

KnowTheChain Apparel & Footwear Benchmark - Additional Disclosure 2020/2021

Company Name: PVH Corp.

Date: March 1st 2021

Guidance:

- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website. Please see the 'comment text' and 'source' cells in the Excel document for the information we have already reviewed.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to (extensive additional disclosure documents that include a comprehensive list of links already reviewed will not be considered).

THEME 1: COMMITMENT AND GOVERNANCE

1.1 Commitment

The company:

- (1) publicly demonstrates its commitment to addressing forced labor and human trafficking.

1.2 Supplier Code of Conduct

The company's supplier code of conduct:

- (1) requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor;
- (2) is easily accessible from the company's website;
- (3) is updated regularly, following internal review and input from external stakeholders;
- (4) is communicated to the company's suppliers; and
- (5) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

(3) [PVH's Corporate Responsibility \(CR\) Supply Chain Guidelines](#) was last updated in 2019, and our [Shared Commitment](#) was updated in 2020. PVH's A Shared Commitment and CR Supply Chain Guidelines are reviewed annually and are updated as needed to reflect changes and the evolution of our CR Program.

Please also see [PVH's Governance and Stakeholder Engagement](#) document (pg. 4), for information on how we engage our stakeholders on our Forward Fashion strategy.

1.3 Management and Accountability

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and

- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

(2) The Corporate Responsibility (CR) Committee of PVH's Board of Directors is charged with acting in an advisory capacity to the full Board and PVH management with respect to policies and strategies that affect PVH's role as a socially responsible organization, including PVH's *Forward Fashion* CR strategy. The CR Committee monitors progress towards the goals of the *Forward Fashion* program, which includes publicly reported targets on the elimination of recruitment fees and other significant high-risk conduct and issues, such as the impacts of the COVID-19 pandemic on supply chain workers and human rights, as well as changes and additions to the program. The Committee generally meets at least four times a year and communicates in-between meetings as circumstances require. Revisions to PVH's *A Shared Commitment* Code of Conduct are also reviewed with the CR Committee, and, PVH's Modern Slavery Statement, which addresses requirements under California, UK and Australia law relating to forced labor, is reviewed by both the CR Committee and the Chairman of the Board of Directors annually. PVH's Board of Directors receives regular updates from the CR Committee on management's efforts in regard to strategies and issues concerning human rights and labor standards in the company's supply chain. Please see this link for more information: <https://www.pvh.com/investor-relations/governance/corporate-social-responsibility-charter>

1.4 Training

The company:

- (1) trains all relevant decision-makers within the company on risks and policies that address forced labor and human trafficking;
- (2) trains its first-tier suppliers on risks and policies that address forced labor and human trafficking and discloses the percentage of first-tier suppliers trained; and
- (3) engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or trains suppliers below the first tier on such policies.

(2)(3) As part of our ongoing engagement, PVH provides training and capacity building support to our Level 1 and key Level 2 suppliers (first and second tier) on legal requirements, PVH policies, and industry best practices relating to human rights issues, including forced labor and modern slavery.

In late 2020, as part of our effort to achieve PVH's Recruit Ethically *Forward Fashion* target to ensure that 100% of migrant workers in our Level 1 and key Level 2 facilities do not pay recruitment fees, PVH launched a training to all of our suppliers in our 12 high-risk countries: Thailand, Taiwan, Jordan, Egypt, Mauritius, Vietnam, Cambodia, Malaysia, Italy, Bahrain, South Korea, and Japan. These countries were determined to be high risk based on several indicators, including but not limited to public indices on forced labor, presence of migrant workers, and the assessment of internal supply chain data. The training launched for all suppliers in high-risk countries not only provided an overview of the elements of forced labor generally (e.g., document retention, freedom of movement and pregnancy testing) and how to detect, avoid and prevent the problematic practices, but also included a deep dive into measures to prevent migrant workers from paying recruitment fees and how to remediate fees if they are found. The training also provided suppliers, best practices for conducting labor agent due diligence and training, guidance on conducting interviews with migrant workers and providing pre-departure orientation, instructions on remediating recruitment fees issues when migrant workers are unable provide payment documents and addressed other realistic challenges suppliers face. In addition to participating in PVH's initial

training mentioned above, suppliers are required to complete a set of modules and quizzes hosted on the Responsible Labor Initiative (RLI) e-learning platform on forced labor and recruitment of foreign migrant workers. Given the depth of the training, suppliers were given until April 2021 to complete all modules. To date, 66% of suppliers in high-risk countries have completed the training, and 100% of suppliers will complete all required training modules by our deadline. In order to build upon PVH's efforts to ensure our internal teams can effectively communicate PVH's expectations with respect to forced labor and recruitment fees, supply chain leadership and teams also joined this training. To address forced labor and recruitment fees proactively, PVH also requires that all new factories that are on boarded in high-risk countries complete the forced labor suite of trainings on the RLI e-learning platform mentioned above.

