

VF Corp.

TICKER
 NYSE:VFC

MARKET CAPITALIZATION
 US\$23 billion

HEADQUARTERS
 United States

COMPLIANCE
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
COMMITMENTS
[Yes](#)
OVERALL RANKING

8 out of 43

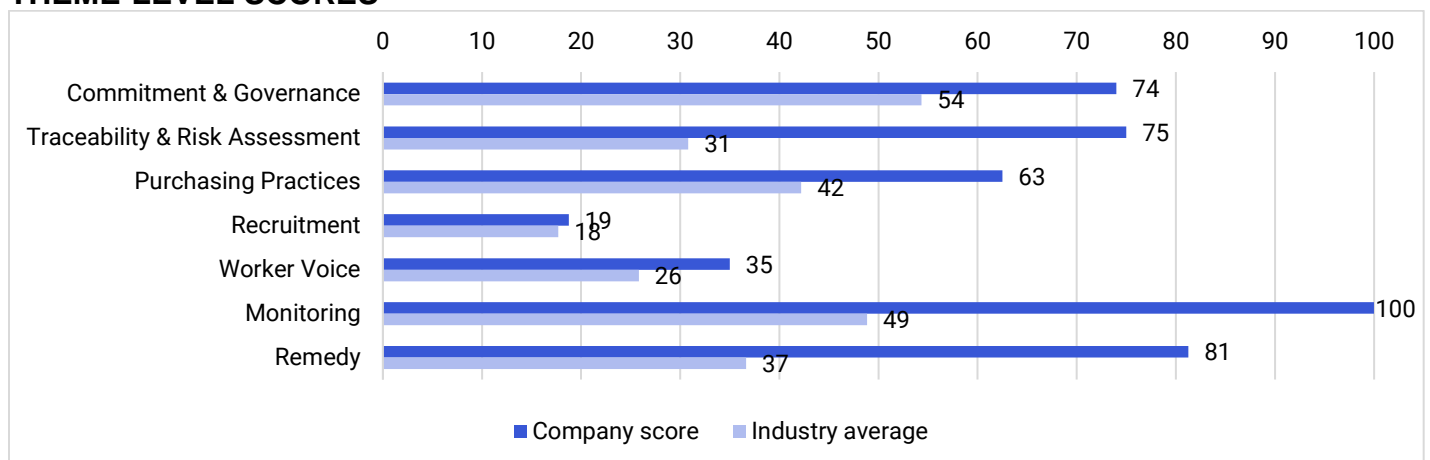
(2016: 14 out of 20)

OVERALL SCORE

64 out of 100

SUMMARY

VF Corp. (VF), a US-based company whose apparel and footwear brands include The North Face, Timberland, and Wrangler, ranks eighth out of 43 companies. It discloses more information on its forced labor policies and practices than its peers across all themes. Compared to 2016, the company improved its rank from 14th to eighth. Since 2016, the company has improved its performance and disclosure by working with the Mekong Club (an industry initiative focused on addressing modern slavery) to educate its suppliers' workers on the risks of partnering with brokers and to identify occurrences of modern slavery in its supply chains in Vietnam and China. Further, the company published a supplier list, undertook a human rights risk assessment and unannounced audits, and disclosed examples of remedy outcomes for its suppliers' workers. Notably, VF is among the companies achieving the highest score on the theme of Monitoring. The company is encouraged to strengthen its disclosure and practices on the themes of Commitment & Governance, Recruitment, and Worker Voice.

THEME-LEVEL SCORES


LEADING PRACTICES

Monitoring: VF discloses that it audits some strategic second-tier suppliers, such as cutting facilities, sewing plants, screen printers, embroiderers, laundries, licensee factories, and key fabric mills.

Corrective Actions Plans: VF discloses that factories that show persistent non-compliance and fail to remediate the issues of non-compliance within 180 days are “rejected” and no longer authorized to supply product to the company. The company discloses that, in 2016, contracts with 141 factories were “rejected.”

NOTABLE FINDINGS

Risk Assessment: VF discloses that, in 2016, it began a comprehensive human rights risk assessment, and that it established a human rights working group to “fully understand [its] human rights risks and develop a strategy moving forward.” It states that the third-party organizations Maplecroft and Shift carried out a hot spot mapping to determine the company's highest risks, including those relating to forced labor.

Monitoring: VF discloses that it uses its own auditors, as well as accredited third-party auditors, to ensure compliance with its supplier code. The company's own auditors receive training on identifying forced labor and human trafficking. VF discloses that, depending on the issues encountered in the factories, up to 10% of the workers are interviewed. The company states that approximately 7% of its audits are unannounced and take place predominantly in Bangladesh and China. Further, VF discloses that 2% of its audit findings were classified as “significant, or critical.” Out of those critical findings, almost half were related to wages and benefits, 3% to forced labor, and 7% to worker dormitories.

Remedy: VF discloses examples of remedy outcomes for workers. The company notes that, when it discovered that workers in a factory canteen were working under conditions of forced labor, it brought the matter to the attention of the factory management. The service provider for the canteen and the HR staff from the factory were terminated, and canteen staff were provided with back wages and “opportunities for proper employment.” VF additionally discloses that, in response to allegations that a factory was violating its workers' right to freedom of association, it intervened to ensure that processes were put in place by factory management to ensure freedom of association for workers.

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company may consider establishing training programs to ensure that relevant decision-makers within its supply chains are aware of the risks related to human trafficking and forced labor and are effectively implementing the company's policies and standards. Further, the company is encouraged to engage with local stakeholders on human trafficking and forced labor, including with policy makers, worker rights organizations, or local NGOs in countries in which its suppliers operate.

Recruitment: The company is encouraged to develop and disclose a policy that requires direct employment in its supply chains and that requires employment recruitment agencies and, where relevant, employment agencies in its supply chains to uphold workers' fundamental rights and freedoms. Further, the company may consider requiring that workers in its supply chains are not charged fees during any recruitment-related process. The company is encouraged to require that such fees be paid by the employer (Employer Pays Principle) and, where such fees have been paid by its suppliers' workers, to ensure that the fees are reimbursed to the workers.

Worker Voice: To support collective worker empowerment, the company is encouraged to work with suppliers to improve their practices regarding freedom of association and collective bargaining and to work with local or global trade unions to support freedom of association in its supply chains. Additionally, to ensure the scalability and effectiveness of engaging workers on labor rights, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in different parts of its supply chains and measuring and disclosing evidence of the positive impact of such initiatives.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)