



## Company Engagement Questions:

### KnowTheChain Apparel & Footwear benchmark

Companies can use these questions to provide additional information relevant to KnowTheChain is benchmarking 20 apparel & footwear companies on their commitments and programs targeted at addressing human trafficking and forced labor in the supply chain.

Each company has been invited to respond to the questions below by 1 July 2016. The responses will be published on the [website of Business & Human Rights Resource Centre \(BHRRC\)](#), one of the partners in KnowTheChain.

### Documents

1. Please share links to any policy statements, reports, or other documents that you would like to be taken into account in a review of your company's approach to managing forced labor risks in the supply chain.

- **A Shared Commitment**  
<http://pvhcsr.com/policies-resources/Article/shared-commitment>. PVH's A Shared Commitment contains specific prohibitions on forced labor and child labor.
- **California Supply Chain Act Statement**  
<http://www.pvh.com/ca-transparency-disclosure>. PVH is currently in the process of revising its statement under the California Supply Chain Act to share updates and to take into account the UK Modern Anti-Slavery Act.
- **PVH Annual Report**  
[http://www.pvh.com/~media/PVH/Files/2015\\_pvh\\_annual\\_report.ashx](http://www.pvh.com/~media/PVH/Files/2015_pvh_annual_report.ashx)
- **PVH Corporate Governance**  
<http://www.pvh.com/investor-relations/governance>
- **PVH 2014 CSR Report**  
[Download Full 2014 Report \(PDF\)](#)
- **Fair Labor Association Affiliate, PVH Corp**  
<http://www.fairlabor.org/affiliate/pvh-corp>
- **Statement on Uzbek Cotton & Textiles**  
[Statement on Uzbek Cotton & Textiles \(PDF\)](#). PVH is currently in the process of revising its statement on Uzbek cotton to also include cotton from Turkmenistan.
- **Supplier Guidelines**: Additionally, PVH provides all suppliers with our **Supplier Guidelines** which outline our standards and expectations of our business relationships with suppliers. These standards include a policy on forced labor and migrant workers which aims to address slavery and forced labor directly by 1) providing directives on agency fees, 2) educating suppliers on forced labor and 3) giving guidance for preventing the practice.

Note: You may be aware that the [Corporate Human Rights Benchmark \(CHRB\)](#) is analyzing companies' broader human rights policies and performance. Where the KnowTheChain benchmark indicators are related to [indicators of the CHRB](#), this is indicated under each engagement question.

We welcome that some companies have disclosed information on their human rights policies and practices for the [Corporate Human Rights Benchmark \(CHRB\)](#). Where companies have disclosed information on specific CHRB indicators, as well as any links available from the company website, these will be considered in the KnowTheChain analysis. Third party information and links to third parties websites will not be considered.

## **Commitment and governance**

### Awareness and commitment

**2. Has your company made a formal commitment (e.g. adopted a policy) to address human trafficking and forced labor? Please include a link to the commitment.**

*Related to indicator A.1.2 of the CHRB*

Per our code of conduct, A Shared Commitment (see link above), PVH's business partners are prohibited from utilizing forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. Mental and physical coercion, slavery and human trafficking are prohibited throughout our supply chain.

Internally, we have extensive policies, practices and procedures that encompass the requirements of our A Shared Commitment (please see link above) and ensure compliance with the standards set forth therein. This includes a constant and vocal commitment of management (starting with our CEO and Corporate Responsibility Committee of the Board of Directors) to the full array of workplace issues; in-house training programs for all associates, as well as additional training for our Human Resources and management teams; reporting hotlines; audits of facilities; and safeguards in the workplace and hiring process that also serve the purpose of enabling us to identify violations, including human trafficking and slavery, were they to occur. It is clear that our commitment to human rights standards would result in the severest discipline on any employee or contractor who engaged in, facilitated or allowed forced labor, human trafficking or slavery to exist in any of our own facilities.

Additionally, PVH has adopted a forced labor policy which can be found within our Supplier Guidelines provided to all supplier business partners. Our forced labor policy aims to directly address forced labor by providing guidelines to suppliers on how to identify forced labor and/or human trafficking and ensure that it does not occur in the PVH's supply chain.

PVH is currently in the process of revising its statement under the California Supply Chain Act to share updates and to take into account the UK Modern Anti-Slavery Act and plans to include a more general policy statement therein.

