



UK Gender Pay Gap Report 2022

VF Corporation is a global leader in branded lifestyle apparel, footwear and accessories, engaging in the design, production, procurement, marketing, and distribution of branded products in the Americas, Europe, Middle East & Africa (EMEA), and Asia Pacific (APAC) regions with approximately 35,000 employees globally. We are committed to creating an inclusive and diverse workforce everywhere we do business.

OUR UK BUSINESS

VF operates two distinct legal entities in the United Kingdom, both with over 250 employees. The detail in this report covers the gender pay data for each entity: VF Northern Europe Ltd., which is responsible for our UK Wholesale Business, as well as for providing centralized services to the EMEA region; VF Northern Europe Services Ltd., which is responsible for our UK Retail Stores operation.

OUR UK GENDER PAY REPORT

Our UK Gender Pay Report is based on information as of the snapshot date of 5 April 2022. We have used the Advisory, Conciliation and Arbitration Service (ACAS) and Government Equalities Office (GEO) Guidance on Gender Pay Reporting to calculate the data we are required to report on for each separate entity. The mean and median gender pay gap is calculated based on the hourly rate of the payments received in the month of April 2022, excluding overtime. The mean result is the average hourly rate of all male employees versus the average hourly rate of all female employees. The median result is the middle value of pay for men versus the middle value of pay for women. The bonus gap considers pay received during the 12 months leading up to the snapshot date. A positive figure would show where women received lower rates than men and a negative figure would show where women received higher rates than men.

As of the snapshot date, VF employed 1,743 people in the two main United Kingdom legal entities. The employee gender breakdown by business is as follows:


	VF Northern Europe Ltd.		VF Northern Europe Services Ltd.		Total VF UK ¹	
Men	315	45%	482	47%	797	46%
Women	386	55%	549	53%	935	54%

VF NORTHERN EUROPE LTD.



VF Northern Europe Ltd. is the legal entity that operates our direct wholesale business in the UK, as well as provides centralized services across EMEA in Customer Service and Credit. It also provides HR and Finance services in the UK. As of 2021, VF Northern Europe Ltd. includes the main EMEA VF Distribution Center located in Bardonia, which led to a significant growth of employees between 2021 and 2022 as new teams were established in this location. This resulted in a 32.5% increase in the analyzed population for 2022 compared to 2021.

MANDATORY REPORTING


Gender Pay Gap Results

		Mean	Median
	Pay Gap	18.7%	0.7%
	Bonus Gap	59.3%	0.0%

Proportion of Employees Paid a Bonus

	Male	Female	
	42.2%	28.2%	

Proportion of Employees in Each Pay Band Quartile

	Male	Pay Quartile	Female	
	57%	Upper Quartile	43%	
	38%	Upper Middle Quartile	62%	
	44%	Lower Middle Quartile	56%	
	45%	Lower Quartile	55%	

¹ 11 employees did not indicate their gender in the HR system across both entities, and as a result, were excluded from the calculations.

COMMENTARY

Gender Pay Gap

In 2022 our Mean Gender Pay Gap was 18.7%, about 5 percentage points higher than the UK national average of 13.9% (as reported in the 2022 Annual Survey of Hours and Earnings by the Office for National Statistics). Although we have reduced our gap from 20.8% in 2021, we have not yet met the market standard. In 2022, the Median Gender Pay gap between males and females was 0.7% and decreased from the 4.7% gap observed in 2021. This outperforms the national UK median of 14.9% for the year.

The growth of the Distribution Center workforce has positively affected both indicators, as there is a relatively standard pay rate among these job roles, not mentioning the fact that 37% of VF Northern Europe Ltd total population was employed at the Bardon Distribution Center at the time of this report, compared to only 15% on April 5th, 2021.

Gender Bonus Pay Gap

In 2022 a larger portion of male employees received a bonus (42.2%) compared to female employees (28.2%). This is similar to the previous year and the gap between the genders remained constant at approximately 14 percentage points between 2021 and 2022.

