

# PVH Corp. Slavery and Human Trafficking Statement Under the California Transparency in Supply Chains Act, UK Modern Slavery Act and Australian Commonwealth 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 31, 2021, to ensure that forced and involuntary labor is not taking place in our business, including within 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 each or any of the California Transparency in Supply Chains Act, UK Modern Slavery Act or Australian Commonwealth Modern Slavery Act -- because we have a single compliance program, with one set of policies, relating to forced and involuntary labor. Our compliance program and policies also address child labor risks.

In this Statement, PVH uses “forced and involuntary labor” to refer to slave labor, prison labor, indentured labor, bonded labor, human trafficking, child labor and similar conduct.

## Company Overview

PVH has excelled at growing brands and businesses to become one of the largest apparel companies in the world. We have approximately 33,000 associates operating in over 40 countries and had over \$7.1 billion in 2020 revenue. We own the iconic *Calvin Klein*, *TOMMY HILFIGER*, *Warner's*, and *Olga* brands and the digital-centric *True&Co.* brand, and market a variety of goods under these and other nationally and internationally known owned and licensed brands. The foregoing excludes our Heritage Brands business, which we sold in August 2021.

We have established a global supply chain that can adjust with our evolving business needs. Our products were produced in approximately 1,200 factories in over 40 countries during 2020 (February 1, 2020 to January 31, 2021). We source finished products and, to a limited extent, raw materials and trim. Raw materials and trim include fabric, buttons, thread, labels and similar components. Finished products consist of manufactured and fully assembled products (apparel, footwear, accessories and related products). Raw material, trim, and finished product commitments are generally made two to six months prior to production. Our supply chain is constantly evolving, both at the manufacturer and country level. Please visit our [factory list](#) for details about business partners from whom we source and their location.

At PVH, Corporate Responsibility (“CR”) has always been central to how we conduct business and plays a critical role in our strategy. We recognize we have an opportunity to play a leading role in advancing sustainable development and supporting human rights. Through our CR strategy, *Forward Fashion*, we have set a high standard of ambition and transparency for sustainable business at PVH. We do this because resources are limited and, for us, human rights are non-negotiable. Please visit [responsibility.pvh.com](https://responsibility.pvh.com) to read about *Forward Fashion* and our CR programming, and to access our 2020 and prior years’ Annual CR Reports.

## **Alignment with International Standards; PVH Policies**

The requirements for doing business with PVH are based, in part, on the Universal Declaration of Human Rights, the International Labour Organization's (ILO) Core Conventions, and the United Nations Guiding Principles on Business and Human Rights, as well as other third-party standards, frameworks and codes of conduct, some of which are discussed in this Statement. We communicate our standards and requirements to our business partners in our supply chain through the following:

- [A Shared Commitment](#), 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 and child labor, and more generally requires our business partners to comply with ILO standards.
- [CR Supply Chain Guidelines](#), which are provided to both suppliers and licensees during our onboarding process. The CR Supply Chain Guidelines provide guidance to our suppliers and licensees on how to comply with all elements of *A Shared Commitment*, including the prohibitions on forced and involuntary labor and child labor.

Specifically, our Migrant Worker Policy, which is part of the CR Supply Chain Guidelines, requires suppliers and licensees to comply with a “no fees” (*i.e.*, employer pays) policy, and ensure that migrant workers are not responsible for paying fees or expenses to secure or maintain employment with the factory at any point during the employment cycle. Additionally, our Migrant Worker Policy provides more detailed guidance to suppliers and licensees on the requirements for the responsible recruitment of migrant workers, and how to address comprehensively and in a sustainable manner the risks of forced and involuntary labor. In support of our Migrant Worker Policy, we developed materials and practical tools to help suppliers improve their management and recruitment systems relating to migrant workers. These materials also are used in our supplier trainings in high-risk jurisdictions.

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

Additionally, PVH has signed the [Uzbek Cotton Pledge](#) and the [Turkmen Cotton Pledge](#) led by the Responsible Sourcing Network, committing not to knowingly source cotton from these countries. PVH is also one of the signatories to the [AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment](#) aiming to address forced labor risks for migrant workers. Lastly, PVH is in compliance with all applicable regulations and laws.

## **Verification of Product Supply Chains to Evaluate, Monitor and Address Risks of Forced and Involuntary Labor**

We evaluate, monitor and address the risks of forced and involuntary labor in our industry and supply chain in several ways. We believe that forced and involuntary labor risks in our own workforce are minimal due to the strength of our internal employment policies and procedures. Forced and involuntary labor risks in the apparel industry for companies like ours are most prevalent at lower tier suppliers, in jurisdictions with weaker protection of workers' rights, and where migrant labor is used.