### Supply chain standards

**3. Does your company have a supply chain standard that requires suppliers to uphold workers' fundamental rights and freedoms, including the elimination of forced labor? Please include a link to the standard, and provide information on how frequently the standard is updated.**

*Related to indicator A.1.2 of the CHRB*

In addition to other relevant policies and procedures which are available to our business partners, PVH's Supplier Guidelines outline our standards and expectation of our business partnerships with suppliers. This document places emphasis on PVH's A Shared Commitment which includes various provisions that address workers' fundamental rights and freedoms, including forced labor.

Additionally, these guidelines provide guidance on how we support our business partners in achieving our standards. Specifically, our Supplier Guidelines outline our approach to assessing our global supply chain and establish our expectations around remediation and corrective action implementation. Currently, our Supplier Guidelines are not publicly available, though we plan to make them public. Adherence to our code of conduct is a prerequisite for all of our business partners and applies equally to their business partners in our supply chain.

The Supplier Guidelines were last updated in August 2014 and these guidelines will be updated periodically to enable continuous improvement.

## Management

**4. Who within your company is responsible for the implementation of your company's supply chain policies and standards relevant to human trafficking and forced labor? Please indicate the committee, team or officer, and describe the scope of their responsibility and how they interact with other internal teams, groups or departments**

*Related to indicator B.1.1 of the CHRB*

Responsibility and accountability for CR sit at all levels of our organization, starting with PVH senior leadership and our Board of Directors. We are one of the few apparel companies to have a CR Committee of the Board of Directors. The Committee advises the Board and PVH leadership on policies and strategies that affect and strengthen our ability to act as a socially responsible organization, including our human rights program. PVH's Chief Risk Officer, Melanie Steiner, directs the development and implementation of our CR strategy with support from the Group Vice President of CR, Marissa Pagnani. We have more approximately 65 dedicated CR associates in nine countries across Europe, Asia, and the Americas who contribute to the efforts and plan to have an associate in Africa shortly. PVH's global legal team oversees compliance issues, and as such, drives our focus on relevant environmental and social legislation, such as addressing conflict minerals in our supply chain.

Furthermore, our global supply chain teams, offices and buying agents enable us to monitor the quality of the goods manufactured by, and the delivery performance of, our suppliers, and work with our global compliance teams to ensure the enforcement of our human rights and labor standards, and other code of conduct requirements through our ongoing extensive training, approval and monitoring system. For additional information on PVH's governance structure please see <http://www.pvh.com/investor-relations/governance>.

## Training

**5. Does your company conduct training programs for internal decision-makers and suppliers' management teams on risks, policies and standards related to human trafficking and forced labor (this may include training on elements such as passport retention, payment of wages, and vulnerable groups such as migrant workers)? Please describe.**

*Related to indicator B.1.5 (internal training) and B.1.7 (training of suppliers) of the CHRB*

Training is integral to the success of PVH's corporate responsibility programs, which includes human rights and environmental sustainability. As part of our commitment to compliance, we require all PVH associates, as well as PVH Board members, to participate in annual compliance training. Associates take online courses on putting our Code of Business Conduct and Ethics, our Anti-bribery Policy, and other corporate policies into practice. In 2015, we worked hand-in-hand with suppliers to solve pressing issues, conducting over 2,165 factory assessments and visiting approximately 1400 factories outside of the usual assessment process to share practical strategies to improve working conditions and employment practices. Additionally, the PVH CR team delivered over 49,575 hours of training to approximately 7,525 internal and external partners to promote change, covering topics such as fire safety, human rights implementation, worker-management relations, chemical management, assessment practices and data management.

PVH also has a program entitled "Tell PVH" which is an expanded global resource for reporting policy violations as well as inappropriate and unethical conduct. This mechanism could be used to report forced labor issues within PVH's global supply chain, if they were to occur.

Furthermore, we conduct training on our A Shared Commitment code of conduct, including with respect to human trafficking and slavery, with a particular focus on mitigating risks. The associates in our Corporate Responsibility Department and Global Supply Chain divisions are trained on our A Shared Commitment code of conduct, as is management at our suppliers, in order to ensure the necessary participants in supply chain management are knowledgeable and aware of the issues and concerns surrounding the supply chain. Our associates also participate (both as speakers and attendees) in external training programs and seminars on social compliance issues, including on the issues of human trafficking and slavery

PVH also conducts engagement meetings with factories prior to conducting an initial assessment. These engagement meetings function as a forum where suppliers are introduced to and are familiarized with PVH policies, including the Supplier Guidelines. Additionally, these meetings allow us to learn about potential issues, which may include risk factors of forced labor. Additionally, PVH will also arrange engagement meetings prior to follow-up assessments on an as needed basis. In 2015 PVH conducted 834 engagement meetings.

