

RESPONSIBILITY  
2017

CORPORATE  
RESPONSIBILITY  
REPORT

# About Our 2017 CR REPORT

**C**orporate Responsibility (“CR”) is central to how we conduct business. We are committed to making a true impact on the people, the environment and the communities where we work and live, and communicating our progress transparently with stakeholders.

This, our tenth annual CR report, provides information and performance data on our operations during our 2017 calendar year.

In this report, we share our progress against the ten CR commitments we introduced in 2016. We explore the importance of addressing social and environmental issues, share our challenges and achievements, and highlight the next steps on our journey.

We report our performance under the Global Reporting Initiative’s (“GRI”) Standards under the “Core” option and in line with the ten principles of the UN Global Compact (“UNGC”). We continue to engage with the GRI GOLD Community, a multi-stakeholder network dedicated to developing a more sustainable global economy.

Please see our GRI index online at [www.pvh.com/cr](http://www.pvh.com/cr)

**ABOUT PVH CORP.**

With a history going back over 135 years, 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 36,000 associates operating in over 40 countries and nearly \$9 billion in annual revenues.

We own the iconic *CALVIN KLEIN*, *TOMMY HILFINGER*, *Van Heusen*, *IZOD*, *ARROW*, *Speedo*<sup>1</sup>, *Warner’s*, *Olga* and *Geoffrey Beene* brands, as well as the digital-centric *True & Co.* intimates brand, and market a variety of goods under these and other nationally and internationally known owned and licensed brands.

For further details on our company, visit: [www.pvh.com/Company](http://www.pvh.com/Company)

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



# OUR COMMITMENTS



## MAPPING OUR STRATEGY TO THE U.N. SUSTAINABLE DEVELOPMENT GOALS

The U.N.'s **Sustainable Development Goals**\* ("SDGs"), will help guide global efforts to achieve sustainable development over the next 13 years. We have developed our CR strategy to support the SDGs, as we continue our efforts to achieve positive impacts across our value chain.



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\* See the Glossary for more information.



# Corporate Responsibility HIGHLIGHTS



## 1. HUMAN RIGHTS

Made the Tell PVH global reporting hotline available to every worker in our supply chain to empower and give a voice to our entire workforce.



## 2. SAFE WORKPLACES

Improved safety across our factories in Bangladesh by addressing nearly 95 percent of all issues found, making us a top remediator of over 200 **Accord**\* members.



## 3. INCLUSION & DIVERSITY

Launched WERK, the business resource group for our LGBTQ community. Platinum sponsor of the NYC Pride March in which 800 associates marched.



## 4. OUR ASSOCIATES

Expanded our Parental Leave Policy in the U.S. to cover foster parents, as well as secondary caregivers.



## 5. RESPONSIBLE CHEMICAL MANAGEMENT

Announced that 25 million men's dress shirts we produce across our brands will be certified as free from harmful chemicals and will bear the STANDARD 100 by OEKO-TEX® label in 2018.<sup>2</sup>



## 6. WATER

Created global partnership with **WWF**\* to steward water conservation in four key basins.



## 7. SUSTAINABLE PACKAGING

Approximately 70% of our on-product packaging (e.g., hangtags, stickers, tissue paper, etc.) was recyclable.



## 8. SUSTAINABLE MATERIALS

Launched our global Animal Welfare Policy. Joined **BCI**\* as a global member and began to source more sustainable cotton.



## 9. GREENHOUSE GASES

Our Chairman and CEO, Emanuel Chirico, confirmed our support for the Paris Climate Accord and we set a global target to reduce greenhouse gas emissions at our own facilities by 35 percent by 2030.



## 10. COMMUNITIES

Contributed nearly \$24 million through product, cash, associate contributions and retail store consumer donations in 2017.

\* See the Glossary for more information.

<sup>2</sup> For more information on OEKO-TEX please see our Chemicals chapter on page 28.  
\* See the Glossary for more information.

