



January 13, 2022

Alysha Khambay  
Business and Human Rights Resource Centre  
2-8 Scrutton Street, 2<sup>nd</sup> floor  
London  
EC2A 4RT  
United Kingdom

Dear Ms. Khambay,

Thank you for your January 11, 2022 communication regarding the payment of wages/variable dearness allowances (VDA) in Karnataka, India.

All suppliers working with VF must adhere to our [Global Compliance Principles](#) included in our [Terms of Engagement](#). These principles outline our expectations for how every business partner and supplier behaves and treats their workers. VF's Global Compliance Principles state that "VF Authorized Facilities must fully comply with all applicable local, state, federal, national, and international laws, rules and regulations including those relating to wages, hours, employment, labor, health and safety, the environment, immigration and the apparel and footwear industry." Failure to comply with minimum wage laws anywhere in the world is a critical violation of our standards and could lead to termination of business.

Specifically, regarding the topic of wages and VDA in Karnataka, during the past few months we have collaborated with labor groups, civil society groups and trade associations to understand how to best address situations where workers are not receiving the required VDA increase. Accordingly, we communicated to all Karnataka suppliers our expectation for them to comply with the local law, including payment of the VDA increase, including arrears. Should our suppliers not pay workers the legally required wages, we will designate such supplier *pending rejection* in our system, ultimately leading to termination of business with VF. We take this situation very seriously and continue to engage our suppliers in Karnataka and collaborate with civil society to collectively remedy this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Higgins'.

Peter Higgins  
Vice President  
Global Responsible Sourcing