## Stakeholder engagement

**6. In the last three years, has your company engaged on human trafficking and forced labor, especially as it relates to the supply chain a) with local stakeholders such as NGOs, trade unions or policy makers or b) in multi-stakeholder initiatives? Please describe with whom your company has engaged, the purpose of the engagement and how it relates to forced labor and human trafficking in the supply chain, and your company's role and level of engagement.**

*Related to indicator A.1.4 of the CHRB*

PVH currently engages with various stakeholders and participates in a number of multi-stakeholder initiatives. Below, please find a list highlighting some of PVH's engagements, as well as a description of the nature of the engagement and relationship to forced labor and human trafficking. Additional information can be found on pg. 35 of our CR Report: [PVH 2014 CR Report](#).

### **Fair Labor Association:**

Our commitment to our workers and workers in our supply chain was further evidenced when we became a founding member of the Apparel Industry Partnership in 1996, which has been succeeded

by the Fair Labor Association ("FLA"), of which we continue to be a [member](#) in good standing. In taking this leadership role and making this commitment to human rights and compliance with labor laws, we have aligned the requirements for doing business with us with the Universal Declaration of Human Rights, International Labor Organization's ("ILO") Core Conventions and the United Nations Framework on Business and Human Rights. More directly, the FLA has an [accreditation program](#) that is an independent external verification of each member's human rights program's compliance with the FLA's Workplace Code of Conduct. The FLA's Workplace Code of Conduct is a global set of principles based on the ILO's standards for working conditions in factories. Our A Shared Commitment is aligned to the FLA's Workplace Code of Conduct. Accreditation takes place every three years and we have been accredited by the FLA since 2005.

As a Participating Company of the FLA, we are involved in a number of FLA initiatives supporting the development of standardized tools, methodologies, and benchmarks to improve workplace conditions and promote responsible sourcing. We disclose our full direct factory list to the FLA and participate actively in its third-party complaint mechanism, through which issues raised by workers, unions or NGOs are addressed by partner brands. As a move of transparency, the FLA posts our suppliers' assessment reports and corrective action plans on its website.

Additionally, we are piloting a number of social impact projects in our supply chain that have benefits beyond our direct operations into the surrounding communities. For example, we are supporting the Fair Labor Association's initiative to better understand and prevent child labor in Turkey's cotton industry. This is an area of growing concern as more Syrian migrants seek employment in the country. We are engaging with two suppliers in Turkey to gain improved visibility of their labor practices, raise awareness of the issue and support them in requesting information from their suppliers. Together with the FLA and other participating brands, we seek to increase transparency through collective action and make a difference in the industry's practices. The knowledge we gain will also inform our buying decisions and remediation strategies. We plan to continue testing social impact programs and expand on the initiatives that yield the greatest impact.

Finally, our Group Vice President, Marissa Pagnani, sits on the FLA board.

**Better Work:** PVH is currently a [Buyer Partner](#) with Better Work (BW), a program of the International Labor Organization ("ILO") and International Finance Corporation ("IFC") that aims to improve worker livelihoods. This represents the highest level of engagement with the organization. Better Work's commitment to workers' rights encompasses efforts to identify and eliminate forced labor and/or human trafficking from supply chains. As a "Buyer Partner" with the global BW program, PVH communicates regularly with BW on monitoring compliance of all PVH subscribed factories. We work closely during the assessment and advisory cycles for every subscribed factory. In addition, we engage with BW actively and participate in their local & regional buyer forums every year.

**The Cotton Campaign and Responsible Sourcing Network:** PVH has signed the Cotton Pledge which is facilitated by the Responsible Sourcing Network. The signed pledge can be found here: [Cotton Pledge](#). [The Cotton Campaign](#) is a global coalition of human rights, labor, investor and business organizations dedicated to eradicating child labor and forced labor in cotton production. The organization's goals are to end the state systems of forced labor in Uzbekistan and

Turkmenistan's cotton sectors. PVH has also signed a multi-stakeholder letter to the Government of Turkmenistan conveying concern over forced labor issues in the country.