Please see this link for more information: <https://www.pvh.com/news/pvh-recruit-ethically-training>

1.5 Stakeholder Engagement

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to suppliers. Furthermore, as forced labor risks tend to be systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

(1) PVH engages with labor-led initiatives across our supply chain to address and manage human rights risks. PVH's focus is on areas where we can make the most impact and, therefore, typically where we have the most leverage to affect change. This is necessarily mostly within our Level 1, Tier 1 suppliers. However, where labor groups bring to our attention initiatives elsewhere within our supply chain, we often engage actively in partnership with those organizations and with other retailers and brand owners, where appropriate, to effect the desired change.

PVH is currently involved in an ongoing engagement with a human and labor rights NGO regarding issues related to freedom of movement, forced overtime, and other human rights issues in South Asia. When alerted to these allegations, PVH, along with other brand owners, worked with the vendor to ensure an independent investigation was conducted and remediation was implemented. Updates on progress are also being provided to the NGO on an ongoing basis. Additionally, discussions are ongoing as to additional actions to be taken to effect sustainable change within the wider geographic region, thereby recognizing that this is not something that can be properly tackled facility-by-facility. When this matter has been fully resolved, we would be happy to revert with further information.

In support of our *Forward Fashion* Recruit Ethically target to ensure 100% of migrant workers at our Level 1 and Level 2 (first and second tier) suppliers do not pay recruitment fees, PVH has been working closely with Better Work. Our PVH CR team conducts regular calls with Better Work to discuss country context, industry updates and supplier CR performance. One specific example of our engagement on forced labor includes engagement with Better Work during their annual multi-

stakeholder forum in Jordan in both 2018 and 2019 on the enforcement of “no fees policies” PVH joined peer companies in sharing a common message to the national stakeholders re-emphasizing the need to address the issue of recruitment fees in a systematic way by working with the relevant stakeholders in Jordan and in the sending countries.

THEME 2: TRACEABILITY AND RISK ASSESSMENT

2.1 Traceability and Supply Chain Transparency

The company discloses:

- (1) the names and addresses of its first-tier suppliers;
- (2) the countries of its below-first-tier suppliers (this does not include raw material suppliers);
- (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and
- (4) the number of workers per supplier, and one additional data point on its suppliers' workforce (e.g., the gender ratio, migrant worker ratio, or level of unionization per supplier).

(3) PVH recognizes that cotton is a high-risk commodity and sources from countries including but not limited to India, Turkey and Egypt which are noted by U.S Department of Labor (ILAB) as sourcing countries at high-risk for forced labor. Additionally, PVH is a signatory to the [Transparency Pledge](#) and continues to make efforts to expand transparency and traceability efforts beyond the first tier. In line with this work, we continue to expand the scope of our assessment program to include additional Level 2 suppliers, specifically strategic mills and other wet processing units (laundries and dye houses), and assessing key trim suppliers. This work is ongoing, and PVH is prioritizing regions of high risk which includes China.

(4) Based on data reported by our suppliers in 2020, PVH's current migrant worker ratio is 10%, inclusive of both domestic and foreign workers and the foreign migrant ratio is 1%. Additionally, approximately 28.6% of suppliers in 12 high-risk countries employ foreign migrant workers. ¹

2.2 Risk Assessment

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and
- (2) details on forced labor risks identified in different tiers of its supply chains.

¹ This data does not include Better Work, ABVTEX facilities, and 'Gray' suppliers meaning those suppliers that are authorized for production, fall under a de minimis or other exemption category, and may undergo a self-assessment, short-form assessment, or rating equivalency.