## Evaluation

We participate in multi-stakeholder initiatives that help us to evaluate and address the risk of forced and involuntary labor in our industry and supply chains. PVH is a member of several industry associations and programs dedicated to protecting workers' rights, including the prevention of forced and involuntary labor, such as the [Responsible Labor Initiative \(RLI\)](#), [American Apparel & Footwear Association](#), the [Accord on Fire and Building Safety in Bangladesh](#), the [United States Council for International Business](#), and the [Better Work Programme](#). PVH was the first apparel sector member to join the RLI, and continues to be a member of the RLI Steering Committee, providing strategic direction to the organization as it works to ensure that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

We also consult third-party resources and databases, engage in other research, utilize consultants and work with members of civil society to evaluate forced and involuntary labor risks.

PVH provides transparency concerning our efforts to evaluate, monitor and address the risks of forced and involuntary labor through reporting, survey responses, meetings with stakeholders and other means.

## Monitoring/Addressing Risks

We continually monitor compliance with our CR requirements, including the prohibitions against forced and involuntary labor, and promptly address identified risks or violations. We conduct pre-sourcing assessments at all Level 1 factories before they are allowed to produce any products for us. We also conduct pre-sourcing assessments at certain key Level 2 factories. In addition, we conduct regular audits at all Level 1 and key Level 2 factories 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.

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

*Factory Audits:* Audits are conducted by reputable third party auditors, typically every twelve to 24 months. Several factors, including the results of the previous audit, dictate audit frequency. Audits are usually scheduled in advance with the suppliers, in order to foster a relationship of trust and cooperation, but unannounced audits are also conducted.

Audits are guided by a proprietary CR Assessment Tool that measures compliance through metrics based on the requirements of *A Shared Commitment*. These include specific metrics relating to forced and involuntary labor. The CR Assessment Tool enhances objectivity and consistency across assessments by ensuring that we use consistent criteria to evaluate all suppliers producing PVH product. As part of the audit, we also seek workers' views in confidence, so that we can hear, first-hand, about factory conditions. We also monitor conditions at factories through assessments by independent organizations, such as the Better Work Programme.

Given the challenges posed by recruitment systems, migrant workers can be disproportionately vulnerable to forced and involuntary labor. Based on data reported by our suppliers in 2020, PVH's migrant worker ratio was 10%, inclusive of both domestic and foreign workers, and the foreign migrant ratio was 1%. Additionally, approximately 28.6% of suppliers in 12 high-risk jurisdictions employed foreign migrant workers. PVH has worked with an external partner to identify high-risk jurisdictions for migrant labor. The identified jurisdictions are located primarily in Southeast Asia, the Middle East and Africa. To enhance further our monitoring capability relating to forced and involuntary labor risks, in early 2020, we developed and deployed a supplementary assessment tool as part of the factory audit for supplier and licensee factories in high-risk jurisdictions that is focused on recruitment practices and treatment of migrant labor. In parallel with these

efforts, we have deepened our engagement with suppliers on the payment of recruitment fees and other migrant labor issues.

*Remediation:* PVH's audit program encourages our business partners to assume greater responsibility for their labor practices, and general compliance around employment and worker issues, by providing the opportunity for suppliers to remediate most identified issues. We believe that remediation best serves the interests of workers by enabling the supplier to develop safe, compliant and respectful workplaces. We engage factory managers in an open discussion on the findings, exploring root causes, and support them in developing corrective action plans. In addition, we meet with our suppliers between audits to review their progress in implementing remediation activities, and to provide further guidance. Continuous engagement with suppliers on their progress in addressing forced and involuntary labor risks helps us ensure the effectiveness of our program.

We also reward those business partners that adopt and implement our standards and policies with continued business.

*Termination:* PVH views termination as a remedy of last resort, given the harm to workers that can result. We, therefore, first seek to remediate issues through direct engagement with the supplier or factory or, where structural in nature, in conjunction with civil society, industry organizations and/or governmental authorities. We generally will terminate a relationship with a supplier or factory only if (i) it fails to 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 (e.g., child or forced labor).

### **Internal Accountability & Training**

To ensure the effectiveness of our efforts to eliminate forced and involuntary labor, we hold ourselves accountable through a robust governance structure, clearly established roles and responsibilities.

Our Senior Management Team, led by our CEO, has established and upholds our vision and has final accountability for the implementation of CR programs, including our management of human rights practices across our value chain. The CR Committee of the PVH Board of Directors provides support and guidance to our Senior Management Team and reports to the broader Board of Directors with respect to our CR policies and strategies. The CR Committee, which consists of three independent directors, meets four times a year to monitor our CR performance and progress across social and human rights-focused key performance indicators (KPIs) that are established annually to advance the program's commitments. Meetings include updates on current issues, program updates, and discussion and committee approvals of any strategy updates or new partnerships/initiatives.

We have established clear lines of accountability for CR throughout PVH, from the subject matter experts on the CR team through to our CEO, via our Chief Sustainability Officer. Our CR team is composed of over 60 associates located in 10 countries across Europe, Asia, Africa and the Americas, who work closely with our business units and global supply teams to further align our CR goals, as well as implement on-the-ground assessments, remediation and capability building programs in supplier regions. Our CR team is also responsible for internal and external reporting on CR, including through our annual CR Report.