## **Traceability and risk assessment**

### Traceability

**7. Please describe your company's supply chain tracing processes.**

**Does your company publicly disclose a) the names and locations of first-tier suppliers, and b) some information on suppliers beyond the first tier? If yes, please provide a URL.**

*Related to indicator D.2.3 of the CHRB* PVH has adopted and implemented a number of policies and procedures which facilitate the on-boarding and tracing of our supply chain. Specifically, our Supplier Guidelines outline the process whereby factories are on-boarded, assessed and audited. We currently have visibility into our Tier 1 suppliers as evidenced by our map detailing our global supplier footprint (See 2014 CSR Report), as well as our nominated Tier 2 suppliers. We are in the process of mapping all of our Tier 2 suppliers. At this time PVH does not disclose the names of suppliers, although we do share numbers of factories by country in our annual CR report and disclose our full Tier 1 factory list to the Fair Labor Association for purposes of monitoring.

### Risk assessment

**8. Please describe your companies' risk assessment processes. Please include specific examples of when your company has conducted forced labor risk or impact assessments focused on a particular commodity, region or group (e.g. migrant workers in a specific context), as well as the forced labor risks identified through these risk assessment processes (e.g. high risk commodities or high risk sourcing countries).**

*For examples of commodities where forced labor risks have been identified - such as cotton from Brazil, silk from Uzbekistan or leather from the Bangladesh - see Verite (2016) – "[Strengthening protections Against Trafficking in Persons in Federal and Corporate Supply Chains Research on Risk in 43 Commodities Worldwide](#)".*

*Related to indicator B.2.1 of the CHRB*

We require that all factories intended for production of our goods be audited for compliance with our A Shared Commitment code of conduct prior to the commencement of production. These audits are typically conducted by members of our Corporate Responsibility Department but may also be conducted by reputable third party auditors identified and managed by the Department. All factories are re-audited every 6 - 24 months based on the results of the last audit, with other engagement activities occurring between audits. Audits are conducted on an announced basis in order to foster a relationship of trust and cooperation with our suppliers. If there is a suspicion of non-transparency, PVH CR will determine if the follow-up assessment should be unannounced.

We evaluate factories with ratings based on a traffic light-like, color-coded system. The rating then becomes a factor in sourcing decision making. We currently use our assessment tool and rating system to drive more objectivity and consistency in our assessment program and to encourage factories to assume greater responsibility for their labor practices, as well as reward successful factories with continued business. Included as part of the PVH CR Assessment tool, the PVH Assessment Rating Tool is based on PVH's code of conduct, which includes criteria addressing forced labor. The PVH Assessment Rating Tool automatically assigns a score to non-compliance issues and a color code rating which is used by PVH CR to assess compliance performance and inform sourcing decisions.

In cases where non-compliance are not resolved, or at least substantially addressed, within a specified time frame, we may terminate the business relationship. With respect to the most egregious cases of code violations, we will terminate the relationship immediately and report the situation to the appropriate authority. This would be the case if we were to uncover a situation involving slavery or human trafficking.

An example of additional engagement is our work with internal migrant laborers in India, where we worked with factories to provide a remedy to working condition issues in hostels and conducted a supplemental assessment specifically on this issue. We pay equal attention to our forced labor indicators in any assessment but recognize that factories that have migrant workers are at a higher risk for forced labor and our assessors in those factories pay particularly close attention to this issue. When conducting an initial assessment assessors ask if migrant workers are a part of the factory workforce. This is as one method we use to identify potential incidences of forced labor. Additionally, as previously mentioned, PVH is a Buyer Partner with Better Work. Better Work currently has operations in Jordan and is addressing migrant labor and forced labor issues in that country. For more information please see [Better Work Jordan](#).

PVH further engages on issues impacting forced labor and human trafficking by stating our opposition to the use of Uzbek and Turkmen cotton (see above), working with Syrian refugees in Turkey (see above), conducting production tracking to identify Honduran migrant labor in subcontractors in Brazil and working to address the usage of short-term contracts in Mexico.

