

## Written evidence submitted by VF Corporation (FL0019)

Dear Mr. Jones and Ms. Ghani,

Thank you for your letter dated 16 October 2020, regarding the Australian Strategic Policy Institute's (ASPI) recent report, "Uyghurs for Sale." We appreciate the opportunity to respond on behalf of VF Corporation ("VF") and our *The North Face*® brand. I also look forward to responding with oral evidence virtually on 5 November 2020.

The ASPI report incorrectly associated *The North Face*® brand with Nanjing Synergy Textiles Co. Ltd. Neither VF nor any of its brands have a business relationship with Nanjing Synergy Textiles Co. Ltd or its parent company, Victory City. As of 28 July 2020, following discussions with VF, ASPI updated its report to reflect this inaccuracy and removed all references to *The North Face*® brand. It is also important to note that neither VF nor any of its brands have a relationship with any other factories named in the ASPI report, nor do we source any products or materials from suppliers located in Xinjiang.

We are disturbed by any reports of human rights violations anywhere in the world. We are committed to operating our business with the highest levels of ethics and integrity, and we strive to lead by example with our socially and environmentally responsible actions.

VF Corporation prohibits all forms of modern slavery, including forced labor, in all direct operations and all contracted operations of our global supply chain. We have ended, and will continue to monitor for and end, business relationships with any supplier that violates human rights and refuses to immediately remediate those human rights violations when they occur.

Please see our responses to your specific questions:

**1 Do any of your organisation's value chains link directly or indirectly to the Xinjiang Uyghur Autonomous Region (XUAR) of China, and what steps are you taking to ensure that you have visibility of your entire value chain?**

1.1 No. As indicated above, the ASPI report incorrectly associated *The North Face*<sup>®</sup> brand and/or VF Corporation with Nanjing Synergy Textiles Co. Ltd. ASPI has removed all references to *The North Face*<sup>®</sup> brand. Also, as noted above, VF nor any of its brands do not have a relationship with any other factories named in the ASPI report, nor do we source from any suppliers located in Xinjiang.

1.2 Over the past several years, we have enhanced our supply chain traceability efforts to better identify third-party suppliers, and sub-suppliers, at deep tiers within our extended supply chain. Our increased traceability diligence gives us visibility into Tier 3 and beyond including both the origination of raw materials and commodities. This increased awareness provides enhanced confidence that our upstream suppliers meet and uphold our social and environmental standards, inclusive of respect for human rights.

1.3 We are continuously increasing the transparency of our supply chain by providing additional information for contract factories, which helps to enhance our ability to uncover potential forced labor risks.

1.4 Our full list of supplier factories and product traceability maps can be found on our corporate website at [www.vfc.com](http://www.vfc.com). The supplier list is updated quarterly and displays all VF-owned and operated and direct-sourced Tier 1 facilities, including value-added operations subcontracted by Tier 1 vendors.

1.5 Making our factory list and product traceability maps available online is an important component of our ongoing efforts to increase transparency with our customers and consumers as they are increasingly concerned with where and how products are made. Customers and consumers have the ability to easily raise any concerns with us through our numerous communications channels, including email, social media, and phone lines.

**2 Do you identify sourcing geographies for the delivery of services or the manufacturing of goods where there is a high risk of human rights abuse?**

2.1 Yes. We recognize human rights risks exist around the world and within global supply chains, with some areas impacted more than others. Utilizing global risk analytics and

geographic heat maps, we actively monitor geographies with reported increased human rights risks for indications of potential human rights violations, and we take steps to mitigate associated risks.

2.2 We have partnered with the UN's International Labour Organization and its Better Work Program to leverage their monitoring of human rights issues around the world and to create best-in-class solutions to help drive the type of systemic change we believe is needed. Better Work is a program of the International Labor Organization that works in a tripartite manner with employers, workers and unions, and national governments in active countries to create lasting positive change through assessments, training and advocacy. Better Work engages policy and decision makers by sharing on-the-ground results of their work to promote decent work and better business. You can find out more about that program here <https://betterwork.org/>.