(1)(2) As noted by KnowTheChain (KTC), PVH’s risk assessment consists of our own supplier assessment program combined with additional tools to further refine our risk analysis. Specifically, in relation to forced labor, PVH evaluates public indices on forced labor risk, analyzes our internal supply chain data, engages with our third-party audit partner, and consults with experts such as the Responsible Labor Initiative and Better Work. The internal supply chain data used not only includes data from our PVH CR assessments but also an analysis of the issues, including those related to forced labor, raised through our well-established issues-management process. Issues raised through our issues management process include concerns that are raised via various avenues, including those raised by non-governmental organizations (“NGOs”), suppliers, or issue-specific media inquiries. Through this process PVH has identified 12 high-risk countries with regard to recruitment fees, document retention, and debt bondage. As noted in indicator 1.4, these countries are Thailand, Taiwan, Jordan, Egypt, Mauritius, Vietnam, Cambodia, Malaysia, Italy, Bahrain, South Korea, and Japan.

In addition to the examples cited by KTC, PVH is a signatory to the [Uzbek and Turkmenistan](#) pledge due to the risk associated with sourcing from the region (pg. 140).

THEME 3: PURCHASING PRACTICES

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;
- (2) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting;
- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts); and
- (4) discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labor and human trafficking.

(1) Please see PVH’s [2019 CR Report](#) for information on our Regenerate Materials priority which states that PVH Sustainably source 100% of our cotton and viscose by 2025 and 100% of polyester by 2030. Additionally, for information on progress against this target, please see pg. 18.

(4) As noted by KTC, PVH conducts pre-sourcing assessments at all Level 1 and key Level 2 factories before they are permitted to produce PVH product. Any supplier that is rated Red or White is not authorized to produce for PVH. PVH’s CR assessment contains a number of indicators related to forced labor (e.g., document retention, freedom of movement, and recruitment fees). For information on PVH’s factory performance on our social assessment, please see PVH’s 2019 [CR Report](#), pg. 16 citing that 94% of suppliers scored a yellow rating or higher (meeting or exceeding our expectations) on our social assessment as well as pg. 33 detailing our factory performance, noting that 0% of suppliers were rated Red and 1% were rated White (not authorized for PVH production).

3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers before entering into any contracts with them and discloses details on the outcomes of this process; and
- (2) addresses risks of forced labor related to sub-contracting and discloses details on the outcomes of this process.

(1) Please see PVH's response to indicator 3.1(4).

(2) PVH considers the subcontracting of any part of a Purchase Order to a factory without prior written authorization a Non-Code Violation (See [PVH CR Supply Chain Guidelines](#), pg. 35). PVH reserves the right to immediately and permanently discontinue business with any factory engaging in unauthorized subcontracting, including the right to refuse delivery of the relevant products without payment and prevent the sale of those products. To enforce our policy, we review certain "non-code" violations during our CR assessment, including unauthorized subcontracting and are also informed of violations by colleagues in the quality assurance department, brand protection departments, etc. if the issue occurs outside of a PVH CR assessment. Depending on the severity of the case, vendors may be terminated immediately or will receive no more than three warnings for instances of unauthorized subcontracting prior to termination. When the business relationship is ended due to the non-code violations, the vendor is no longer permitted to produce PVH product, for a period of three years, after which they may be permitted to re-onboard subject to the satisfactory completion of PVH's CR assessment.

Through PVH's CR program and well-established issues management process, we identified a trend of cases in Turkey related to unauthorized subcontracting. In order to address the issue at these specific suppliers, PVH undertook an effort to conduct traceability audits, which included field visits to their factories and subcontractors, to assess the information provided by suppliers and compare the information with their production capacity in January 2020. The suppliers in which unauthorized subcontracting cases were found were given warning letters per PVH policy noted above. Additionally, the suppliers were required to work on corrective action plans to solve the issues found in the subcontractors as well as to avoid the recurrence of unauthorized subcontracting in the future (i.e., work on better production capacity planning).

3.3 Integration into Supplier Contracts

The company:

- (1) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts;
- (2) discloses the percentage of suppliers whose contracts include such standards; and
- (3) requires its suppliers to integrate such standards into contracts with their own suppliers.