All PVH associates are required to complete compliance and ethics training, which includes 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 moral, legal or ethical standards.

Members of our CR team and other PVH associates attend external training programs and seminars on social compliance issues, including forced and involuntary labor. We also have a reporting hotline (available online and by telephone) for associates and workers at factories in our supply chain, so that they may report potential legal, regulatory, or policy violations and other ethical concerns. Grievances can be submitted anonymously and confidentially to the extent allowed under applicable law.

### External Training

In late 2020, to ensure that 100% of migrant workers in our Level 1 and key Level 2 supplier facilities do not pay recruitment fees, we launched a training to all of our suppliers and licensees operating in high-risk jurisdictions, to provide further guidance on how to effectively identify and remediate recruitment fees issues, enact management systems to prevent the charging of recruitment fees when migrant workers are initially recruited for employment, and address other issues related to forced and involuntary labor. In order to help 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. In addition, suppliers and licensees 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. We also require that all new factories that are on-boarded in high-risk jurisdictions complete the suite of trainings on forced labor on the RLI e-learning platform. All of our Level 1 suppliers in high-risk jurisdictions have completed our required Recruit Ethically training.

Our CR team and other PVH associates also participate as speakers in other external training programs and seminars on forced and involuntary labor, to increase awareness and encourage the adoption of best practices to address these issues.

### **Assessing the Effectiveness of our Actions**

We track a number of KPIs to measure the effectiveness of our actions to assess and address forced and involuntary labor risks. Among other things, we track audit findings and any grievances submitted through our grievance mechanisms. We further track both the number and nature of findings and grievances. We also track the remediation of any identified issues.

In addition, we track compliance with our training requirements by our suppliers.

### **Impact of the COVID-19 Pandemic**

Ensuring that forced and involuntary labor are not taking place in our supply chain continues to be a priority during the COVID-19 pandemic.

In February 2020, PVH issued its Guidelines for a Healthy Work Environment and Addressing the COVID-19 Crisis to our suppliers. The Guidelines are based on World Health Organization and other international guidelines, including guidance from the International Organization for Migration on the treatment of migrant workers during COVID-19. In order to support our suppliers further, PVH worked with a third party partner to provide a COVID-19 training to our suppliers. In order to ensure our business partners have the tools needed to address the crisis and related health and safety considerations, we also engage with our suppliers, on an ongoing basis, to provide them with support and advice. In addition, PVH continues to work closely with industry partners, governments, and worker and employer representatives to find solutions for workers' immediate needs and to contribute to long-term plans that can strengthen social protections in key garment exporting countries. As such, PVH and its brand businesses endorse the views, priorities and actions outlined in [COVID-19: Action in the Global Garment Industry](#), published by the ILO, together with the International Organisation of Employers, the International Trade Union Confederation and IndustriALL Global Union.

We also continue to conduct CR Assessments in our supply chain where they can be done safely and in accordance with travel restrictions and social distancing requirements.

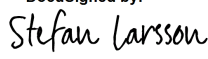
For more information on PVH's COVID response, please read our full [statement on COVID-19](#).

### **Approval and Signature**

The following PVH entities are required to publish a statement under the UK Modern Slavery Act: PVH Corp., Calvin Klein Stores UK Limited, PVH Services (UK) Limited (UK), PVH UK Limited (UK) and Hilfiger Stores (UK). This Statement was approved by the CR Committee of the PVH Board of Directors on behalf of the Board and the boards of directors of those entities on September 22, 2021, and signed by the undersigned on October 20, 2021.

The following PVH entity is required to submit a statement under the Australian Commonwealth Modern Slavery Act: Sunshine A Pty Ltd., Australian Company Number 631684770 (the "reporting entity"). The reporting entity engages in local sales and marketing and provides related administrative support. It makes design decisions in relation to its products but does not engage in direct manufacturing nor make manufacturing decisions. Its offices are located in the Sydney, Australia metropolitan area and it has approximately 1,300 employees in Australia and approximately 50 employees in New Zealand. The reporting entity has three operational subsidiaries, PVH Brands Australia Pty Ltd., Gazal Pty Ltd. and PVH Brands NZ Pty Ltd. Because of the nature of the reporting entity's operations, it does not have its own product supply chains. The supply chains of PVH and its related compliance activities to address forced and involuntary labor are discussed earlier in this Statement.

This Statement has been approved on behalf of the reporting entity by the CR Committee of the PVH Board of Directors, the principal governing body of the higher entity parent company of the reporting entity, and the undersigned is a responsible member of the parent company. This Statement was prepared in consultation with the reporting entity, including by making that entity aware of its preparation and providing it with an opportunity to participate therein.

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Stefan Larsson

Director & Chief Executive Officer  
October 20, 2021