# Corporate Responsibility AWARDS

**#3 IN THE INDUSTRY**  
*FORTUNE MAGAZINE*  
The World's Most  
Admired Companies

**BEST COMPANIES  
TO WORK FOR IN FASHION**  
THE BUSINESS OF FASHION

**TOP 10%  
IN FIVE CATEGORIES**  
LEAD AWARDS  
Including 3rd Place  
for Best Corporate University

**30% FEMALE  
REPRESENTATION**  
THE WOMEN'S FORUM OF NEW YORK  
Recognized PVH for 30% female  
representation on our  
Board of Directors

**ONE OF AMERICA'S 100  
MOST JUST COMPANIES**  
*FORBES & JUST CAPITAL*  
Ranked 25th overall and 2nd  
in Household Goods & Apparel

**TOP 100 COMPANIES ON  
GLOBAL DIVERSITY &  
INCLUSION INDEX**  
*THOMSON REUTERS*

**PIONEER OF CHANGE**  
RUNWAY OF DREAMS  
PVH Foundation wins  
the Pioneer of Change Award

**100% ON CORPORATE  
EQUALITY INDEX**  
HUMAN RIGHTS CAMPAIGN FOUNDATION

**ACE AWARD  
FOR SUSTAINABILITY**  
Accessories Council  
21st Annual ACE Awards

**100 BEST  
CORPORATE CITIZENS**  
*CR MAGAZINE*  
Ranked #61 including  
ranking #27 overall  
on climate change

**WE***are*  
**PROUD**



## A LETTER FROM OUR CHAIRMAN & CEO

**P**VH had an outstanding year in 2017 – from the ever-increasing prominence of our brands, to the performance across our businesses, to our achievements in working to make a positive impact on the industry and the communities where we live and work. Driven by our long-term vision, we invested in our brands and areas that are most impacted by the changing dynamics in the industry – the growing prominence of digital, the importance of having a nimble, responsive and sustainable supply chain, and our essential commitment to driving consumer engagement.

While we, like many other global consumer companies, faced overarching geopolitical headwinds and an evolving consumer environment, the power of our brands, our businesses and, most importantly, our people drove our company forward. We encouraged associates throughout our organization to be forward-thinking, enhancing our brands and their competitive positioning across product lines and geographies, and better aligning our business to make it easier to initiate and effect change.

We recognize our responsibility as an industry leader and one of the world's largest apparel companies to address the industry's social and environmental impacts and contribute to a fair, healthy future for all. We know we have the opportunity to make positive impacts throughout our value chain by empowering the people with whom we work, preserving the environment and supporting our communities.

We view Corporate Responsibility as an opportunity to mitigate risk, drive efficiencies and maximize value, and take a leadership role in moving the industry in a positive direction. We are proud of the comprehensive CR program we have built, and we believe that it is a key factor in driving our growth, performance, creativity and success. The approach of our CR program goes from “source to store” – focusing on worker empowerment, environmental preservation, and community engagement and impact. These three pillars are the foundation of our CR strategy, which aligns with the United Nation's SDGs through collaboration with key partners.

From a CR perspective, 2017 was an important year for us. Partnership was a key highlight in 2017, as we took leading roles in many multi-stakeholder initiatives and industry working groups. We set key targets for both greenhouse gas emission reduction and elimination of harmful chemicals, and also took a leadership role on water conservation and stewardship. Philanthropy remains at the heart of our company, and our associates' commitment to giving back to our communities was exemplified in 2017 through the launch of the PVH Associate Relief Fund, which provides an opportunity for associates to unite and help each other in times of need.

EMANUEL CHIRICO  
Chairman and Chief Executive Officer

PVH would not be where it is today without our industry-leading talent. We believe our people are a reflection of our organization and it is our responsibility to encourage an inclusive environment, which ultimately inspires change from within. To this extent, we made significant progress on empowering women both within PVH, as well as in our supply chain. We also offered additional courses through PVH University and expanded the scope of our Business Resource Groups.