(1)(3) PVH's Code of Conduct, A Shared Commitment, is informed by the United Nation's Universal Declaration of Human Rights and is based on the Core Conventions of the International Labour Organization (ILO). Please see [PVH CR Supply Chain Guidelines](#) (pg. 5). All companies entering into a business partnership with PVH are required to sign PVH's supplier agreements. These agreements includes a requirement that companies abide by and understand PVH's A Shared Commitment and PVH's policies, including our CR Supply Chain Guidelines. Below please find excerpts from our supplier agreements.

“Company acknowledges that it has received copies of, read, and understands PVH’s publication “A Shared Commitment – Requirements for our Business Partners” and PVH’s “Statement of Corporate Responsibility” attached hereto as Exhibit A and agrees that it shall conduct its business in compliance with the moral, ethical and legal standards set forth in such publications, as the same may from time to time be revised by PVH upon reasonable notice to Company (the “Standards”) and shall cause all Suppliers which manufacture any Products, or from whom Company obtains Products or materials for the manufacture of Products, to abide by the Standards. To ensure such compliance, Company must provide to PVH a certification in the form of Exhibit B attached hereto, and have each of its Suppliers sign such certification, certifying that all materials used in the manufacture of any Products, whether acquired by Company or such Supplier directly or indirectly, have been produced in compliance with the Standards, including, but not limited to certification that the provision of such materials and Products, as applicable, is free from the use of slave labor and human trafficking.”

“As a condition to manufacturing Products hereunder, Manufacturer shall comply with the terms of the Code [PVH’s A Shared Commitment, Code of Conduct]... Manufacturer hereby agrees that it shall cooperate fully with the Supplier Monitoring Program...Manufacturer certifies that it has in effect a program of monitoring its Subcontractors and Suppliers which manufacture the Products, which is sufficient to ensure compliance with the Subcontractor Manufacturing Agreement, the Code [PVH’s Code of Conduct, A Shared Commitment]... Manufacturer shall ensure that all of its subcontractors and suppliers shall comply with all terms and conditions as set out in this agreement. Manufacturer acknowledges that it shall remain primarily liable and completely obligated under all the provisions of this Agreement in respect of such subcontracting and supplier arrangement.”

(2) 100% of PVH direct suppliers enter into contracts which include such standards.

THEME 4: RECRUITMENT

4.1 Recruitment Approach

The company:

- (1) has a policy that requires direct employment in its supply chains;
- (2) requires employment and recruitment agencies used by its suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and
- (3) discloses information on the recruitment agencies used by its suppliers.

(2) As noted by KTC, PVH’s Migrant Worker Policy, states that suppliers should “[c]ommunicate with and train labor brokers on PVH’s policies and expectations specifically with respect to standards on forced labor and ethical recruitment.” Furthermore, PVH’s Migrant Worker Policy also states that suppliers should communicate with any labor brokers used “and conduct on-site reviews to ensure that they maintain any legally required licenses... [and that they have] contractually committed to abide by PVH’s policies and expectations. PVH considers labor agents to mean any third party involved in the recruitment, selection, hiring, transportation, and/or occasionally in the management of migrant workers. This includes sending/ receiving labor brokers, which are also referred to as labor recruitment agencies, employment agencies, recruiters, or agents.

(3) In connection with PVH's Recruit Ethically Training, a post-training survey was deployed to suppliers to gather feedback on the training, understand further capacity building needs, and determine the labor agent footprint as well as supplier’s relationships with such agents. Through this survey, PVH collected information including labor agent names, location, term of labor agent contracts and whether labor agents complied with PVH’s “no fees” policy and, etc. Among suppliers in 12 high-risk countries that have foreign migrant workers, about 50.8 % use labor agents to hire

foreign migrant workers. Additionally, through PVH's supplementary assessment tool launched in 2020 in PVH's 12 high-risk countries PVH reviews suppliers' due diligence practices on labor agents, including analyzing whether supplier provides training to labor agents on ethical recruitment, and whether suppliers' contracts with labor agents specifies a "no fees" policy, etc. In 2021, PVH plans to leverage this information to better understand the recruitment agent landscape to further identify risk as well as engagement opportunities and relevant capacity building programs for our suppliers.

