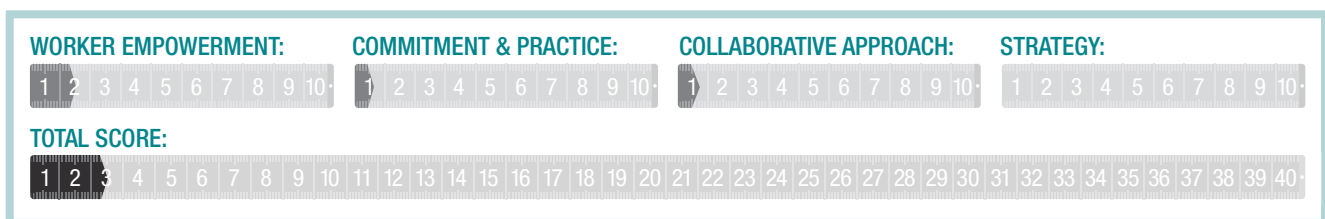


VF CORPORATION

Brands: 7 For All Mankind, Ella Moss, Bulwark, Lee, Rustler, Majestic, Nautica, JanSport, Wrangler, Eagle Creek, The North Face, SmartWool, Riders By Lee, Reef, Kipling, Red Kap, Horace Small, Splendid, Timberland, Lucy, Napapijri, Eastpak, Vans



COMPANY POSITION ON THE LIVING WAGE:

“All VF Authorized Facilities must compensate their employees fairly by providing compensation packages comprised of wages and benefits that, at the very least, comply with legally mandated minimum standards or the prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.”

WHAT WE SAY:

VF doesn't recognise the principle of a living wage as part of its responsibility or policy. Company engagement in local education and health projects is all very well, but does not solve the problem of poverty. It is embarrassing that a company of this size is not engaging in this important issue.

IN MORE DETAIL:

Has living-wage benchmarks?

No.

Worker empowerment:

VF ensures that a poster explaining freedom of association (FOA) and the right to collective bargaining is displayed in all its factories.

Some reactive training for suppliers with FOA violations was mentioned.

Commitment and practices:

VF does not support the principle of a living wage in its policy and has no living-wage benchmarks, only the minimum wage.

VF is currently undertaking a review to verify wage levels against Social Accountability International's SA8000 standard on the basic-needs wage. It says: "Our initial review process in sample factories in the regions where we have facilities has provided some positive indications, and we will continue to expand the scope of these reviews and take the necessary measures. We are choosing to not disclose this data publicly until all research is complete."

Collaborative approach:

VF says: "VF is working in collaboration with other brands and various NGO's, government representatives, industry associations, and trade unions to address a variety of issues related to social compliance." No specific collaborative work on the living wage was mentioned.

Strategy:

VF says: "We ... believe that higher wages alone do not necessarily create improved living conditions. It is within this context that we have defined our approach to support and facilitate sustainable living by addressing the environment (societal infrastructure) that workers live within rather than focus on wages alone. While we recognize that in some countries or regions the legal minimum wage is insufficient to support sustainable living, what we don't know is whether simply raising wages for workers will ensure that their basic needs are met. What if the issue involves more complex questions, such as the cost and accessibility of basic human services like health care or education?" As a result of this position, Timberland is working with some local and international partners on financial-literacy courses for workers, plus education and clean-water projects.

VF has no strategy for delivering a living wage to workers who make its products.

Production overview:

Number of suppliers: 2,300 suppliers, both first-tier and subcontractors

Main production countries listed as: China (26%), US (21%), India (7%), Vietnam (5%), Bangladesh (4%), Mexico (4%), Turkey (2%), Pakistan (2%), Other (29%)

Timberland publishes a full public list of the names and addresses of its supplier factories. The rest of VF's brands do not publish a full public list of the names and addresses of their supplier factories.

COMMENTS:

VF states in its submission that it recognises the minimum wage is not enough to cover workers' basic needs, yet it is failing to take any action to increase wages to solve this. The VF policy requires payment of the minimum wage only, with no reference to a need for wages to meet basic needs – this falls some way behind even the most basic policy commitments that other companies featured in this report have made.

Instead VF (or rather Timberland – no evidence was given of any other VF brand engagement) has invested effort in a programme to provide "sustainable living environments" for some of its workers. This involves some projects on clean-water provision and education for workers and their children, as well as healthcare.

To this, we say that VF is getting confused as to its responsibility and role in the supply chain. It is not the responsibility of companies to provide schools and healthcare for workers, although if they want to contribute to charity to help struggling Asian communities that is their choice. However, it is the primary responsibility of a brand to ensure that the wage that is paid to the people who make its products is enough to cover basic needs.

For us, meeting basic needs is about giving people who work the liberty to choose the way those needs are met. This is done through an income that is sufficient to allow this to happen. By trying to manage the way needs are met, this liberty is removed.

It is good that VF is carrying out some sort of benchmarking exercise to try to define its commitment to a basic-needs wage. We look forward to hearing more about this as it progresses. We would hope to see VF, in the future, engage in work that acknowledges both the need for a real living wage and its own role in this process.