2

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

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	VF's Chairman, President and CEO reports to the VF Board of Directors regarding VF's environmental impacts, which includes progress toward the sustainability goals and strategies to embed climate change risks and opportunities in the business as well as our material impacts. The Chairman, President and CEO is also a member of VF's Executive Leadership Team Corporate Responsibility Working Group which has oversight for enterprise-wide sustainability and responsibility issues, including water, and reports to the VF Board of Directors and the Board Governance and Corporate Responsibility Committee annually. In FY2022, a water-related decision made by VF's Chairman, President and CEO was the review and approval of an enterprise-wide climate risk assessment in alignment with the TCFD framework where water related risks were considered. An outcome of this risk assessment was the establishment of a standalone Climate Change & Sustainability risk in the VF enterprise risk management process, which is an essential component of VF's internal decision-making process.

W6.2b

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

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Reviewing and guiding risk management policies Reviewing and guiding corporate responsibility strategy	VF's Chairman, President and CEO reports to the VF Board of Directors regarding VF's environmental impacts, which includes progress toward the sustainability goals and strategies to embed climate change risks and opportunities in the business as well as our material impacts. The Chairman, President and CEO is also a member of VF's Executive Leadership Team Corporate Responsibility Working Group which has oversight for enterprise-wide sustainability and responsibility issues, including water, and reports to the VF Board of Directors and the Board Governance and Corporate Responsibility Committee annually.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate priority	

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

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

Responsibility
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Half-yearly

Please explain
The VP of Global Sustainability, Responsibility and Trade (VP) at VF oversees Product Stewardship, Responsible Sourcing & Environmental Sustainability across our value chain. The VP reports to VF's Executive VP of Supply Chain, a member of the ELT. The VP also presents to the Governance and Corporate Responsibility Committee of the Board of Directors on topics, including water risk and wastewater management in the supply chain biannually. Sustainability is embedded within the business function of supply chain because this part of our value chain presents the greatest risk for climate-related impact and opportunity for risk mitigation. The materials used in VF's products, and the manufacturing and finishing of products in contracted facilities represent many climate-related impacts, including water-related risks. In FY2022, a water-related responsibility of this individual included the approval of a water risk assessment in VF's extended supply chain to be carried out in FY2023.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers
Yes, trade associations

W6.5a

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

VF senior leadership is engaged and supportive of our Climate Change policy engagement. VF's Global Sustainability & Responsibility team coordinates efforts with our Corporate Communications and 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 the engagement is ultimately approved by the Executive Leadership Team.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?
No, and we have no plans to do so

W7. Business strategy

W7.1

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

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	11-15	Good quality freshwater availability is integrated into our long-term objectives. Significant changes in water availability and water-related naturally occurring events (e.g., drought) could have a strategic impact on the company's ability to source key raw material commodities at a stable price, such as cotton. Therefore, the Global Sustainability & Responsibility team within VF's supply chain department closely monitors and assesses potential risks, such as reduced water availability, that may impact the company's long-term business objectives. One of the strategic pillars of VF's new environmental sustainability strategy is sustainable materials, which aligns with VF's long-term materials vision that our top nine materials will originate from regenerative, responsibly sourced renewable, or recycled sources by 2030. This goal supports the achievement of our long-term business objectives by incentivizing the use of sustainable growing methods which are intended to reduce water stress in key sourcing regions. An example of how water-related issues have been integrated into the business strategy: In FY2022 the VF Board of Directors requested the completion of a water risk assessment in the supply chain to assess long-term supply chain resilience. The assessment will identify potential material water-related risks for the company, enabling VF to effectively manage water resources in the long-term.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	11-15	Good quality freshwater availability is integrated into our long-term objectives. Significant changes in water availability and water-related naturally occurring events (e.g., drought) could have a strategic impact on the company's ability to source key raw material commodities at a stable price, such as cotton. Therefore, the Global Sustainability & Responsibility team within VF's supply chain department closely monitors and assesses potential risks, such as reduced water availability, that may impact the company's long-term business objectives. One of the strategic pillars of VF's new environmental sustainability strategy is sustainable materials, which aligns with VF's long-term materials vision that our top nine materials will originate from regenerative, responsibly sourced renewable, or recycled sources by 2030. This goal supports the achievement of our long-term business objectives by incentivizing the use of sustainable growing methods which are intended to reduce water stress in key sourcing regions. An example of how water-related issues have been integrated into the business strategy: In FY2022 the VF Board of Directors requested the completion of a water risk assessment in the supply chain to assess long-term supply chain resilience. The assessment will identify potential material water-related risks for the company, enabling VF to effectively manage water resources in the long-term.
Financial planning	Yes, water-related issues are integrated	11-15	Potential fluctuations in raw material commodity pricing, due to significant changes in water availability and water-related naturally occurring events (e.g., drought), could have a strategic impact on the company's ability to source key raw material commodities at a stable price, such as cotton. Therefore, the Global Sustainability & Responsibility team within VF's supply chain department works closely with VF's Global Material Sourcing and Supply Planning teams to closely monitor and assess potential significant risks linked to market fluctuations, such as those caused in 2011 by reduced water availability, that may impact the company's long-term business objectives and financial planning. In FY2022 the VF Board of Directors requested the completion of a water risk assessment in the supply chain to assess long-term supply chain resilience. The assessment will identify potential material water-related risks for the company, enabling VF to effectively manage water resources in the long-term. Financial planning will be aligned in accordance with water risk assessment results.