### **Purchasing practices**

#### **Purchasing practices**

**9. Does your company make an effort to avoid purchasing practices that increase the risk of human trafficking and forced labor in the supply chain (e.g. short-term contracts, excessive downward pressure on pricing, sudden changes of workload?) Please elaborate.**

*Related to indicator D.2.2 of the CHRB*

The PVH CR and sourcing teams collaborate with suppliers to explore the reasons why issues occur, including the role of industry purchasing practices. These efforts are informing our thinking on responsible purchasing, as we begin to help associates understand how forecasting and timing of order placement impact suppliers' production capabilities, and in turn, the workers who make our products. Further supporting our efforts to address forced labor and human trafficking in our supply chain, PVH's Supplier Guidelines contain specific guidance instructing suppliers to refrain from hiring contract/contingent/temporary workers on a regular basis for the long-term or multiple short-term contracts. For additional information on the collaboration between PVH's CR and Sourcing departments, please see PVH 2014 CSR Report (p. 36), *A Vital Partnership*.

## Supplier selection

**10. Does your company assess risks of forced labor at potential suppliers prior to entering into contracts with them (this may include aspects such as passport retention and payment of wages)? Please describe.**

*Related to indicator B.1.7 of the CHRB*

As previously mentioned, PVH requires that all factories intended for production of our goods be audited for compliance with our code of conduct prior to the commencement of production. As the code of conduct includes a ban on forced labor, suppliers are required to abide by this provision as a condition to working with PVH. Furthermore, our assessment tool contains criteria on forced labor which allows us to evaluate and benchmark performance against our Shared Commitment forced labor code element.

**11. How does your company take into consideration the capacity of suppliers to meet fluctuating demands (to reduce the risk of undeclared subcontracting)?**

Currently PVH collects market intelligence from sales and retailers to develop a single demand plan. This information is used to develop a supply plan with visibility to long-term material and capacity plans. In collaboration with suppliers, divisions review strategic production capacity plans and long-term buy plans. This process is intended to improve demand forecasting and thereby increase forecasting accuracy to enable suppliers to responsibly plan production (i.e. consistent with our workplace standards). We are currently implementing an enhanced system to improve forecast accuracy and better collaborate with suppliers on production capacity plans. In making decisions about how to allocate purchase orders, PVH takes into account the following criteria: factory corporate responsibility rating, production capacity, financial risk, technical capacity, on-time delivery, and quality. These factors are considered in both pre-sourcing assessments and are regularly re-evaluated throughout the business relationship. With these procedures in place we hope to mitigate certain risks of undeclared subcontracting, forced labor and human trafficking in our supply chains.

Furthermore, PVH considers the subcontracting of any part of a Purchase Order to a factory without prior written authorization from PVH CR a Zero Tolerance issue. 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. PVH CR recognizes there are unforeseeable or extraordinary circumstances which may require production to be shifted to a new production site. We expect and require that the in-scope factory or Supply Chain Partner informs PVH CR of the issue and need to subcontract. We will support our partners in resolving the issue up to and including an expedited authorization of production facility or an alternative arrangement prior to completion of the assessment. Furthermore, during our assessment process we review certain “non-code” elements, which include unauthorized subcontracting. If this practice exists in our supply chain, we are informed through our assessment process, as well as by colleagues in the quality assurance department, brand protection departments etc.

**12. Does your company integrate its supply chain standards addressing forced labor and human trafficking into supplier contracts? Cascading standards?**

*Related to indicator B.1.4.b of the CHRB*

All companies entering into a business partnership with PVH are required to sign our Policy on Branded Merchandise. This policy includes a requirement that companies attest to receiving and understanding PVH's A Shared Commitment, which includes provisions addressing forced and child labor. Furthermore, the agreement states that

“...[A]ll 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 PVH a certification... 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 material and Products, as applicable, is free from the use of slave labor and human trafficking.

**13. Does your company have a process to cascade standards on forced labor down the supply chain (e.g. requiring first-tier suppliers to ensure that their own suppliers implement standards that are in line with the company's standards)? Please describe-**

*Related to indicator A.1.2 of the CHRB*

All companies entering into a business partnership with PVH are required to sign our Policy on Branded Merchandise. This policy requires that companies attest to receiving and understanding PVH's A Shared Commitment, which includes provisions addressing forced and child labor. Furthermore, the agreement states that

“...[A]ll 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 PVH a certification... 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 material and Products, as applicable, is free from the use of slave labor and human trafficking.