We believe we are developing a strong foundation for continued success by creating a workplace that appreciates our associates and acknowledges that our people are our greatest asset. We are proud to note that our efforts were recognized publicly in a variety of ways. In 2017, Thomson Reuters ranked us as one of the top 100 companies in its Global Diversity & Inclusion Index. We also were ranked No. 25 by *Forbes* and JUST Capital on their annual list of most just companies, and were honored with the Sustainability Award at the Accessories Council Annual ACE Awards.

In the coming years and beyond, we will use our role in the industry to strengthen and grow our partnerships, change workplaces for the better, enhance local communities and protect our shared environment. We will only achieve this by working together to transform the apparel industry and implement CR innovations at scale across the industry. We are PVH; we are united, working together for a safer, cleaner, and fairer world.

*Emanuel Chirico*

Emanuel Chirico  
Chairman & Chief Executive Officer



*Our*  
**LEADERSHIP**





MELANIE STEINER  
Chief Risk Officer

## A LETTER FROM CR LEADERSHIP

**P**VH has always understood the importance of being a leader in CR, and was one of the first companies to adopt a code of conduct on human rights and the environment in 1991. Now, over 25 years later, we are facing new challenges and increasing industry disruptions, but we are also welcoming new possibilities. This has given us an opportunity to step back and consider what it means to be a leader today and what we are trying to accomplish.

We have been in our roles for approximately six years and, throughout this time, our North Star has always been driving impact. If we cannot see the positive impacts of our work, then we shouldn't be doing it. More recently, this concept has evolved to include impact on a large scale. There has been a lot of progress over the years on human rights issues, reducing waste, and shifting to renewable energy. That said, there is still much work to be done, forcing PVH to rethink everything from business models, to talent strategy, to satisfying our consumers with sustainably made products. All of this requires PVH to work together as a company and more broadly, as an industry, embracing key external partnerships as we go.



The PVH CR team visits the PVH Archives in Long Island City, New York.

It is hard work to make meaningful change at scale. We affectionately call this the “plumbing,” meaning the back-end operational things we do to create change. We don’t make videos about it. We don’t write press releases about it. Often the work goes unheard and unseen. But it is precisely this work, and the impact of this effort in the field that inspires us to come to our offices every day. This work includes the lengthy project plans to evolve our supply chain program that impacts over 2,400 factories; the innovation we are driving to change the creation of our products to be less resource intensive; and the over 20 partnerships we are involved in to galvanize the industry. It all counts, and is part of our persistent goal to drive impact and transformation throughout the industry.

This report highlights our major corporate responsibility accomplishments in 2017. We hope you find it educational as you learn how we are working to be the best global corporate citizens we can be. We look forward to continuing to challenge PVH to make the most positive impact possible, and appreciate any feedback.

Melanie Steiner,  
Chief Risk Officer

Marissa Pagnani McGowan,  
Group Vice President  
Corporate Responsibility



MARISSA PAGNANI MCGOWAN  
Group Vice President, Corporate Responsibility



# CR ASSESSMENT PROGRAM

## *Reaches Next Level*

**T**he cornerstone of our CR program is the PVH supplier assessment program, which was created in conjunction with our code of conduct, “A Shared Commitment,” issued more than 25 years ago. As one of the first companies to adopt standards for suppliers and other business partners, PVH has always been and continues to be a leader in advancing both human rights and overall supplier conduct, as we view our suppliers and the factory workers as an extension of our own associates and a reflection on us.

We continually strive to work with best-in-class partners who share our Core Values and approach to CR from both a human rights and environmental perspective. Over the past few years, we have evolved our supplier program in a number of meaningful ways to take our program to the next level and respond to a new wave of pressing issues. Through innovative, collaborative thinking and a true partnership among our CR team, our internal supply chain team, and our vendor partners, we have created a program that is leading the way for the apparel industry.

