



TOPICS COVERED
// Strategy & Governance

I couldn't be prouder that one of VF's cultural hallmarks is the pervasive integrity that drives our actions and is the foundation of all of our business practices. As a board, we are keenly aware that we set the tone, not just with our words, but with our actions. The areas we choose to focus on are intentional and always driven by our guiding principles. We choose to take a long-term focus, and we choose a culture of integrity.

We shape strategy.

First and foremost, our board focuses on business strategy and the creation of shareholder value. One of the most critical roles is overseeing the development and monitoring of goals and actions against our long-term business strategy. VF introduced its 2021 Global Business Strategy in March 2017, after a year-long process that included extensive board involvement.

We promote diversity and inclusion.

Diversity is a critical focus for our board and a major driver of our long-term strategy. VF's diversity—among our people, our brands, and our consumers—is a source of competitive strength and organizational pride. As we look to the future, we are committed to ensuring a diverse and inclusive workplace, which includes everybody, from the line workers in our factories to our senior leaders and board. As a global company that operates in more than 100 countries, we have unique access to a vast array of perspectives. Tapping into this range of perspectives enables us to achieve better outcomes and, ultimately, greater shareholder value.

One of many ways we demonstrate our unwavering commitment to diversity and inclusion is our 2016 commitment to joining the Paradigm for Parity coalition. By joining, we committed publicly to achieving gender parity in our corporate leadership by 2030. We're putting a stake in the ground that establishes our organization as committed, transparent leaders in this space. We also are actively engaged with the Human Rights Campaign, a leading organization advocating for lesbian, gay,

FOR THE LONG-TERM

Laura Lang on shaping long-term strategy and fostering a culture of integrity

Written by Laura Lang

The best boards provide a strategic compass for their organizations—helping to oversee their future direction in the near and long term. I believe deeply that the best boards also serve as a moral compass for their organizations' vision and values. As a member of the board of VF Corporation, a global leader in branded lifestyle apparel, footwear and accessories, I am deeply invested in the culture of our board and of our organization.

bisexual, transgender and questioning (LGBTQ) equality. Both these commitments foster a diverse culture that encourages creative and unique business perspectives.

We take a long view of board and leadership succession.

We think long-term about board succession. The fact that we have a mandatory retirement age of 72 gives us a unique opportunity to plan ahead for board refreshment, and ensures that our board reflects where our company is going strategically. We have three female directors on the board and expect that number to grow as we achieve our Paradigm for Parity milestones and enact our diversity goals.

Another protracted focus of our board is thoughtful and deliberate CEO succession planning. VF recently completed a long-planned and well-executed CEO transition. VF's former CEO and current executive chairman, Eric Wiseman, identified a slate of potential successors and presented them to the board shortly after he assumed the CEO role in 2008. Over several years, our board had continual discussions and engagement with our potential CEO candidates. Based on that extensive process, we selected our new CEO, Steve Rendle, who began his role on January 1, 2017. Steve has already begun a similar succession planning process with the board.

We commit to corporate social responsibility.

We recognize that sustainability initiatives, from climate change to workers' rights, drive value as well as a culture of integrity. Worker safety is a particular focus for VF, and we are founding members of the Alliance for Bangladesh Worker Safety, an organization that shares our organization's steadfast commitment to worker safety across the supply chain. Our work with the Alliance has granted us new insights about factory safety that

we have extended across our global supply chain, which includes more than 1,000 supplier factories. In addition, through VF's Responsible Sourcing program, we are sharing VF's values-driven internal manufacturing model with our contract suppliers to positively influence our supply chain and the industry.

We recently added formal oversight of VF's sustainability activities to the Nominating and Governance Committee charter. This gives our board the opportunity to closely oversee key programs and developments in these areas, which are so important to our company's integrity.

We carefully consider risk.

As a board, we continually size up the challenges and disruptions that risk impacting VF. To make sure we're on top of these risks, our board oversees risk assessments and audits focused on the achievement of our strategic plan. Ensuring this commitment is the board's partnership with external auditors to better understand how the company addresses identified risks.

When boardroom issues arise, as they inevitably do for any company, a forward-looking board must continually ask: How does this decision fit with our overall long-term strategy? It's the board's role to do what's truly best for the company, which includes building shareholder value over the long term and not just quarter-to-quarter.

In so doing, we set the tone. It's an honor and a big responsibility. We do our best to lead with independence and accountability, and ensure that management achieves meaningful progress against the initiatives that underpin VF's culture of integrity. Our ethical culture is central to VF's strategy and shareholder value. Actions always speak louder than words, and I'm deeply proud of the actions we're taking.

Facts & Figures

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VF has a footprint in 170 countries worldwide.

Source: VF Corporation

Author Biography

Laura Lang has served on the VF Corporation Board of Directors since 2011. Ms. Lang has been the Managing Director of Narragansett Ventures, LLC since January 2014. Prior to this role, Ms. Lang was the Chief Executive Officer of Time Inc., a division of Time Warner, one of the largest branded media companies in the world, until 2013. From 2008 until she joined Time Inc. in 2012, Ms. Lang was Chief Executive Officer of Digitas Inc., the largest digital agency in the world and a unit of Publicis Groupe S.A.Ms.

Stats & Data

Board Performance Evaluations Should Be Regular

One necessary component of a strong board is ensuring that all board members are contributing well to their governance duties. That makes periodic efforts to measure the board's performance, both as a group and as individual directors, imperative.

How frequently does your company conduct performance evaluations of the Board or individual directors?



Conclusion: Companies are much more likely to conduct performance evaluations of their entire boards than they are to review the performance of individual board members. However, individual performance on the board is just as important as individual performance in any executive role, and board and committee functions can be hampered by underperforming board members.

Source: Ethisphere's Early Insights from 2017 World's Most Ethical Companies® Honorees