## **Recruitment**

### **Recruitment approach**

**14. Please describe your company's recruitment approach, including a) whether your company requires recruitment agencies in its supply chain to uphold workers' rights (this may include aspects such as written contracts, access to passports, and regular payment of wages), b) whether it has a policy on direct employment (i.e. a policy prohibiting suppliers in its supply chain from using recruitment agencies), and c) whether it requires suppliers to disclose to the company the recruiters that they use.**

*Related to indicator D.2.5.b of the CHRB*

PVH expects our business partners, whether they are factories, suppliers, licensees or agents, to be completely transparent with us on their ability to adhere to our policies, processes and standards in relation to the Code, assessments or supplier investigations. PVH's Assessor Guidelines outline the process assessors should follow when conducting assessments. Included in these guidelines is a list

of documents that must be reviewed, if available and interview questions that should be posed to factory workers. With regard to recruitment, the assessor is expected to examine a factory's written Recruitment Policy to ensure it clearly states there is a prohibition on negative conditions of forced labor being created and describes the procedure by which the factory will ensure that it adheres to the policy. This policy may also state clearly the terms and conditions when recruitment agents and brokers will be utilized. Furthermore, the assessor should ensure that the recruitment policy is communicated to all personnel. Additionally, in cases where the factory employs migrant or foreign contract workers, the assessor must examine a listing of all contract workers identifying the recruitment agency, the date of hire, length of contract and country of origin (if applicable). Assessors also must review Agreements/contracts with labor brokers, recruitment agencies, or security agencies. The documentation reviewed is also supplemented by interview questions regarding the method by which the worker obtained the job, whether he/she used a recruitment agency and if so the details on that agency. Please note that this is a non-exhaustive list of documents required for assessor review.

## Recruitment fees

**15. Please describe your company's approach to recruitment fees in the supply chain, including whether your company requires that no fees be charged to supply chain workers during recruitment processes, and whether and how your company ensures that fees paid by workers are reimbursed.**

*Related to indicator D.2.5.b of the CHRB*

PVH currently requires that no fees be charged to supply chain workers during the recruitment process. This prohibition is contained in our Forced Labor Policy within our Supplier Guidelines. In the event that PVH learns that fees have been paid by workers, PVH CR team and supply chain teams will work with the factory to have those fees repaid to the worker.

## Recruitment audits:

**16. Does your company audit recruiters used in its supply chain, to assess risks of forced labor and human trafficking, and/or require suppliers to audit their recruiters?**

*For further information, see Verité – [Fair Hiring Toolkit. Conducting Interviews with Labor Recruiters](#).*

PVH currently does not audit recruiters used in its supply chain to assess risks of forced labor and human trafficking.

## Worker voice

### Communication of policies to workers

**17. Please describe how your company communicates its human trafficking and forced labor related policies and standards to workers in its supply chain, and whether your company makes its policies and standards available in the languages of suppliers' workers (including migrant workers).**

*Related to indicator B.1.4.b of the CHRB*

PVH's Assessor Guidelines outline the process assessors should follow when conducting assessments. Included in these guidelines is a list of documents that must be reviewed, if available, and interview questions that should be posed to factory workers and management. The documents

reviewed and questions posed address communication and training of factory workers on various relevant factory policies

PVH's code of conduct, which includes a provision on forced labor, is made available in the following languages: Arabic, Spanish, English, Dutch, French, German, Hindi, Hungarian, Indonesian, Italian, Japanese, Portuguese, Romanian, Russian, Simplified Chinese, Traditional Chinese, and Sinhala. We also provide additional translations of our workplace standards as new languages become relevant.

Communication of policies to workers is also a criteria used in the FLA re-accreditation process. We have been accredited by the FLA since 2005 and are currently in the process of being re-accredited.

## Worker voice

**18. Please describe how your company engages with workers in its supply chain on labor related issues and rights outside of the context of the factories/farms in which they work? (whether directly or in partnership with stakeholders).**

[Example available here](#)

*Related to indicator B.1.8 of the CHRB*

In our work with factories, we aim to empower workers to voice concerns, and we encourage them to raise potential labor violations by speaking with factory managers, contacting us directly, or through the assessment process. We work in partnership with our suppliers to help them develop the knowledge and skills they need to protect workers' rights, provide safe working conditions, and boost productivity. In 2014, we ran pilot workshops with two key suppliers in China on improving grievance procedures. Twenty factory managers, supervisors and workers participated in the interactive sessions, which helped attendees better understand the effect on productivity of an unstable workforce caused by issues such as high staff turnover, absenteeism, ineffective grievance procedures, and inadequate childcare. We also shared best practices, like creating a buddy system for new workers to help them become more acclimated to the factory environment. All participants responded positively, noting that they valued our approach to help facilitate factory improvements in addition to the factory assessment process. We have remained in close contact to understand how factories are applying this knowledge to their daily management.