### **3 What actions are you taking to prevent modern slavery and human rights abuses within your organisation and its value chains?**

3.1 VF's [Global Compliance Principles](#), [Terms of Engagement](#) and [Factory Compliance](#) programs prohibit forced labor and underpin our commitment to human rights. VF suppliers and sub-suppliers must adhere to the requirements set forth in each of these documents.

3.2 All VF facilities and the third-party supplier factories we contract with are audited on an annual basis against our Global Compliance Principles. These audits cover a range of compliance areas, including labor practices, a complete assessment of forced labor indicators, payroll and wage practices, social benefits, work hours, working environment, subcontracting, and dormitories.

3.3 VF's traceability program offers visibility into virtually every supply chain aspect of key raw materials, including cotton. This enables us to identify areas needing attention or improvement.

### **4 What evidence can you supply of compliance with all applicable labour, procurement and anti-slavery laws?**

4.1 Factory compliance with applicable labor, procurement and anti-slavery laws is assured through a variety of channels. At the onset of any business relationship, Tier 1 and nominated Tier 2 factories must agree to abide by our Global Factory Compliance Principles and pass an initial audit before they engage in production. Factories must also pass audits annually thereafter.

4.2 As previously mentioned, our increased supply chain due diligence enables us to better identify third-party suppliers, and sub-suppliers, deep within our extended supply chain. The heightened visibility gives us additional confidence that our upstream suppliers meet and uphold our social standards, including respect for human rights.

4.3 The VF Ethics Helpline is also available in more than 150 languages and can be used by anyone inside or outside our company to confidentially ask questions or raise concerns regarding ethics and compliance issues, including human rights concerns.

4.4 In addition, VF provides human trafficking training to relevant employee groups to help associates identify and report subtle indicators of abuse.

4.5 Lastly, our partnership with the UN's International Labour Organization's Better Work Program helps us monitor and identify human rights issues and develop solutions.

## **5 What are your human rights due diligence processes in respect of your workers and value chains?**

5.1 We are committed to respecting all human rights as outlined in the United Nations Guiding Principles on Business and Human Rights, the Ten Principles of the United Nations Global Compact, and the OECD Guidelines for Multinational Enterprises and other applicable OECD guidance.

5.2 As stated above, through the efforts of our traceability program, we continuously work to improve supply chain transparency. Our traceability program allows us to look deeply within our supply chain and identify areas of concern.

5.3 Our Sustainable Operations and Audit teams are highly trained in identifying subtle indicators for human rights violations, and, importantly, our teams immediately collaborate with supplier management to remediate risk indicators if found. When remediation is not possible, we end business relationships with suppliers found to commit human rights violations.

## **6 What action does your organisation take - beyond publishing a Modern Slavery Statement and including contractual obligations with suppliers - to ensure modern slavery compliance in your value chain?**

6.1 As previously outlined, our due diligence gives our teams visibility deep within our supply chains. In addition to frequent audits, we conduct anonymous worker surveys, provide a free worker helpline, and access to proper channels for reporting concerns.

6.2 While some human rights issues can be difficult to identify, our teams are highly trained in recognizing subtle indicators for human rights issues. When indicators are identified, we immediately begin an investigation and determine appropriate next steps for remediation or possible termination of the supplier relationship.

In conclusion, we believe comprehensive and sustainable solutions require collaborative engagement and cooperation across our industry, along with civil society and governments. VF, in partnership with others in our industry, plays an important role in protecting human rights and eradicating forced labor from the global apparel supply chain. VF is and will remain committed to working on solutions.

I invite you to read our full [Anti-Forced Labor & Responsible Recruitment Commitment](#) and [Human Rights Commitment](#), in addition to other policies and standards, at [www.vfc.com](http://www.vfc.com).

Once again, thank you for the opportunity to respond to your letter and clarify our position and actions related to this important matter.

Sincerely,

Sean Cady  
Vice President, Global Sustainability and Responsibility  
VF Corporation

*October 2020*