



Living Wage Position Statement

VF believes every worker has a right to compensation for a regular work week that meets the worker and their family's basic needs and provides some discretionary income.

We believe VF plays a vital role in enabling workers involved in our business operations to achieve an adequate standard of living. We recognize wages are fundamental to achieving this goal and agree with The International Labour Organization's Convention 131, which states that corporations should consider the needs of workers and their families when determining minimum wage levels. This consideration should include accounting for "the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups." However, we recognize that the applicable minimum wages may not always enable a family reliant on the specific remuneration to achieve the goals articulated in Article 25 of the Universal Declaration on Human Rights (UDHR). Article 25 states, "Everyone has the right to a standard of living for the health and well-being of themselves and their family, including food, housing, medical care and necessary social services."

Supporting VF Associates

Providing competitive wages is a long-term investment in our people and is guided by VF's Purpose. As such, we regularly review our practices and programs to ensure we are investing in the proper management systems to allow for competitive and equitable pay for our associates. At the end of 2019, we implemented a global job framework to support alignment of our wages with market standards, focusing on pay equity and consistency. The framework created well-defined levels and positions and identified associate growth pathways while enhancing our ability to create equity and consistency across similar roles.

In 2020 we began a Global gender wage gap analysis as well as a race/ethnicity gap analysis in the U.S. to enhance our focus on wages. We pledged that by 2024 VF would assess and resolve any identified pay gaps for associates and sponsored athletes in the U.S. Now, as we continue to prioritize wages, we partnered with the nonprofit organization Business for Social Responsibility (BSR) in 2021 to calculate national and subnational (if necessary) living wages in 45 countries where VF associates reside. While still underway, BSR's living wage methodology and analysis will enable us to better understand any gaps at the local level, thereby creating a path to incrementally close any such gaps.

Supporting Workers in Contract Factories

In addition to VF's direct associate population, our global supply chain creates employment in more than 40 countries via the manufacturing and production of our products. VF does not employ or provide direct remuneration to factory workers employed by contracted organizations across our supply chain. However, we believe that all workers across VF's supply chain have the



right to earn a fairly negotiated wage that provides an adequate standard of living for workers and their families. Our supply chain efforts regarding living wage center on:

- Pre-competitive industry and multi-stakeholder collaborations to promote living wages and adequate standards of living,
- Review of VF purchasing practices through internal and external assessments, and
- Factory engagement to identify opportunities to close income gaps and improve systems over time.

In addition to our belief that wages play a critical role in achieving an adequate standard of living, we recognize that VF can contribute to our suppliers' internal processes, frameworks, and support mechanisms that address macroeconomic, systemic challenges.

We demonstrate our dedication to supporting an adequate standard of living for all workers involved in our business operations through our ongoing actions, including:

- Analyzing the basic needs of factory workers throughout our global supply chain within internationally recognized frameworks,
- Expanding VF's fact-based costing framework to mitigate the risk that price negotiations drive behavior that negatively impacts factory worker wages,
- Elevating industrial relations in our global supply chain to strengthen the voice of and empower the workers in VF contract factories, and
- Investing in VF's "Worker and Community Development" program to deliver programs across our supply chain that provide workers with access to healthy and nutritionally sufficient food, water and sanitation, and childcare and education.

VF is committed to continued responsible business practices, including our work supporting an adequate standard of living for those in our value chain. We further commit to working with governments, industry, and civil society to address the root causes of inadequate living standards and low wages and systematically close gaps.