

PVH Corp.

TICKER
 NYSE:PVH

MARKET CAPITALIZATION
 US\$12 billion

HEADQUARTERS
 United States

COMPLIANCE
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [Yes](#)
COMMITMENTS
[Yes](#)
OVERALL RANKING

6 out of 43

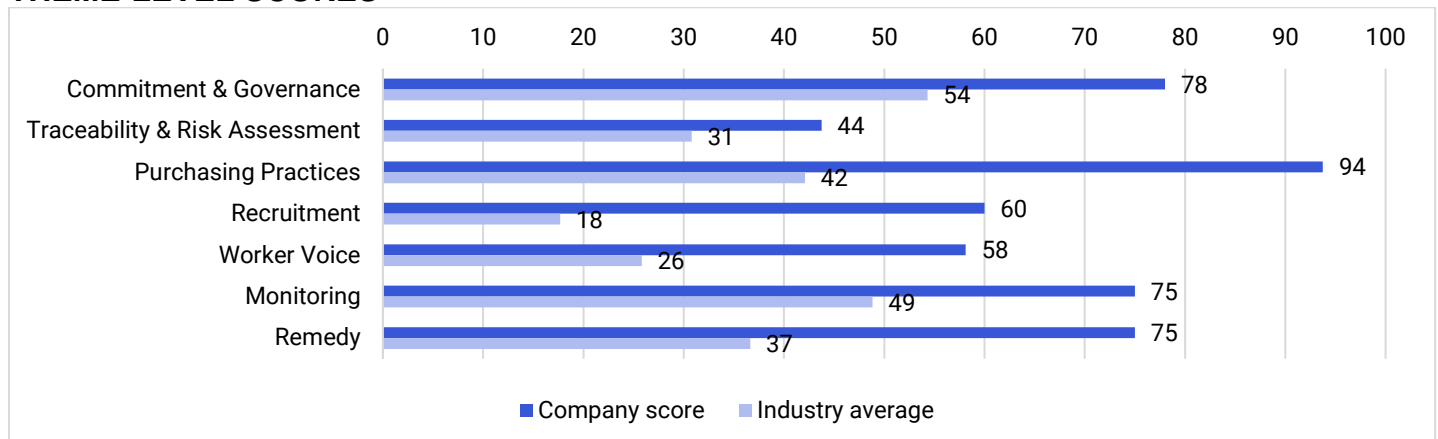
(2016: 7 out of 20)

OVERALL SCORE

69 out of 100

SUMMARY

PVH Corp. (PVH), a US-based apparel company whose brands include Calvin Klein and Tommy Hilfiger, ranks sixth out of 43 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Compared to 2016, the company improved its rank from seventh to sixth. Since 2016, the company has improved by disclosing its supplier guidelines (which include provisions regarding recruitment fees and migrant workers), joining the Responsible Labor Initiative (a multi-industry initiative promoting the rights of workers vulnerable to forced labor), launching a program on responsible purchasing practices, and expanding its audit program to include second-tier suppliers. Notably, the company achieves the second-highest score on the theme of Purchasing Practices. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of Traceability & Risk Assessment, Recruitment, and Worker Voice.

THEME-LEVEL SCORES


LEADING PRACTICES

Purchasing Practices: PVH discloses that it launched a “Responsible Business Practices program” in 2017, aimed at ensuring that it is not “inadvertently putting undue pressure on [its] suppliers that could result in code of conduct violations, such as excessive overtime hours. By optimizing [its] own buying and sourcing processes, [it] can further assist [its] suppliers to fulfill orders in a responsible way.” PVH provides detail of one part of this program, an interactive training session with multiple teams in its Calvin Klein business, including supply, merchandising, operations, planning, and sales. The training focused on a real case study developed in partnership with one of PVH’s strategic suppliers to highlight the effects of forecast accuracy on factory utilization and worker pay. Participants were asked to conduct a root cause analysis of the facts to explore how improved forecasting and clear order projections enable suppliers to plan production effectively and improve working conditions.

PVH also states it rewards those business partners that adopt and implement its standards and policies with continued business and increased production volume. It notes that business divisions also receive targets and are reviewed based on their adherence to this responsible sourcing policy.

NOTABLE FINDINGS

Recruitment: PVH’s supplier code includes the Employer Pays Principle and provisions for the protection of migrant workers; it also requires its suppliers to monitor recruitment agencies. PVH discloses that its corporate responsibility and supply chain teams collaborate with factories to ensure that workers are repaid when it discovers that fees have been paid by workers. The company also discloses that, in 2018, it joined the Responsible Labor Initiative, a multi-industry initiative promoting the rights of workers vulnerable to forced labor.

Freedom of Association: PVH requires its suppliers to have a written policy “which is regularly communicated to all workers, via postings, trainings and/or inclusion in employee handbooks. The policy should recognize and affirm a commitment to uphold the right to freedom of association.” The company discloses that it has defined non-compliances with these provisions as a “zero tolerance issue” and reviews the existence of collective bargaining agreements as part of its audits. It also provides guidance to its suppliers on the topic. In Mexico, PVH discloses it engaged with other brands, civil society, and social auditors to provide guidance to auditors on illegitimate collective bargaining agreements. Further, PVH is a signatory to the 2018 Bangladesh Accord and, as such, has committed to promoting respect for its workers’ right to freedom of association and requiring its suppliers to provide access for the Bangladesh Accord to conduct training in factories. In addition to other topics such as health and safety, such trainings cover the importance of freedom of association and the role of industrial relations.

Monitoring: In its supplier guidelines concerning forced labor, PVH requires that the following documentation be made available to auditors: a list of contract workers, employment contracts, agreements with labor brokers, recruitment and security agencies, copies of worker visas and passports, worker agreements to follow factory rules and regulations, and evidence of payment of recruitment fees and associated costs. The company’s guidelines state that, where possible, migrant workers as a particularly vulnerable group should be interviewed in their native language. PVH discloses that, in 2017, it audited 90% of its suppliers. It further notes that it included over 80 strategic second-tier trim suppliers in its audit scope.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing sourcing countries of raw materials at high risk of forced labor and information on its suppliers’ workforce. While the company discloses that it “consult[s] third party resources and databases, engage[s] in other research, utilize[s] consultants and engage[s] with members of civil society to evaluate

slavery and human trafficking risk,” it is encouraged to provide further details on how it assesses forced labor risks (for example, in relation to specific raw materials, regions, or groups such as migrant workers), and to disclose the risks identified in different tiers of its supply chains.

Recruitment: The company may consider developing and disclosing a policy that requires direct employment in its supply chains and to disclose information on the recruitment agencies used by its suppliers. While the company discloses that it will work with its suppliers to ensure worker-paid recruitment fees are repaid, the company is encouraged to provide an example of where it ensured that the fees are reimbursed to the workers. The company is also encouraged to work with its suppliers to ensure that migrant workers' rights are respected (e.g., to ensure migrant workers understand the terms and conditions of their recruitment and employment, and also understand their rights).

Worker Voice: To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)