4.2 Recruitment Fees

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

- (1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and
- (2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

(2) PVH's CR assessment contains a number of indicators related to forced labor (e.g., document retention, freedom of movement, and recruitment fees). A finding that recruitment fees have been paid is considered a [Critical Immediate Action](#) (pg. 154) finding and results in a rating no better than Orange, unless the practice is immediately remediated. PVH Policy requires suppliers to reimburse within 90 days of discovery any fees paid. Factories who do not fully reimburse all workers before they are reassessed are rated Red and not authorized for PVH production. Additionally, when migrant workers are found to have paid recruitment fees, the issue is raised through our well-established issues management process and are escalated to relevant PVH and CR leadership. In order to remediate fees issues within the supply chain, PVH regional CR teams engage with the factory to gather all relevant information necessary to ensure reimbursement of workers, (e.g., number of workers, recruitment corridor, and amount of fees paid per corridor). To verify workers are have been repaid fees incurred, PVH requests the supplier to provide confirmatory documentation.

An example of a recent case concerns a supplier in Thailand where it was found that 112 Burmese migrant workers had paid recruitment fees amounting to a total reimbursement of \$22,900. Fees charged to the workers included fees for visas, health checks, and work permits. Upon being notified of this finding, the supplier took immediate action, interviewed all workers, and paid back in full the fees to the migrant workers, and evidence of payment was submitted to PVH. The supplier also took proactive measures in line with PVH's guidance and instituted a practice whereby the factory would interview all migrant workers during onboarding/training to determine if fees are paid in connection with their employment, communicate PVH's no fees policy to any labor agents used in the future, and committed to strengthening training and management systems by assigning dedicated personnel to oversee the issue.

4.3 Monitoring and Responsible Recruitment

The company:

- (1) takes steps to ensure employment and/or recruitment agencies used by its suppliers are monitored to assess and address risks of forced labor and human trafficking; and

- (2) provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with stakeholders to engage policy makers to strengthen recruitment standards).

(1) Please see [PVH's Response to indicator 4.1\(3\) Recruitment Approach](#).

4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;
- (2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will; and
- (3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).

(2) [PVH's CR Supply Chain Guidelines](#) prohibits the retention of personal identification documents (pgs. 56, 130, 149, 154). As previously mentioned PVH CR assessment tool contains a number of forced labor indicators including those that relate to document retention (e.g., ensuring that the factory does not withhold personal documents (passport, national ID card, etc.)) and freedom of movement. In line with PVH policies and procedures, any finding of document retention is noted in our assessment report, and immediate actions as well as sustainable actions are designed to address any root cause of the issue in connection with [PVH's CAP development process](#) (pg. 20). In 2020, PVH had 0 findings related to document retention and 2 findings related to freedom of movement, 1 of which has been fully remediated and 1 case where PVH responsibly exited the factory due to several non-compliances.²

(3) In connection with PVH's *Forward Fashion* [Amplify Worker Voice](#) target, our social dialogue indicators require that 1) Female worker representation in the bi-partite committee is reflective of the workforce gender ratio of production workers in the factory; and 2) Minority / different language groups / migrants are present on the bi-partite committee.

Additionally, PVH's Migrant Worker Policy requires that suppliers establish a grievance system with language support for migrant workers. In 2017, PVH also rolled out its Tell PVH whistleblower hotline system to all workers in our supply chain. Tell PVH is available telephonically and online, and maybe accessed in multiple languages, to file reports anonymously (unless anonymous reporting is not allowed by applicable law) regarding misconduct and breach of PVH policies and applicable law in our suppliers' factories. To ensure that our supply chain workers are aware of Tell PVH, auditors hand out information cards to workers during PVH CR assessment. Tell PVH acts as a channel for PVH to capture and address concerns or complaints raised by the people who work for us directly and

² This data does not include Better Work, ABVTEX facilities, and 'Gray' suppliers meaning those suppliers that are authorized for production, falls under a de minimis or other exemption category, and may undergo a self-assessment, short-form assessment, or rating equivalency.

indirectly in our supply chain. Please see [PVH's 2019 CR Report](#) (pg. 39) for statistics relating to Tell PVH. Lastly, any restriction on migrant workers or female workers rights to exercise their right to freedom of association would be captured by our assessment tool under our discrimination indicators.

THEME 5: WORKER VOICE

5.1 Worker Engagement

The company:

- (1) takes steps to ensure its supply chain policies that address forced labor and human trafficking are communicated to workers in its supply chains;
- (2) takes steps to ensure that relevant stakeholders engage with and educate workers in its supply chains on their labor rights and/or supports worker-led efforts on labor rights education;
- (3) provides evidence of the positive impact of worker engagement in its supply chains; and
- (4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

(3)(4) Personal Advancement Career Enhancement (P.A.C.E.)

