

PVH Corp. (PVH)

TICKER NYS:PVH MARKET CAPITALISATION US\$6.85 billion HEADQUARTERS United States

Act: Yes

Australia Modern Slavery

DISCLOSURES

UK Modern Slavery Act: Yes

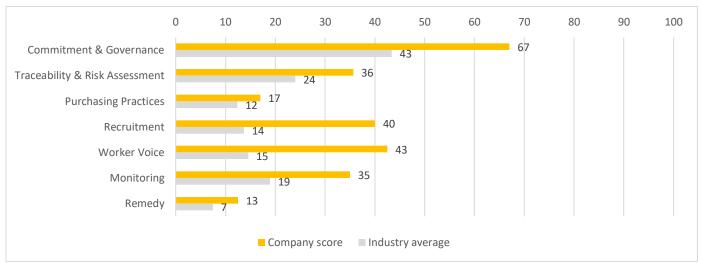
California Transparency in Supply Chains Act: Yes

OVERALL RANKING

13 out of 65

2021 Rank: 3 out of 37

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST Yes

RISK ASSESSMENT Yes

DATA ON PURCHASING PRACTICES

ENGAGED WITH KNOWTHECHAIN² Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

OVERALL SCORE

39 out of **100**

REMEDY FOR SUPPLY CHAIN WORKERS Yes (Limited)

HIGH-RISK RAW MATERIALS¹

Cashmere, cotton, silk, viscose, and others



SUMMARY

PVH Corp. (PVH), one of the world's largest apparel companies³ and owner of brands including Tommy Hilfiger and Calvin Klein, ranks joint 13th out of 65 companies. Since 2021, the company improved by joining the binding <u>Dindigul Agreement</u> and disclosed a new example of remediation of recruitment-related fees in its supply chains. The company's score is based on stronger performance on the themes of Commitment & Governance, Worker Voice, and Recruitment, and above-average scores across all themes. Notably, PVH is among the highest-scoring premium apparel companies in the benchmark. However, since 2021 the company does not seem to have taken further steps to strengthen its performance and disclosure on forced labour issues within its supply chain. As such, it was overtaken by other companies in the benchmark that presented stronger disclosure, and its rank has dropped by 10 places.⁴

KnowTheChain identified one public allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. The company does not disclose the concrete steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

Additional steps the company could take to address forced labour risks in its supply chains include strengthening its disclosure and practices on the themes of Purchasing Practices, Worker Voice, and Remedy.

LEADING PRACTICES

Worker Voice: PVH is a signatory to the enforceable Dindigul Agreement to End Gender-Based Violence and Harassment, which grants the local union access to train all supplier's management, supervisors, and workers on gender-based violence; establishes an independent grievance mechanism managed by independent expert assessors appointed by the agreement's Oversight Committee which includes local labour representatives; provides for appointing union-selected "floor monitors" to help co-workers report gender-based violence and hold meetings with management; mandates protection from retaliation for workers as well as a guarantee of freedom of association and collective bargaining rights; requires the supplier to introduce specific policy changes on anti-discrimination; and involves public reporting on implementation progress, among others. The company is also signatory to other agreements including ACT and the legally binding International Accord and Pakistan Accord.

Recruitment: PVH discloses requiring suppliers operating in 12 listed high-risk jurisdictions to complete mandatory training on ethical recruitment before they can be authorised for production. It states the training covers key elements of PVH's Migrant Worker Policy, including the no-fee requirement, and the development of management systems, labour agent due diligence, and fee remediation. PVH is further among the 8% of companies benchmarked that disclose at least one example of repayment of recruitment-related fees in its supply chain.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: The company is encouraged to disclose concrete steps it is taking, or has taken, to embed purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment, including the specific changes implemented as a result of its participation in Better Work and ACT, including how it has implemented the feedback received through the ACT Global Purchasing Practices Assessment tool. It is further encouraged to disclose quantitative data evidencing its progress on the implementation of responsible purchasing practices. The company should further consider ringfencing labour costs during pricing negotiations. The company should further consider integrating



<u>responsible buying practices in its contracts</u> with suppliers, to ensure that the responsibility for respecting human rights is shared.

Worker Voice: To demonstrate an understanding of the current challenges to freedom of association, the company is encouraged to collect and disclose data on the percentage of workers in its supply chains covered by Collective Bargaining Agreements, with a breakdown by geography. Further, to give stakeholders confidence that supply chain workers are able to use the company's grievance channels, the company may consider disclosing data about the practical operation of the grievance mechanism(s) available to supply chain workers, such as the number and nature of grievances filed, addressed, and resolved.

Remedy: The company may consider disclosing the process it follows to ensure that remedy is provided to workers in its supply chains in cases of forced labour, including details such as internal responsibility for the process, approval procedures, timeframes, and, crucially, engagement with affected parties. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose further examples of remedy provided to its suppliers' workers, including with respect to specific allegations in its supply chains.

⁴ KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023. See <u>here</u> for more information.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark <u>findings report</u>.

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset <u>here</u>. For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre <u>website</u>.

³ HSBC (29 June 2022), "<u>HSBC and PVH Corp. Partner on First Sustainable Supply Chain Finance Program Tied to Environmental</u> and Social Factors". Accessed 4 December 2023.