

# PVH Corp. Slavery and Human Trafficking Statement Under the California Transparency in Supply Chains Act and UK Modern Slavery Act

This Statement provides an overview of the efforts that PVH Corp. (together with its subsidiaries, “PVH,” the “Company,” “we,” “us” or “our”) has taken, including during our fiscal year that ended on January 29, 2017, to ensure that slavery and human trafficking is not taking place in our business or our supply chain. We have prepared this Statement on a consolidated basis for PVH, although not all of the entities in our consolidated group are subject to the California Transparency in Supply Chains Act or the UK Modern Slavery Act, because we have a common compliance program and common policies relating to slavery and human trafficking across the Company.

## Company Overview

PVH has excelled at growing brands and businesses with rich American heritages, becoming one of the largest apparel companies in the world. We have over 30,000 associates operating in over 40 countries with over \$8 billion in annual revenues. We own the iconic *CALVIN KLEIN*, *TOMMY HILFIGER*, *Van Heusen*, *IZOD*, *ARROW*, *Speedo*<sup>(1)</sup>, *Warner's*, *Olga* and *True&Co.* brands and market a variety of goods under these and other nationally and internationally known owned and licensed brands.

We are committed to upholding the highest moral, ethical and legal standards in all aspects of our business and across our supply chain, and to making a true impact on the people, the environment and the communities where we work and live. As part of this commitment, Corporate Responsibility (CR) is central to how we conduct business. Please visit [www.PVH.com/Responsibility/\(responsibility\)](http://www.PVH.com/Responsibility/(responsibility)) to read about our CR program and efforts, as well as for links to our 2016 and prior years' Annual CR Reports.

## Alignment with International Standards; Policies

The requirements for doing business with PVH are based, in part, on the Universal Declaration of Human Rights, the International Labor Organization's Core Conventions and the United Nations Guiding Principles on Business and Human Rights. We are also a founding member of the [Fair Labor Association \(http://www.fairlabor.org\)](http://www.fairlabor.org) (“FLA”) on whose Board one of our CR executives sits. We have committed to the FLA's ten Principles of Fair Labor and Responsible Sourcing and Production and have agreed to uphold the FLA Workplace Code of Conduct in our supply chain.

We communicate our standards and requirements to our business partners in our supply chain through the following:

- [A Shared Commitment \(/responsibility/policy/shared-commitment\)](http://www.pvh.com/~media/PVH/Files/corporate-responsibility/PVH_CSR_SupplierGuidelines.ashx?la=en), our code of conduct for all of our business partners, a copy of which is provided to each of them at the outset of our relationship. First introduced in 1991, A Shared Commitment, prohibits forced and involuntary labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. In addition, A Shared Commitment states that mental and physical coercion, slavery and human trafficking are prohibited in our supply chain.
- [Our Supplier Guidelines \(http://www.pvh.com/~media/PVH/Files/corporate-responsibility/PVH\\_CSR\\_SupplierGuidelines.ashx?la=en\)](http://www.pvh.com/~media/PVH/Files/corporate-responsibility/PVH_CSR_SupplierGuidelines.ashx?la=en), which are provided to both licensees and suppliers during our onboarding process. The Supplier Guidelines mandate that workers cannot be held responsible for

fees paid to agencies or the factory in exchange for employment.

- Our Branded Merchandise Policy requires suppliers and licensees to certify affirmatively that materials used in the manufacture of our products are free from the use of slave labor and human trafficking.

Each of the above has been translated into the key languages of our business partners so that they can clearly understand what is required to establish and maintain a relationship with PVH.

### **Verification of Product Supply Chain to Evaluate, Monitor and Address Risks of Human Trafficking**

We evaluate, monitor and address the risks of slavery and human trafficking in our industry and supply chain in several ways.

#### **Evaluation**

We participate in multi-stakeholder initiatives that help us to evaluate and address slavery and human trafficking risks in our industry and supply chain. PVH is a member of several industry associations and programs that are dedicated to protecting workers' rights, including the prevention of modern slavery and human trafficking, such as the American Apparel & Footwear Association (<https://www.aafaglobal.org>), the Accord on Fire and Building Safety in Bangladesh (<http://bangladeshaccord.org>), the United States Council for International Business, Better Work (<http://www.uscib.org>), and the FLA (including with respect to its initiative to better understand and prevent child labor in Turkey's cotton industry). Additionally, PVH has signed a multi-stakeholder letter (</-/media/PVH/Files/corporate-responsibility/RSNPledge.ashx?la=en>) to the governments of Turkmenistan and Uzbekistan conveying concern over forced labor issues in those countries.