PVH has set a public *Forward Fashion* target to make professional and life skills development programs and services available to 500,000 women across our supply chain by 2030. PVH started this work in 2019, engaging nine of PVH's strategic vendors across India, Bangladesh, and Sri Lanka on implementation of the Personal Advancement Career Enhancement (P.A.C.E.) program within their factory base. P.A.C.E. is an evidence-based comprehensive learning program for female garment workers that offers courses surrounding professional and life skills such as communication and problem solving, as well as hygiene, health and legal financial literacy.

In November 2020 PVH launched Gap Inc.'s Personal Advancement Career Enhancement (P.A.C.E.) community program in Ethiopia, benefiting communities near Hawassa Industrial Park. PVH has a joint venture based at the Park and a number of its suppliers also operate factories there. The P.A.C.E. community program in Ethiopia is facilitated for adult women and youth through VESAs. These small-scale community groups are centered upon financial literacy as well as trainings that align with P.A.C.E. programming, acting as a foundation for modules within the community training. Over the course of eleven months, concluding in August of 2021, it's our aim to reach 2,750 women with P.A.C.E. training in our community program. While PVH has launched P.A.C.E. trainings in 15 factories and facilities around the world, this marks our first program facilitated in a community setting.

In connection with these programs PVH also made a commitment to the UN Foundation Private Sector Action on Women's Health and Empowerment Commitment. Please see the following testimonials [here](#).

Please also see: [PVH CORP \(privatesectoractionforwomenshealth.com\)](#)

(4) Amplify Worker Voice

A Performance Improvement Consultative Committee (PICC) is an enterprise level advisory committee comprised of an equal number of management and worker representatives and is the

key vehicle through which Better Work works with participating factories on improvement activities. It aims at equipping management and worker representatives with the necessary skills to sustain the operations of the PICC throughout the improvement process and to manage the on-going process of social dialogue, in an autonomous manner. The module also supports worker and management representatives of the PICC to develop a vision for what they want management/worker cooperation to mean at their factory. PVH supports suppliers and Better Work on establishing and ensuring a sustainable PICC by fully endorsing this module.

A key PVH supplier in Indonesia, also as a Better Work high performance factory, was able to maintain a good relationship with their workers by amplifying workers' voice via bipartite committee during the pandemic period. Their bipartite committee functioned effectively by holding meetings on a monthly basis to have open discussion about working conditions, benefits, female workers' maternity leave, health and safety conditions, workers' health during pandemic etc. Worker representatives are encouraged to speak in the committee meeting and are willing to share the results of the discussion with workers, therefore the factory's workers have an effective channel to have their voice heard, and issues are able to be discussed, negotiated, and resolved.

5.2 Freedom of Association

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains;
- (2) discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations;
- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and
- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

(1) PVH engages with labor-led initiatives across our supply chain to address and manage human rights risks. One example of such engagement with local unions to support freedom of association (FoA) in our supply chain comes from a supplier in Turkey. PVH CR staff received a grievance call concerning a situation where union members complained of unfair treatment by factory supervisors. Over several engagements, the PVH CR team worked in coordination and collaboration with the vendor, union and peer companies that had production in the factory to establish the facts and design a remediation plan to address the issue. As a result, the supplier took the following steps including, but not limited to 1) posting a management statement on respecting FoA rights at the workplace; 2) held a meeting to reiterate respect for FoA for all its middle management staff and supervisors at the factory level; 3) conducted new elections for worker representatives; and 4) delivered soft skills training to all supervisors. No further complaints have been received from the union or any other party and PVH CR also engaged further with the union after the fact and confirmed that the vendor continued to respect FoA.

(4) PVH is a signatory to the ILO Call to Action published by the International Labour Organization (ILO), together with The International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union. Together, we are working to mobilize emergency relief funds to support basic income levels for workers, and to coordinate financing for suppliers to continue activity when circumstances allow in relevant manufacturing countries in the near-term. Moreover, the global approach of creating the tripartite structure also sends a clear signal of our intent that worker representatives must be at the table and that freedom of association should be a core consideration throughout all of this work. To action the priorities of the Call to Action, tripartite committees - including governments, employers and workers – have been established in all Call to Action countries to ensure a consensus regarding the needs of the sector in each country, including areas where social protection systems need to be strengthened. These platforms enable the industry to create a common vision in each country, enabling prioritization of available funds that have been committed outside of the Call to Action. In Ethiopia, we proposed the inclusion of the National Garment Workers’ Union in the national dialogue.

