



Tom Shanahan  
Senior Vice President and General Counsel  
The University of North Carolina  
PO Box 2688  
Chapel Hill, NC 27515

Dear Mr. Shanahan,

I write in response to your invitation to the UNC Review of Licensing Practices discussion on Wednesday, Nov. 5. I am traveling in Europe next week and unable to attend the session in person; however, I want to ensure that you and your colleagues have the latest information about the progress made by VF Corporation and the Alliance for Bangladesh Worker Safety.

Following are a number of highlights and links directing you to websites and news sources for additional information.

At VF, we are deeply committed to ensuring that all individuals are treated with integrity, honesty, respect and dignity. The fair treatment and safety of our associates and those making our products around the world is an imperative. This is true in Bangladesh and every other country where we operate.

The terrible tragedy that occurred at Rana Plaza in 2013 served as an unfortunate wake-up call to the global apparel industry. In response, as you know, two working groups comprised of apparel and retail companies were formed: The Alliance for Bangladesh Worker Safety and the Accord on Fire and Building Safety in Bangladesh. Both are worthy organizations; both are focused on doing the right things in Bangladesh.

As part of this overview, I offer important distinctions about VF, our *JanSport*® brand and our Licensed Sports Group (LSG) as it relates to our presence in Bangladesh. We may have previously communicated these points to you; however, we believe it is important to remind our university partners of these facts.

- VF was not sourcing product at Rana Plaza when the building collapsed in 2013. And, although we were not doing business at that facility, we contributed \$200,000 to the fund to support victims and their families.
- *JanSport* has never sourced products from Bangladesh, and it has no plans to do so in the future.
- And, VF's Licensed Sports Group (LSG) has not directly sourced collegiate apparel in Bangladesh since 2010. A sub-licensee did produce a limited number of items (1,900 blank t-shirts) in Bangladesh in 2013, but none have been sourced in 2014.

VF joined the Alliance for Bangladesh Worker Safety because the organization shares our steadfast commitment to worker safety and because many of the Alliance members are our customers, people with whom we work every day. We are accustomed to working together on matters related to global supply chains. This was a logical choice for us.

VF and the Alliance have continued to make progress in Bangladesh, including the following:

- All factories where Alliance members source material and products have been inspected.
- To date, 17 factories have been closed due to needed immediate repairs.
- Corrective Action Plans (CAPs) have been developed and remediation efforts are underway.
- The Alliance is compensating workers for time lost due to factory closures for repairs (more than 2,000 workers have already received these benefits).
- All workers have now received basic fire and safety training (we believe this training is an essential element to help prevent further tragedies).
- The Alliance signed a partnership with the National Fire Protection Association to improve fire safety training in Bangladesh: <http://bit.ly/12UmVCx>
- The Alliance has engaged the University of Texas to conduct an independent impact assessment of safety training: <http://bit.ly/1zdQgW1>

Also, I'm pleased to report that VF announced a partnership with the International Finance Corporation to provide up to \$10 million in financing for building upgrades and fire and safety improvements in vendor factories. This initiative will help to ensure that our supplier factories have access to capital to make necessary factory improvements. You can read more about this partnership here: <http://bit.ly/1tzNrMK>

As the issues in Bangladesh continue to be discussed, and the differences of the Alliance and Accord debated, I want to call your attention to recent acknowledgements that both groups are worthy organizations and both are making progress in Bangladesh.

- The Bipartisan Policy Center and former Senator's Mitchell and Snowe released their independent assessment of Alliance activities and reported "significant and laudable progress". The entire report and cover letter can be found here: <http://bit.ly/1ybkuZb>
- An article by *The New York Times*' Steve Greenhouse – "Two Groups Complete Inspections of 1,700 Bangladesh Garment Factories," October 13, 2014. <http://nyti.ms/1sFJHJb>
- A *Washington Post* editorial – "Garment factories in Bangladesh still have massive safety problems," October 23, 2014. This piece underscores that "discussions about boycotting firms that do business in Bangladesh or punishing the country with trade restrictions were counterproductive." <http://wapo.st/1DI9kvr>

Finally, I have enclosed a letter the University of California sent to VF at the end of its licensing review process that may be useful as UNC continues its own review. The letter underscores that the efforts of the Alliance – along with those of the Accord – "will have real impact on how international companies do business in Bangladesh."

In closing, we are proud of the progress we have made in Bangladesh, both as an individual company and as a member of the Alliance for Bangladesh Worker Safety. Moreover, we are pleased that the work of the Alliance, and companies such as VF, is being recognized and

applauded by others who are following the issue closely. However, it remains clear: there is much more to do.

VF will remain sharply focused on continued improvements in Bangladesh. We will do this as a single company, as a member of the Alliance and in collaboration with other like-minded organizations – all of which are focused on worker safety in Bangladesh.

Thank you, again, for your interest in VF Corporation.

Sincerely,

Scott Deitz  
Vice President, Corporate Relations  
VF Corporation

Enclosed:  
Letter from University of California; August 26, 2014