

VF Corporation
Forest Derived Materials (FDM) Policy

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1. Policy Fundamentals

We are committed to the responsible use of raw materials. This forestry policy covers the sustainable and responsible use of forest products, to avoid the issues associated with deforestation and forest degradation including:

- Loss of ancient and endangered forests
- Loss of biodiversity and habitat
- Use of forced labor in making forestry products
- Loss of indigenous peoples and local community rights

VF seeks to address these areas by using raw materials with minimal impact on forests and forest habitats with a focus on:

- 1.) Supporting programs to conserve Ancient and Endangered Forests
- 2.) Prioritizing the use of certified sustainable sources
- 3.) Encouraging Responsible Forest Management Practices for suppliers
- 4.) Reducing virgin material use and prioritizing Recycled Content materials

2. Scope

This policy is applicable to all VF Brands, Coalitions, and Supply Chain Partners involved in the procurement, sourcing and manufacture of all products produced for any VF Brand (including but not limited to fabrics containing manmade cellulosic fibers, hangtags, shoeboxes, hangers, shopping bags, corrugate, tissue paper, store fixtures and solid wood furniture).

3. Policy Activation and Enforcement

VF is committed to continuous improvement of the criteria and enforcement of its FDM policy. We have set the following compliance and time-bounded goals. All existing suppliers of FDMs must adhere to the below implementation timeline. New suppliers of FDMs will be given the same time-period to achieve policy adherence starting from their initial contract date.

Level 1 – Communication & Acknowledgement (Q2 2017)

- Begin to train and educate FDM suppliers regarding VF's FDM policy
- Communicate FDM Policy to all FDM Suppliers
- Submission of list of all FDM's and quantities used via our annual VF Materials Inventory or through alternative means determined by VF

Level 2 – Self Declaration & Certification (2017, forward)

- All suppliers (new and existing) must sign the VF FDM policy agreement declaring adherence to our criteria and timeline

End of 2017	End of 2018	End of 2019	End of 2020
Office Paper in US & EMEA	Hangers Globally	Office Paper in CASA & AP	Store Fixtures Globally
Commercial Print in US & EMEA	Hangtags Globally	Commercial Print in CASA & AP	Solid Wood Furniture Globally
Corrugate in US & EMEA	Shoebboxes Globally	Corrugate in CASA & AP	
Man Made Cellulosic Fiber Materials Globally	Tissue Paper Globally		

Level 3 – Verification & Audit (2017, forward)

- VF will randomly select suppliers for auditing to ensure policy adherence. Non-compliance will be subject to Corrective Action Plans in a similar fashion to other forms of supplier non-compliance

4. Governance

VF's Responsible Sourcing and Sustainability teams will conduct an annual review of its FDM policy including a global inventory of FDM's (via the VF Materials Inventory) and a random sample audit of suppliers and a corresponding risk assessment of environmental issues. Identified non-conformity will lead to Supplier and Brand education and an action plan to address outstanding issues.

5. Collaboration

We are committed to constantly improving our FDM Policy and practices by working with relevant stakeholders including NGO's, materials suppliers, industry groups and competitors.

6. Policy Criteria

Criteria	Guidance	Examples
Manmade cellulosic fibers.		
Manmade cellulosic fibers should not contain cellulosic materials that come from ancient and endangered forests.	Suppliers providing cellulosic fibers to VF Brands (viscose, rayon, lyocell, modal, etc.) should have a policy to ensure that the feedstock in their forest-derived products does not come from Ancient and Endangered Forests. Suppliers are encouraged to work with a third party NGO in creating this policy.	
Nominated hangtags, shoeboxes, hangers, shopping bags, tissue paper, gift boxes, corrugate, store fixtures and solid wood furniture.		
These materials shall be a combination of Recycled Content and/ or Third Party Certified Content.	These materials can range from 100% recycled content to 100% certified content and any combination in between.	Shopping Bags: 30% recycled content, 70% FSC material
These materials shall come from sources deemed non-controversial.	If these materials have certified content that is not FSC, additional documentation will be needed to demonstrate that it is sourced from an entity employing Responsible Forest Management Practices.	
Paper product suppliers should process without chlorine or chlorine compounds.	For recycled paper, provide “processed chlorine free (PCF)” products. For virgin paper, provide “Totally Chlorine Free (TCF)” or “Elemental Chlorine Free (ECF)”	