The Gender Bonus Gap Mean slightly worsened, reaching 59.3% vs 53.2%. In 2022 VF Northern Europe Ltd. disbursed higher bonuses compared to 2021; however, the average payout per individual, regardless of gender, was lower, which can also be attributed to the notable growth in the workforce for the legal entity. Variations in bonus KPIs were influenced by various factors, including fluctuations in the workforce, new hires and departures, and particularly the business performance of each brand, which had an impact on the final bonus amounts.

The Gender Pay Gap Bonus Median has significantly improved from nearly 50% in 2021 to 0% in 2022. This KPI was again positively influenced by the changes in the population (Distribution Center) and is demonstrating equal distribution of the bonuses in this legal entity.

Proportion of bonuses received by females increased in 2022 vs. 2021 (28.2% vs. 17.5% in 2021), due to the additional Distribution Center population, where amongst women receiving a bonus in the legal entity, 54% worked in Bardon. Considering that bonuses paid in the Distribution Center were equal across the entire population, it positively affected female Bonus Gap Mean in comparison to males.

The Gender Pay Gap Bonus Median has significantly improved from nearly 50% in 2021 to 0% in 2022. This KPI was again positively influenced by the changes in the population (Distribution Center) and is demonstrating equal distribution of the bonuses in this legal entity.

Gender Pay Distribution


We also found more harmonized Quartiles in 2022, with male predominance in the Upper KPI lowering to 57% from 63% in 2021, which also mirrors the fact that women in managerial roles increased by 3 percentage points this year. In the Lower Middle and Lower Quartiles, the presence of women decreased (in Lower Quartile: 55% vs. 59% in 2021 and in Lower Middle Quartile: 56% vs. 64%), going towards a more equal split.

VF NORTHERN EUROPE SERVICES LTD.



VF Northern Europe Services LTD. is the legal entity that operates our Retail business in the UK. It includes all store employees, plus field management and supporting human resources roles.

MANDATORY REPORTING



Gender Pay Gap Results

		Mean	Median
	Pay Gap	6.8%	1.1%
	Bonus Gap	37.2%	11.5%

Proportion of Employees Paid a Bonus

	Male	Female	
	82.3%	82.7%	

Proportion of Employees in Each Pay Band Quartile

	Male	Pay Quartile	Female	
	51%	Upper Quartile	49%	
	46%	Upper Middle Quartile	54%	
	47%	Lower Middle Quartile	53%	
	45%	Lower Quartile	55%	

COMMENTARY

Gender Pay Gap

We continued to report a low and consistent Gender Pay Gap Mean, which this year came to 6.8%. This was significantly lower than the UK national average of 13.9% as reported by the 2022 Annual Survey of Hours and Earnings by the Office for National Statistics. This indicator remained unchanged compared to 2021, while the Gender Pay Gap Median slightly increased to 1.1% from the 0% reached in the previous year. These results confirm the progress in gender pay equity across our retail workforce achieved during the years.

Gender Bonus Pay Gap

The proportion of employees receiving bonuses is equal for both genders, with 82.3% for males and 82.7% for females, consistent with the 2021 Gender Pay Gap report where the respective percentages were 96.9% and 95.1%

The 37.2% Gender Bonus Pay Gap remained as well unchanged from 2021 and it is driven by the varying performance of stores.

Bonus Gap Median improved by 2.6 percentage points, reaching 11.5% compared to the 14.1% reported in 2021.

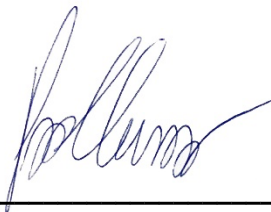
Gender Pay Distribution

The Upper Quartile distribution was in line with the previous years, confirming equal pay and opportunities especially for in-store managerial positions.

In 2021 61% of employees in the Lower Quartile were women while this year the KPI improved to 55%, which was result of more balanced intakes during the year. This score brings us to a better position also compared to 2020, when the percentage on women in the Lower Quartile was 57%.

I confirm that the Gender Pay Gap data contained in these reports are accurate and have been prepared in line with the mandatory requirements.

SIGNATURE _____



Paolo Caruso

Vice President, HR Business Partner (EMEA)