W7.2

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

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

W7.3

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

	Use of scenario analysis	Comment
Row 1	Yes	

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Climate-related	VF conducted an assessment of climate-related risks and analysed our alignment with the TCFD framework. We identified 11 unique climate risks and specific risk mitigation actions to improve our preparedness, many of which were already embedded in our sustainability strategy roadmap and ERM process.	VF's climate-related risks assessment identified declining water quality and availability in our supply chain which may impact availability of raw materials and third-party production as a possible water-related outcome.	Climate-related risks, are continually monitored and addressed in VF's climate strategy and through risk assessment processes embedded throughout the enterprise, including through our ERM, Strategy, Government Affairs and Global Sustainability & Responsibility teams. Additionally, VF completes a bi-annual sustainability and responsibility materiality assessment to ensure alignment with key impact areas, including water.

W7.4

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

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

In FY2021, VF engaged with a credible NGO in the field of water stewardship to conduct a water risk analysis in key sourcing regions. A key expected outcome of this analysis is the identification of a financial value for water.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	No, and we do not plan to address this within the next two years	<Not Applicable>	Important but not an immediate business priority	VF does not classify any products and/or services as low water impact, as defined by CDP.

W8. Targets

W8.1

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

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Business level specific targets and/or goals Brand/product specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	Targets and goals are set at the enterprise- and/or brand-level and are based on business needs and priorities. Publicly reported goals and targets are developed in alignment with the VF Global Sustainability & Responsible Sourcing strategy and company-specific business objectives. Additionally, VF completes a bi-annual sustainability and responsibility materiality assessment which supports the identification and alignment of targets and helps to ensure that targets and goals reflect geographic, regulatory, and other contextual factors. Monitoring of enterprise-level targets and goals are primarily managed at the VF-level by the Global Sustainability & Responsible Sourcing teams with cross-functional support from applicable internal departments and the brands.

W8.1a

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

Target reference number
Target 1

Category of target
Product water intensity

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
VF has set a company-wide target that all cotton purchased by VF that is not from the U.S. or Australia is grown under a cotton growing sustainability scheme by FY2026 to manage environmental impacts including water intensity.

Quantitative metric
Other, please specify (% of cotton sourced from the U.S. or Australia or was grown under a sustainability scheme.)

Baseline year
2016

Start year
2017

Target year
2026

% of target achieved
75

Please explain
Cotton is a significant raw material input for VF brand products and is a highly resource dependent crop that is likely to be impacted by chronic physical risks such as drought. Fluctuations in the price, availability and quality of cotton fabrics used by VF in its manufactured products, or of purchased finished goods, could have an adverse effect on VF's cost of goods sold or its ability to meet its customers' demands. Therefore, 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. In FY2021, VF sourced cotton from the Better Cotton Initiative, US Cotton Trust Protocol and other sustainable cotton growing schemes, including organically grown cotton.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Providing access to safely managed Water, Sanitation and Hygiene (WASH) in local communities

Level
Business activity

Motivation
Increase freshwater availability for users/natural environment within the basin

Description of goal
The VF Worker and Community Development (WCD) program has set an ambitious goal to improve the lives of two million workers in our supply chain by FY2031. Through needs-based assessments, VF's WCD program determined three community development impact areas, one of which is access to water, sanitation, and hygiene (WASH) services. This goal is important to VF because it aligns with our business purpose to power movement of sustainable and active lifestyles for the betterment of people and our planet. The goal is being implemented by the WCD team, which is a part of the VF Responsible Sourcing department, through strategic partnerships with local and international development organizations.

Baseline year
2016

Start year
2017

End year
2031

Progress
Since 2017, the VF WCD team has engaged with local partners to support the implementation of programs in Bangladesh, Cambodia, India, the Dominican Republic, Vietnam, China, Kenya, Lesotho and others to reach over 300,000 people. As of FY2021, Water and Sanitation-related WCD programs have reached over 160,000 facility workers and community members. The indicator used to assess progress towards this goal is the number of individuals reached through WCD programs, on an annual basis, and the assigned threshold of success is 2 million workers.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

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

W10. Sign off

W-FI

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

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

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

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

No

SW. Supply chain module

SW0.1

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

	Annual revenue
Row 1	11841800000

SW1.1

(SW1.1) Could any of your facilities reported in W5.1 have an impact on a requesting CDP supply chain member?

No facilities were reported in W5.1

SW1.2

(SW1.2) Are you able to provide geolocation data for your facilities?

	Are you able to provide geolocation data for your facilities?	Comment
Row 1	No, this is confidential data	

SW2.1

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

SW2.2

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

No

SW3.1

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms