



*The following article was featured on VF Corporation's global intranet, the Loop.*

## **The Third Way: Supporting the Communities Where We Operate** **Tuesday, December 15, 2015**

### **The Third Way**



In a small village in Cambodia, a child carries a Kipling back pack on their way to school - but this is not just any school, it's one supported by VF's Third Way initiative.

Based in Hong Kong, VF's Manufacturing Excellence and Technical Services department works to improve production and quality processes across our vast factory network. Key to their success is the development of long term partnerships with select suppliers – known as The Third Way – which enables us to share best practices with our manufacturers, not just in terms of the production process, but also in the fair treatment of factory workers and their communities.

VF has a number of Third Way partners spanning across the globe, including Cambodia, Bangladesh, the Dominican Republic and Kenya. The partnerships have varying levels of VF engagement, ranging from providing advice to factory management to taking on the day-to-day running of a factory.

### **Creating shared benefit**



At the heart of the Third Way is the underlying principle of creating shared benefit for both VF and the communities in which we operate.

For VF, the Third Way helps to improve our capacity planning and drive efficiencies across our business. With VF engineering staff located on the ground in some of our Third Way factories, they are able to share expertise and conduct real time analysis of productivity, enabling us to improve our process engineering. Alex Thomas, VP Manufacturing Excellence and Technical Services, notes that “By working with our partners to improve the way we work across the board, VF forms long term, sustainable partnerships that ensure we can both innovate and maintain our high quality standards.”

The other, equally important component of the Third Way initiative is sharing best practices to help improve worker safety and ensure fair treatment of employees. We work with our partners to create



an employee-focused environment that celebrates staff successes, resulting in improved morale and reduced turnover. Beyond the factory floor, we also partner with local charities to bring benefits to the wider community, supporting the families of our workers and building goodwill in the community.

### ***Mission Possible in Cambodia***



In Cambodia where we produce some of our footwear for Vans and backpacks for Kipling, The Third Way initiative has evolved into a full scale community project, in partnership with an Italian charity, *Mission Possible*.

Working with the charity to identify areas of most need, VF supports the community in a variety of different ways, such as providing Kipling backpacks for local children using left over factory material, setting up a mobile clinic to increase access to healthcare, and supporting a school nutrition program. All of these programs directly benefit the families of our factory workers, as well as the wider community.

Denise Lam, Business Administrator in VF's Sourcing Office, and Brenda Haitema, Senior Manager, Footwear Materials, are spearheading the work in Cambodia. Next year, they are planning take a team of staff out to further support the local school that is involved in the Third Way initiative, including arranging for staff to teach English, sports and arts classes.

Denise and Brenda hope the visit will help encourage more people at VF to get involved and support similar Third Way initiatives. Brenda said: "While visiting Cambodia for work it became painfully apparent that we had to do something beyond our day jobs. We had to do "good". From there, it turned into a passion project".

Denise agrees, adding, "I want other VF employees to be able see the real impact our work is having on the community, because when you feel good about the company where you work – it makes the job so much more rewarding."

**As we move forward, the Third Way initiative will continue to raise standards across our factory network in 2016, and ensure VF has a real and meaningful impact on the communities where we operate. Stay tuned for more stories.**