

PVH Corp.

TICKER
NYS:PVH

MARKET CAPITALIZATION
US\$9 billion

HEADQUARTERS
United States

DISCLOSURES
[UK Modern Slavery Act](#): Yes
[California Transparency in Supply Chains Act](#): Yes

TARGETS
Yes

OVERALL RANKING

3 out of 37

([2018 Rank](#): 6 out of 43)

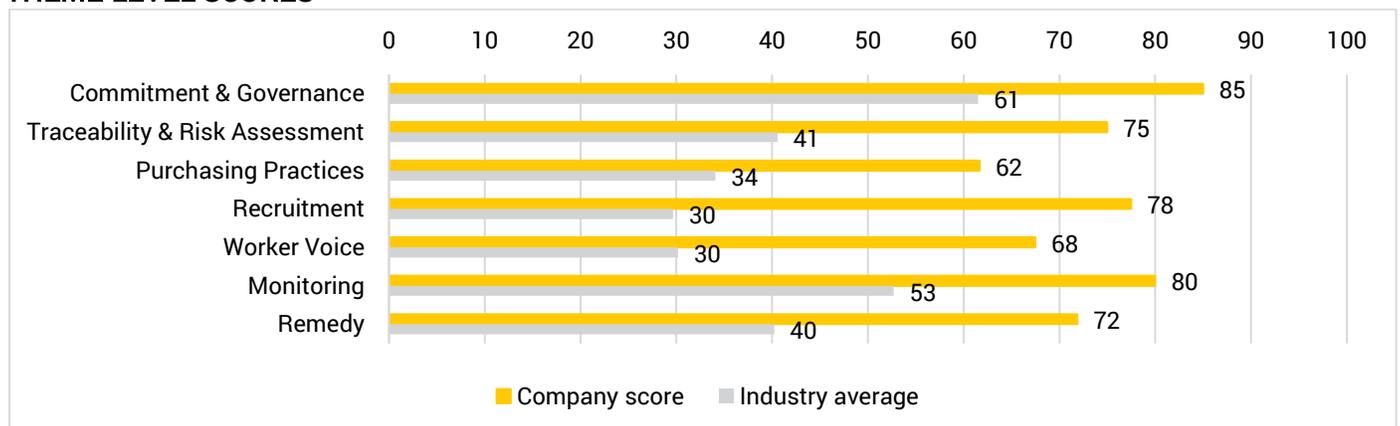
OVERALL SCORE

74 out of 100

SUMMARY

PVH Corp. (PVH), one of the world's largest apparel companies and owner of brands including Tommy Hilfiger and Calvin Klein,¹ ranks 3rd out of 37 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Compared to 2018, the company improved its score by five points. This is because it disclosed more information, including a list of selected fabric and mill suppliers, remediation of recruitment-related fees to supply chain workers, and a process for responding to grievances in its supply chains. The company is among those achieving the second-highest score on the themes of Commitment & Governance and Purchasing Practices. As of April 2021, the company has deleted its Xinjiang statement² and does not disclose steps taken to address alleged Uyghur forced labor risks across its supply chain tiers. KnowTheChain identified one additional allegation of forced labor in the company's supply chains. The company states that its investigation, which included worker interviews, concluded that the factories named did not supply to PVH. The company does not disclose the actions it would have taken to prevent and remediate the alleged impacts. The company has an opportunity to improve on the themes of Purchasing Practices, Worker Voice, and Remedy.

THEME-LEVEL SCORES



KEY DATA POINTS
SUPPLIER LIST

Yes

IMPROVEMENTS OF FREEDOM OF ASSOCIATION

No

HIGH-RISK RAW MATERIALS³

Cashmere, cotton, silk, and others

DATA ON PURCHASING PRACTICES

Yes (One data point only)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK SOURCING COUNTRIES

Brazil, China, Ethiopia, and others

LEADING PRACTICES

Management and Accountability: PVH discloses that the corporate responsibility committee of its board of directors meets four times a year and monitors performance on social and human rights indicators. It states that this includes monitoring targets on eliminating recruitment fees and issues, including the impact of the Covid-19 pandemic on supply chain workers and human rights.

Monitoring Process: The company reports that it monitors some suppliers below the first tier of its supply chains, including some raw material suppliers, mills and wet processing facilities, and trim suppliers. It states it is focusing on high-risk regions.

NOTABLE FINDINGS

Traceability and Supply Chain Transparency: PVH discloses a supplier list of all its finished goods suppliers and its “strategic” fabric and trim suppliers. The supplier list includes 127 raw material suppliers. PVH also discloses the number of workers per supplier, including for first- and lower-tier suppliers, and it reports that 10% of the supplier workforce comprises migrant workers.

Recruitment Fees: PVH discloses that where workers have paid recruitment fees, they must be repaid by the supplier within 90 days. The company’s policy states that its suppliers should require labor brokers to provide copies of labor contracts and ensure that workers hired through labor brokers have not paid fees. PVH reports that it found that 112 migrant workers at a Thai supplier had paid fees amounting to US\$22,900 for health checks, visas, and work permits. It states that the supplier repaid the fees to workers, provided evidence of repayment to PVH, and changed its onboarding process to include migrant worker interviews to determine whether fees had been paid.

Grievance Mechanism: The company discloses that it has a reporting hotline that supply chain workers and NGOs that engage with its sourcing communities can use. It also discloses that it trains suppliers on grievance mechanisms, including engaging workers in the development of grievance mechanisms. PVH states that it received 18 supply chain grievances in 2019: eight through its hotlines, eight from workers, and two from unions. They included grievances related to its first- and second-tier suppliers.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company discloses some efforts to source cotton responsibly, the company may consider taking steps to address forced labor risks across the high-risk raw materials that it sources. Further, the company may consider disclosing comparable year-on-year data points on its purchasing practices relating to all its suppliers. Specifically, the company is encouraged to disclose details on its responsible purchasing program, for example, on how it adapts its purchasing practices to ensure living wages in its supply chains and on the (aggregate) supplier ratings received via Better Buying. In addition, the company has increased its payment time from 45 to up to 90 days during the pandemic. It is encouraged to adopt industry best practice—namely payment times of 30 days.

Worker Voice:⁴ The company discloses some examples of engaging with unions on freedom of association in its supply chains and how it dealt with a particular freedom of association grievance. Beyond this single case, the company is encouraged to disclose specific 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. Where there are regulatory constraints on freedom of association, the company may consider ensuring workplace environments in which workers in its supply chains are able to pursue alternative forms of organizing.

Remedy: The company is encouraged to ensure that workers and/or their representatives are an integral part of its remedy programs, including in monitoring processes, and to verify that remedy addresses root causes and is to the satisfaction of workers. While the company discloses an instance of fee remediation to migrant workers in Thailand, to demonstrate to stakeholders that it has an effective remedy process in place, the company is encouraged to disclose further examples of the remedy it has provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

ENGAGED WITH KNOWTHECHAIN⁵

Yes ([Provided Additional Disclosure](#))

¹ Bloomberg (9 January 2020), "[PVH Corp. to Sell Speedo North America Business to Pentland Group.](#)"

² Financial Times (9 April 2021), "[Fashion, Xinjiang and the perils of supply chain transparency.](#)"

³ For further details on high-risk raw materials and sourcing countries, see [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

⁴ At 39/100, PVH's worker-centric score is significantly lower than its benchmark score. See [KnowTheChain's 2021 Apparel and Footwear Benchmark Report](#).

⁵ Research conducted through November 2020 or through February 2021, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the [Business & Human Rights Resource Centre website](#).