5.3 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives;
- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;
- (3) takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism;
- (4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and
- (5) provides evidence that the mechanism is available and used by workers below the first tier in its supply chains.

(3) Through the Better Work program, Better Work enterprise advisors provide onsite training to Better Work factories on grievance mechanisms when relevant. The content of this training includes, the definition of grievance channels, the importance of such channels, engagement of workers in development of grievance mechanisms and how to ensure grievance mechanisms continue to function appropriately. For non-Better Work factories, in 2020, PVH had planned to launch a training for 15 vendors covering more than 100 factories which included information on developing and ensuring the functioning of robust grievance mechanisms and engaging workers when developing such mechanisms. However, due to COVID19, this work was delayed and will launch in 2021.

(5) We state in our [Approach to CR and Human Rights](#) document (pg.6): “In addition to supporting supplier-run mechanisms, our global reporting hotline, Tell PVH, has been made available to all workers in our supply chain who receive PVH’s CR assessment, this includes Level 1 and key Level 2 facilities that are in scope for our PVH assessment program, and to all our global PVH associates. It acts as a channel for PVH to capture and address concerns or complaints raised by our associates, as well as the people who work for our suppliers and elsewhere. Subject to certain legal limitations, they can report any suspected policy violation, inappropriate behavior and unethical practices via the hotline. In the majority of cases, they can make reports anonymously, either online or by

telephone, in one of 15 languages. Because of our commitment to engage with NGOs as a key stakeholder, we receive and respond to inquiries from NGOs engaging with our sourcing communities. Supply chain partners are provided informational cards with instructions on how to access Tell PVH. We also provide clear guidance and best practices about grievance mechanisms and the use of Tell PVH to suppliers in our [CR Supply Chain Guidelines.](#) Please see [PVH 2019 CR Report](#) for information on grievances received.” This data includes information from both our Level 1 and Level 2 supply chain (pg. 39).

THEME 6: MONITORING

6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers’ rights and priorities).

The company has a supplier monitoring process that includes:

- (1) non-scheduled visits;
- (2) a review of relevant documents;
- (3) off-site interviews with workers;
- (4) visits to associated production facilities and related worker housing; and
- (5) steps to ensure that suppliers below the first tier are monitored.

(1) As noted by KTC, PVH audits are usually scheduled in advance with the suppliers in order to foster a relationship of trust and cooperation. PVH does however reserve the right to arrange any unannounced assessment as may be necessary. Through PVH’s Tell PVH hotline and through partnership with the NGO community, PVH has been able to obtain information which warrants an unannounced or semi announced assessment or investigation. PVH conducted 4 unannounced audits in 2019 and 2020.

(3) To ensure that our assessment captures a full picture of the situation in a factory, PVH and its third-party audit partners leverage multiple techniques, including but not limited to offsite interviews with workers. In circumstances where there is evidence of any discrepancies in information received through our assessment or an investigation is prompted due to issues raised via our Tell PVH hotline or through our issues management process, we may conduct an investigation and offsite interviews as needed.

Separately, PVH’s assessment instructions includes robust guidance with regard to worker interviews. These guidelines include parameters on number of workers to be interviewed based on factory size, guidance for group interviews vs. individual interviews, and a mandate that if migrant workers are present in the factory, they must be included in the interview process. Additionally, in order to ensure a representative sample of workers are interviewed, PVH’s assessment protocol includes thresholds for number of workers interviewed based on factory size.

6.2 Monitoring Disclosure

The company discloses:

- (1) the percentage of suppliers monitored annually;
- (2) the percentage of unannounced monitoring visits;
- (3) the number or percentage of workers interviewed; and

- (4) information on the qualification of the monitoring organization used and/or the use of worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities); and
- (5) a summary of findings, including details regarding any violations revealed.