We also consult third party resources and databases, engage in other research, utilize consultants and engage with members of civil society to evaluate slavery and human trafficking risk. PVH provides for transparency through reporting, survey responses, meetings with stakeholders and other means.

#### **Monitoring/Addressing Risks**

We continually monitor compliance with all of our CR requirements, including the prohibition against forced or involuntary labor, and address any identified risks or violations. We conduct pre-sourcing assessments before a factory is allowed to produce PVH product, conduct regular audits once production begins, work closely with factories to remediate any identified deficiencies and, when necessary, terminate supplier factories that fail to comply with our policies, procedures or guidelines.

**Factory Audits:** Audits are typically conducted by reputable third party auditors or, to a lesser extent, by members of our CR team, every six to 24 months. Several factors, including the results of the previous audit, will dictate the actual frequency. Audits are usually scheduled in advance with the suppliers in order to foster a relationship of trust and cooperation but unannounced audits are conducted as necessary.

Audits are guided by a CR Assessment Tool that measures compliance through metrics based on the requirements of A Shared Commitment, including specific metrics tied to forced labor. The CR Assessment Tool drives greater objectivity and consistency in our assessment program by ensuring that all suppliers producing PVH product are evaluated based on consistent criteria. As part of the audit, we also seek workers' views in confidence, so that we can hear, first hand, about factory conditions.

PVH's audit program encourages our business partners to assume greater responsibility for their labor practices and general compliance by providing the opportunity for suppliers to remediate any identified issues. We also reward those business partners that adopt and implement our standards and policies with continued business.

**Remediation:** We believe that remediation best serves the interests of workers by enabling the supplier to develop safe, compliant and respectful workplaces. Therefore, if an audit reveals that a factory has failed to comply with our standards, policies or other requirements, we typically work with the factory to remediate the issues. We engage

factory managers in an open discussion on the findings, exploring root causes, and support them in developing corrective action plans (“CAPs”). In addition, we meet with our suppliers between audits to review their progress in implementing remediation activities and to provide further guidance.

**Termination:** We will generally terminate a relationship with a supplier or factory if (i) it fails to successfully remediate issues uncovered by an audit or (ii) we identify what we would consider an egregious violation of our policies or guidelines and remediation is not appropriate or feasible.

**Certifications:** At the beginning or renewal of a relationship, suppliers are required to acknowledge A Shared Commitment and agree to implement its requirements. PVH also requires under its Branded Merchandise Policy that direct suppliers and licensees certify that materials incorporated into PVH products, whether acquired directly or indirectly, are from a source that does not use forced or involuntary labor and is not involved in human trafficking.

### **Internal Accountability & Training**

Our commitment to upholding the high standards that we require for our Company and business partners is reinforced at the most senior levels of PVH. Our Board of Directors has a Corporate Responsibility Committee that is responsible for advising our Board and management on policies and strategies that affect the Company's role as a socially responsible organization.

All associates are required to undergo compliance and ethics training, including the review and certification of our core policies, upon hire and annually thereafter. The Company may take disciplinary action against any associate who violates any of our policies, guidelines or otherwise fails to uphold our high moral, legal or ethical standards.

PVH provides management and associates who have direct responsibility for supply chain processes with targeted training on slavery and human trafficking, including on how to identify and mitigate risks. In addition, members of our CR team and other PVH associates attend external training programs and seminars on social compliance issues, including slavery and human trafficking.

We have a reporting hotline for associates, which is being extended to factory workers, so that they may report potential legal, regulatory, or policy violations and other ethical concerns. Grievances can be made anonymously and confidentially to the extent allowed under applicable law.

As an external verification of our CR program, we submit to the FLA accreditation standard, which incorporates an independent evaluation of each member's “systems and procedures required for successfully upholding fair labor standards throughout brands’ supply chains.” We have continuously maintained our accreditation since 2005.

### **External Training**

We conduct targeted training for suppliers that may have an increased risk of slavery or human trafficking. Our CR team and other PVH associates also participate as speakers in other external training programs and seminars on slavery and human trafficking to increase awareness and encourage the adoption of best practices to address these issues.

Emanuel Chirico  
Chairman & Chief Executive Officer

<sup>(1)</sup>The *Speedo* brand is licensed for North America and the Caribbean in perpetuity from Speedo International, Limited.