Appendix: Definitions

Ancient & Endangered
(A&E) Forests
Controversial Sources

Defined by [the NGO Canopy](#), a detailed definition can be found at <http://canopyplanet.org/campaigns/protecting-forests/>
Controversial sources include illegally-logged timber; timber from forests that have been proposed for protection and/or are in the process of being protected but are not formally protected yet; forests with high value for conservation and are not demonstrably well managed; forests with serious tenure disputes, particularly where these involve failure to respect the customary rights of indigenous or local people; forests that are inappropriately and/or illegally converted to other land uses; timber associated with social and political conflict.

Direct Materials
Elemental Chlorine Free
(ECF)
Elemental Chlorine

Direct materials include man-made cellulosic fabrics and fibers such as viscose, rayon, modal, lyocell, etc.

In virgin paper production, ECF replaces elemental chlorine with chlorine dioxide in the bleaching process
Elemental chlorine when used to bleach paper, the process can result in the formation of harmful chemicals such as dioxins and furans

Indirect Materials

Indirect materials include hangtag/ labels, shoeboxes, shopping bags, hangers, tissue paper, gift boxes, store fixtures, corrugate, office paper, commercial print and solid wood furniture

Forest Stewardship Council
(FSC)

An international non-profit, multi-stakeholder organization established in 1993 to promote responsible management of the world's forests.

Forestry Products
High Conservation Value
Forest Areas

Products coming from wood pulp or timber

Defined by FSC as:

HCV 1 Forest areas that contain globally, regionally or nationally significant concentrations of biodiversity values (this includes: protected areas, rare or threatened species, endemic species, and seasonal concentrations of species)

HCV 2 Globally, regionally or nationally significant large landscape-level forests

HCV 3 Forest areas that are in or contain rare, threatened or endangered ecosystems

HCV 4 Forest areas that provide basic services of nature in critical situations (this includes: protection of watersheds, and protection against erosion and destructive fire)

HCV 5 Forest areas fundamental to meeting basic needs of local communities

HCV 6 Forest areas critical to local communities' traditional cultural identity

<https://ic.fsc.org/en/smallholders/support/technical-materials/high-conservation-values-and-biodiversity>

Legal Forest Management

Defined by complying with all applicable international, national, and local laws, including environmental, forestry, and civil rights laws and treaties

Post Consumer Waste
Pre Consumer Waste
Processed Chlorine Free
(PCF)

a waste type produced by the end consumer of a material stream

a waste type produced during the manufacturing of other materials, this waste stream does not reach the consumer

Recycled content wood pulp produced without elemental chlorine or chlorine derivatives, although one or more fiber components may have originally been bleached with chlorine or chlorine derivatives

Recycled Content
Responsible Forest

Post or pre-consumer wood based recycled material

Management Practices

Defined as Third Party Certification Systems that take the following criteria in mind:

- i. Preserves unique forest values including “High Conservation Value forest Areas”
- ii. Performs audits of forest management operations with systems in place to transparently address risk;
- iii. Recognizes and respects traditional and indigenous communities rights including Free Prior and Informed Consent;
- iv. Ensures that each national standard is based on international criteria;
- v. Specifies a minimum level of performance that should be achieved in a forest area; and
- vi. Has broad support and meaningful engagement from social, economic and environmental sectors as determined by VF.

Third Party Certification
Totally Chlorine Free
(TCF)

Third party forestry management certification systems such as the Forest Stewardship Council (FSC) and others.

Virgin paper produced without chlorine or chlorine derivatives (the bleaching process uses oxygen-based compounds)