

**Subject:** Invitation to respond – VF Corporation in our COVID-19 tracker

Please find below VF Corporation's response to the Business & Human Rights Resource Centre's survey.

In the 12-month period directly before the COVID-19 outbreak:

1. What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)?
  - 45
2. When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?
  - After shipping
3. In this period, have you asked suppliers for a discount after placing an order?
  - No
  - If yes, what percentage of FOB was the discount (if varying, please list all percentages)?
    - N/A
4. Do your contracts have clauses for financial penalties:
  - For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)?
    - Yes
  - For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)?
    - No

In the period since the COVID-19 outbreak:

5. Have you committed to pay in full for:
  - All completed orders?
    - Yes
  - All in-production orders?
    - Yes
6. Have you extended your usual payment times?
  - Yes (*see additional comment*)
  - If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?
    - 60 days
  - Are you supporting suppliers with access to local finance with a letter of credit or through other means?
    - Yes
7. Have you requested a discount for any orders?
  - No
  - If yes what, percentage of FOB (if varying, please list all percentages)?
    - N/A

8. Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown?
  - Yes
  
9. Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitizing practices, providing adequate protective equipment)?
  - Yes (*see additional comment*)
  
10. Are you paying shareholder dividends?
  - Yes (*see additional comment*)

Please add any additional comments (optional):

- **Question #6:** Yes, for new purchase orders issued after May 1st. We have not changed payment terms for existing purchase orders.
- **Question #9:** Earlier this year, VF engaged with suppliers through a survey on the precautionary and preventative measures factories have established to protect their workforce. Survey questions were based on World Health Organization (WHO) and U.S. Center for Disease Control (CDC) COVID-19 guidance, and covered a range of topics, including: factory health & safety procedures, employee transportation, employee access to health services & supplies, employee education & engagement on COVID-19, etc. As factories have started to reopen, VF has issued recommended health and safety guidelines to protect workers. These recommendations were informed by supplier engagement and are based on a consolidation of best practices from the Worker Rights Consortium, WHO, CDC, Better Work, local health regulations, and VF policies. VF will also be following-up on these recommended guidelines with remote capacity building visits and training sessions.
- **Question #10:** “On May 12, 2020, VF’s Board of Directors declared a quarterly dividend of \$0.48 per share. This dividend will be payable on June 22, 2020, to shareholders of record on June 10, 2020. Subject to approval by its Board of Directors, VF intends to continue to pay its regularly scheduled dividend and is currently not contemplating the suspension of its dividend program.” (VF Reports Fourth Quarter and Full Year Fiscal 2020 Results, <https://www.vfc.com/news/press-release/1725/vf-reports-fourth-quarter-and-full-year-fiscal-2020-results>)
- **Supporting Documentation:**
  - VF Corporation Statement Regarding Supply Chain Actions During COVID-19 Pandemic: <https://www.vfc.com/sustainability-and-responsibility/news/sustainability-story/70357/vf-corporation-statement-regarding-supply-chain-actions-during-covid-19-pandemic>
  - VF Joins Call to Action to Support Garment Workers: <https://www.vfc.com/sustainability-and-responsibility/news/sustainability-story/70378/vf-joins-call-to-action-to-support-garment-workers>
  - VF Corporation Letter to Global Suppliers on COVID-19 Pandemic: [https://www.business-humanrights.org/sites/default/files/documents/VF%20Corporation\\_Letter%20to%20Global%20Suppliers\\_April%202020.pdf](https://www.business-humanrights.org/sites/default/files/documents/VF%20Corporation_Letter%20to%20Global%20Suppliers_April%202020.pdf)

- VF Corporation Letter to U.S. Suppliers on COVID-19 Pandemic:  
[https://www.business-humanrights.org/sites/default/files/documents/VF%20Corporation\\_Letter%20to%20U.S.%20Suppliers\\_April%202020.pdf](https://www.business-humanrights.org/sites/default/files/documents/VF%20Corporation_Letter%20to%20U.S.%20Suppliers_April%202020.pdf)