



UK GENDER PAY GAP REPORT 2018

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 more than 65,000 employees worldwide. We are committed to creating an inclusive and diverse workforce everywhere we do business.

OUR UK BUSINESS

VF operates three distinct legal entities in the United Kingdom, each 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; and, Williamson-Dickie, a global workwear company, which operates in the UK through its legal entity Williamson-Dickie Europe Ltd. Williamson-Dickie was acquired by VF on October 2, 2017.

OUR UK GENDER PAY REPORT

Our UK Gender Pay Report is based on information as of the snapshot date of 5 April 2018. We have used the 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, excluding overtime. The bonus gap considers pay received during the 12 months leading up to the snapshot date. 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. 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 1,951 people in the United Kingdom. The employee gender breakdown by business is as follows:

	VF Northern Europe Ltd.		VF Northern Europe Services Ltd.		Williamson-Dickie Europe Ltd.		Total VF UK	
Men	227	42%	546	51%	175	52%	948	49%
Women	308	58%	533	49%	162	48%	1,003	51%

Overall for 2018, VF had slightly more female employees in the UK than male employees. This is aligned with what was reported for 2017 even with the addition of Williamson-Dickie Europe Ltd.





The required reporting by legal entity is contained in the following pages.

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 to two of our legal entities in the UK.

MANDATORY REPORTING



Gender Pay Gap Results

	Mean	Median
  Pay Gap	26.1%	12.1%
  Bonus Gap	61.0%	47.9%

Proportion of Employees Paid a Bonus

	Male	Female
 	31%	14%

Proportion of Employees in Each Pay Band Quartile

	Male	Pay Quartile	Female
 	61%	Upper Quartile	39%
	46%	Upper-Middle Quartile	54%
	28%	Lower-Middle Quartile	72%
	34%	Lower Quartile	66%

COMMENTARY

Gender Pay Gap

We saw a mean gender pay gap of 26.1% that was slightly higher than the UK average (National UK average was 17.9% as per the 2018 Annual Survey of Hours and Earnings; Office for National Statistics) and higher than the 21.6% reported in 2017. The result continues to be impacted by two key factors:

- We continue to see that our legacy businesses have fewer women than men in our more senior roles, particularly the technical functions of IT & Finance, and in the higher paying direct sales groups.
- As expected, the relocation to the UK of our central Shared Services for Credit and Customer Service, continues to contribute to the addition of younger employees, mostly female, in lower paying positions.

Gender Bonus Pay Gap

The gender bonus pay gap increased to 61% (versus 52.5% in 2017) and continues to be driven by position specific eligibility rules for variable pay as well as brand-based performance differentiation.

- Typically, only our more senior roles and direct sales positions are eligible for variable pay, which have a higher percentage of male employees than female employees in bonus eligible positions.
- We saw significant performance-based incentive payout differences amongst our individual brands. Many of the brands, which typically have a higher proportion of male employees, overperformed, and thus paid higher bonuses.

Gender Pay Distribution



We aim to pay our employees, regardless of gender, equally for doing equivalent jobs. The Pay Band Quartile distribution shows more female than male employees in all but the Upper Quartile. This is not an unexpected result based on the previous commentary regarding the demographic make-up of our legacy businesses. There was some progress as we saw the percentage of Females in the Upper Quartile increase 3%, though the percentage of Females in the Upper-Middle Quartile decreased by about that same amount.

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
 	5.3%	1.8%
Pay Gap		
Bonus Gap	23.7%	27.9%

Proportion of Employees Paid a Bonus

	Male	Female
	85%	86%
		

Proportion of Employees in Each Pay Band Quartile

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

COMMENTARY

Gender Pay Gap

We saw a small gender pay gap of about 5%, significantly lower than the UK average (UK average for Retail Trade was 17.6% as per the 2018 Annual Survey of Hours and Earnings; Office for National Statistics). While higher than the 1% we saw in 2017, the relatively low result was expected as jobs in our retail business tend to be homogeneous, and our aim continues to be to pay people equally for the same job.

Gender Bonus Pay Gap

All retail employees are eligible for a bonus based on the performance of the individual store. The 20-25% gender bonus pay gap was mostly driven by brand based performance differentiation as well as the gender make-up of our part-time employee population.

- We saw significant performance-based incentive payout differences amongst our individual brands. Many of our brands, which typically have a higher proportion of male employees, overperformed their targets and thus were paid higher bonuses.
- We have a slightly higher proportion of women in part-time roles among those that received a bonus payout. When bonuses are paid to part-time employees, they are pro-rated to reflect reduced hours. This is not recognized in the bonus pay gap calculation.

Gender Pay Distribution



We aim to pay our employees, regardless of gender, equally for doing equivalent jobs. The relatively small proportional differences seen through most of the Pay Band Quartile distribution results support the success of this effort. We will continue to monitor the number of female employees in store management positions to ensure they are given opportunities for the upper level positions.

WILLIAMSON-DICKIE EUROPE LTD.



Williamson-Dickie Europe LTD. is the legal entity of Williamson-Dickie that operates in the UK and is responsible for all store employees, field management and supporting operations.

MANDATORY REPORTING



Gender Pay Gap Results

		Mean	Median
		Pay Gap	17.3%
		Bonus Gap	81.6%
			-13.9%

Proportion of Employees Paid a Bonus

	Male	Female	
	77%	74%	

Proportion of Employees in Each Pay Band Quartile

	Male	Pay Quartile	Female	
	62%	Upper Quartile	38%	
	45%	Upper-Middle Quartile	55%	
	46%	Lower-Middle Quartile	54%	
	56%	Lower Quartile	44%	

COMMENTARY

Gender Pay Gap

We see a mean gender pay gap of 17.3% which, while on par with the UK National Average, is disproportionately impacted by one highly paid individual in a senior management position that has broader EMEA regional reach. Excluding that individual, the mean pay gap would be reduced to less than 6%. The Median Pay Gap figure of 0.6% more accurately reflects the company's continued efforts to aligning gender pay.

Gender Bonus Pay Gap

As is the case with the gender pay gap, the gender bonus gap of 82% is also disproportionately affected by a few top management roles with broader EMEA scope and higher bonuses. Excluding the highest paid individual would reduce the gap to about 60% and the next highest paid would reduce it further to about 20%. Again, looking at the Median Bonus Gap Figure of -14% more accurately reflects our significantly better than the UK National Average results and demonstrate the general efforts of the company to strive for gender parity.

Gender Pay Distribution

Not surprisingly, we have seen some changes in the Pay Band Quartiles for 2018 following VF's acquisition of Williamson-Dickie as new positions, restructuring and various individual situations have created employee base fluctuations.

I confirm that the gender pay gap data contained in these reports are accurate and have been prepared in line with the mandatory requirements.

Monica Valseschini
 Vice President, Human Resources International



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