## Worker empowerment

**19. Please explain how your company encourages its suppliers to ensure workplace environments where workers are able to organize, including through alternative forms of organizing, where there are regulatory constraints on freedom of association.**

[For additional information on worker empowerment, see context in "Responding to Challenges of Freedom of Association" chapter of Ethical Trading Initiative's practical guide on "Freedom of Association in Company Supply Chains", and related company example on page 35](#)

*Related to indicator D.2.6.b of the CHRB*

In accordance with our code of conduct, our business partners are required to recognize and respect the right of their employees to freedom of association (FOA) and collective bargaining. Employees should be free to join organizations of their choice. Employees should not be subjected to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization. In an effort to communicate this expectation to suppliers and ensure understanding of how to abide by this requirement, PVH's Supplier Guidelines outlines guidelines on this issue. Furthermore, our assessment tool contains criteria on freedom of association which allows us to

evaluate and benchmark performance against our Shared Commitment freedom of association code element.

## Grievance mechanism

20. Please describe your company's grievance mechanism, and clearly indicate whether it is available to workers in the supply chain, and how it is communicated to workers in the supply chain. Please also note whether you require your suppliers to establish a grievance mechanism, and to convey the same expectation to their suppliers.

*Related to indicator C.1 and C.5 of the CHRB*

PVH undertakes a number of actions to ensure that grievance mechanisms are functional and available to workers in the supply chain. Specifically, PVH encourages the establishment of grievance procedures at supplier facilities, provides channels for company employees and workers at those facilities to contact the company directly and confidentially if warranted, and ensures the channel is secure, so workers are not punished or prejudiced for using it. Additionally, we have confidential grievance mechanisms in place for violations to be reported to PVH outside of factory audits, and we track, review and respond to the grievances we receive. Proper documentation is important for providing evidence of compliance with the law and the relevant standards. Thus, assessors must review documents relating to grievances filed by employees as well as the factory's grievance policy. Furthermore, the assessor must review whether workers are trained on the grievance policy. Additionally, criteria relating to the communication of grievance procedures in factories are incorporated into our assessment tool.

## Monitoring

### Auditing process

21. Please describe your company's supplier auditing process including whether the process includes a) scheduled and non-scheduled visits, b) a review of relevant documents (documents may include wage slips, information on labor recruiters, contracts, etc.)<sup>1</sup>, and c) interviews with workers.

*For further details on document reviews see Verite – [Fair Hiring Toolkit. Conducting a Review of Documentation](#).*

*Related to indicator B.1.6 of the CHRB*

PVH's auditing policies are outlined in PVH's Supplier Guidelines. An initial assessment is conducted by an internal or Independent External Assessor and includes the review of all 10 Code elements in all in-scope facilities. Each assessment includes the following:

**Opening Meeting:** Assessors hold an open discussion with factory management, explaining what managers can expect from the assessment and outlining our key human rights policies. They give the managers an opportunity to ask questions, emphasizing confidentiality and our commitment to partnership.

**Assessment:** Assessors study the factory's paperwork carefully, seeking additional documents where necessary. They look for evidence that workers are being treated fairly, checking that hours are recorded correctly and verifying proper pay for time worked.

**Walkthrough:** Assessors take a comprehensive tour of all factory buildings, accompanied by factory managers. They check everything on premises from the sewing section and dye houses to shared

spaces like dormitories and lunch rooms, looking for clear evidence of compliance with our health and safety standards. They photograph any violations and speak to the manager and workers to determine the underlying cause for issues.

**Interview:** During the factory tour, assessors approach factory workers at random and ask them to share their views – in confidence – to evaluate whether worker experiences reflect our findings and discussions with factory managers.

**Closing Meeting and Follow-up:** At the end of the assessment, assessors share their findings with factory managers and together, they review any violations. Our assessors encourage a candid discussion about root causes and make suggestions on how best to address any issues. The assessors and managers then jointly develop a corrective action plan to solidify next steps. Audits are conducted on an announced basis in order to foster a relationship of trust and cooperation with our suppliers. If there is a suspicion of non-compliance, PVH CR will determine if the follow-up assessment should be unannounced.