(4) PVH's CR Assessor Guidelines state that assessors are expected to possess knowledge of international standards, the UN Universal Declaration of Human Rights, ILO Core Conventions, and local labor laws. Additionally, PVH has internal policies and procedures on guiding assessors on PVH's requirements to conduct PVH audits. These guidelines state that the assessor must be fluent in the local language and familiar with local relevant law and cultural norms of the country in which they are conducting audits in. Additionally, all auditors undergo an initial orientation / training, as well as an annual quiz before being approved to audit for PVH. PVH also has a robust QA process for assessments, as well as a team dedicated to track performance against internal KPIs and ensure that assessments meet PVH guidelines and are reviewed and processed in line with our internal procedures and guidelines.

(5) For 2020, the following is a summary of findings related to forced labor:

- 0 findings on forced labor (including prison labor, trafficking, slavery, and indentured workers)
- 0 findings on child labor
- 0 findings on document retention
- 2 findings on freedom of movement, 1 of which has been fully remediated and 1 case where PVH responsibly exited the factory due to several non-compliances.
- 3 findings on wage deduction, 2 of which have been fully remediated and 1 issue where the supplier has submitted a plan for remediation and provided evidence of actions taken. Remediation will be verified during the upcoming reassessment.³

THEME 7: REMEDY

7.1 Corrective Action Plans

The company discloses:

- (1) a corrective action process for its suppliers and potential actions taken in cases of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;
- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, or spot-checks;
- (3) potential consequences if corrective actions are not taken; and
- (4) a summary or an example of its corrective action process in practice.

(4) Please see our response to question 4.2(2) for information on how PVH's CAP process is implemented with regard to a recruitment fees case.

7.2 Remedy Programs / Response to Allegations

³ This data does not include Better Work, ABVTEX facilities, and 'Gray' suppliers meaning those suppliers that are authorized for production, falls under a de minimis or other exemption category, and may undergo a self-assessment, short-form assessment, or rating equivalency.

A. The company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and
- (2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers; and
- (3) a description of what actions it is taking to prevent and remediate the use of forced Uyghur labor.

B.1. If one or more additional allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s);
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

(1) As stated in [PVH's Approach to CR and Human Rights](#) document (pg. 6), we have a dedicated team responsible for addressing and responding to human rights issues and events, including those related to allegations of forced labor, throughout our supply chain. We investigate issues as they arise and engage in dialogue with relevant stakeholders, as necessary. Issues are discussed weekly with PVH leadership and are shared as needed with other senior PVH leadership in order to ensure appropriate action is being taken. When we deem it necessary, we post updates to policies, resources and positions on our PVH CR website in response to numerous stakeholder inquiries on notable/salient issues.

(2)(3) Allegation 1- XJ: As stated in [PVH's Xinjiang Statement](#), we are deeply troubled by the reports of mistreatment and coercive labor practices involving Uighur and other minorities inside and outside Xinjiang Province. Forced labor is a zero-tolerance issue, as stated in our long-standing code of conduct and vendor agreement and policies, and any confirmed instances of forced labor by our suppliers will result in termination of the business relationship. In addition to conducting due diligence throughout our supply chain, we have conducted and will continue to conduct where necessary enhanced due diligence in China and elsewhere consistent with expert advice. Additionally, PVH has engaged with industry associations on the issue and as well as with the Better Cotton Initiative and urged them to strengthen their policies on forced labor globally and end operations in regions that are at high risk for forced labor.

B.2. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) a description of what actions it would take to prevent and remediate the alleged impacts; and
- (3) that it engages in a dialogue with the stakeholders reportedly affected in the allegation or requires its supplier(s) to do so.

Please see above for PVH's response to element 1.

(2)(3)(4) Allegation 2: Ethiopia: A Workers Rights Consortium (WRC) report containing allegations of wage deductions, discrimination, and violations of freedom of association drew on interviews that had taken place almost two years prior to publication of the report and also incorrectly identified factories as supplying PVH which turned out not to be the case, complicating follow up to the allegations. In response to the WRC allegations we conducted an investigation, carried out by a team comprised of an independent academic, an Ethiopian lawyer and an experienced CR professional. The investigation included interviews with randomly drawn workers from the factory mentioned in Hawassa, with findings triangulated with factory management and data. PVH's investigation could not corroborate many of the findings in the WRC report but the report was used to inform follow up by PVH's senior leadership and engagement going forward. Shortly after publication of the report, all factories supplying Ethiopia entered the ILO Better Work program, including advisory service, training and independent factory assessments