## Audit disclosure

### 22. Does your company disclose a) the percentage of suppliers audited annually

The number of suppliers audit annually as well as the total number of suppliers is disclosed in our CR Report.

### b) the percentage of unannounced audits,

No.

### c) information on who carried out the audits (this may include further information on the expertise of auditors such as relevant certifications, in cases where third-party audits are used, the names of the auditors, and in cases where internal auditors are used, details on department/team/group within which the auditor(s) sits), and

No. Please see PVH CSR Report pg. 32 for more information.

### d) a summary of findings, including details of any violations revealed?

Please provide a URL with the relevant information. *Related to indicator B.1.6 of the CHRB*

Our 2014 performance, with 2013 data provided for comparison, where appropriate, is available in our 2014 CSR report.

Furthermore, assessment findings and details of violations and corrective actions are disclosed via the FLA website and can be found here: <http://www.fairlabor.org/affiliate/pvh-corp>

## Remedy

### Corrective action plans

### 23. Does your company have a process for creating corrective action plans when violations are discovered through an auditing process? Please describe this process and the elements of a corrective action plan.

*Related to indicator B.1.6 of the CHRB*

Yes. A corrective action plan (with detailed root cause evaluation, timelines for completion, responsible parties, etc.) are developed by the factory and provided to PVH within 14 business days after an assessment. PVH approves final CAPs via email once any and all issues have been resolved. Any discovered non-conformities will result in creation of a corrective action plan (CAP) which is implemented by the factory. Wherever possible, correction action plans will be discussed and worked through with the factory at the end of the assessment. PVH CR will discuss the plan in order to determine appropriate remediation steps and agreed time lines for completion of corrective action items. The factory is expected to prioritize the issues and address the most serious issues first. PVH will work with the factory to suggest remedial actions, tools, or other resources to effectively address issues. Suppliers are expected to make progress in correction of all identified issues. Progress or completion of issues identified as ‘Critical – Immediate Action’ must be immediately communicated to PVH CR representatives within 7 business days after receiving the CAP. Completion of other corrective actions will be verified during follow-up or reevaluation assessments and/or through regular communication/contact with the factory. For additional information please reference pg. 32-33 in our 2014 CSR Report, *Day in the Life of a CSR Assessor*.

## Remedy

24. Does your company have a process to provide remedy to workers in its supply chain in cases where violations are discovered, including for responding to instances of forced labor and human trafficking? If yes, please provide examples of outcomes.

*Related to indicator C.7 of the CHRB*

Yes. PVH provides remedy to workers in its supply chain in certain circumstances. An example of such a circumstance was published on the FLA website.

**“NGB TOO:** On November 11, 2015, the FLA accepted for review a complaint filed by a union representative about a Guatemalan sewing factory that suddenly terminated its operations at the end of March 2015 without paying workers the required wages, benefits, bonuses, and severance benefits. The complainant further alleged that FLA-affiliated company PVH was a buyer at the factory, as product under PVH’s brand Tommy Hilfiger was produced at the factory, though here was lack of clarity on whether the production was direct or licensed, or was authorized or unauthorized.

PVH determined that the Tommy Hilfiger production referenced by the complaint was done on behalf of a licensee, Fishman & Tobin. PVH requested that Fishman & Tobin investigate the allegations. Fishman & Tobin, through its parent company Global Brands Group (GBG), investigated the allegations and determined that although NGB TOO was not an approved factory for Tommy Hilfiger product, nevertheless unauthorized production had taken place at the factory in early 2015. A third party investigator engaged by GBG was unable to make a definitive determination of the volume of Tommy Hilfiger product sewn at NGB TOO, as the factory’s records were not available.

The intervention of PVH and its supply chain partners **led to a monetary contribution by GBG to the welfare fund of the NGB TOO workers intended to assist them through the difficult adjustment period after the closure of the factory where they worked.** This contribution has been acknowledged and accepted by the complainants.” For more information please see

[http://www.fairlabor.org/sites/default/files/documents/reports/ngb\\_too\\_summary\\_report\\_may\\_2016.pdf](http://www.fairlabor.org/sites/default/files/documents/reports/ngb_too_summary_report_may_2016.pdf)

---