### VALUE CHAIN APPROACH

When we adopted “A Shared Commitment” in 1991, our primary focus was concern regarding human rights issues in cut-and-sew (finished product) manufacturing facilities. Over the years, new challenges emerged and broader issues for supply-chain workers were identified. Additionally, other areas of concern including environmental risks, such as hazardous chemicals used in the dyeing and treating of fabrics, and the growing impacts of climate change became a greater focus. This has required companies to expand their programs from cut-and-sew manufacturers to facilities upstream in the supply chain, including mills and wet processors.

In 2014, PVH evolved its CR program to include a value chain approach that we call “source to store.” This new approach required a change to our program in both scope and scale, by expanding it to include a broader range of environmental and community-based issues, as well as the entirety of our supply chain. It also required an increase in data and transparency around all of the facilities that touch our product – from the farm through to finished product. At the time, we knew that this would be a journey and would take time to implement. We are proud to have made significant strides.

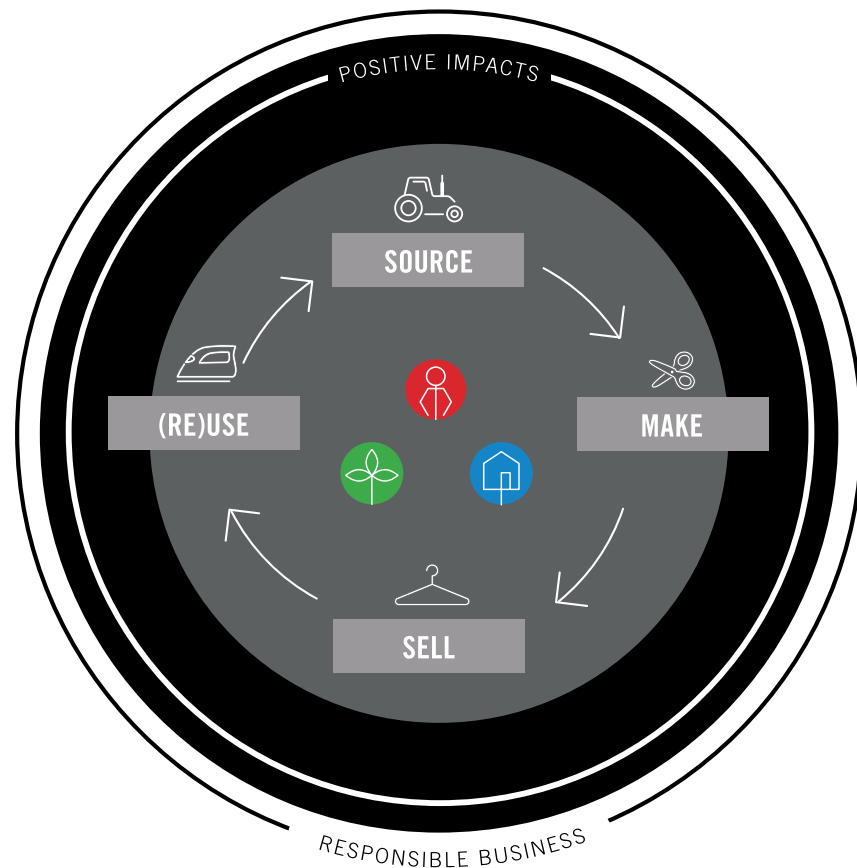


We also knew that we had to shift from an audit-led program (finding problems) to a more value-added one, where we are focused on problem-solving and empowering workers and factories to adopt and put into action their own CR programs, processes and systems. This is a long-term goal upon which we have made significant strides toward achieving and will continue striving for each coming year.

### TRIM FACILITIES

We are proud to report that 2017 was a year of considerable advancements toward fully implementing our “source to store” value chain approach. Much of the apparel industry’s environmental impact occurs early in the supply chain. Therefore, we have expanded our assessment program to include trim facilities for the first time to help us gain a broader view of our suppliers’ practices.

We worked cross-functionally to conduct a comprehensive mapping of our trim facilities, and plan to broaden this to include mills, laundries, and other wet processors in 2018. We have set up a process to ensure we have an accurate annual mapping that identifies the critical facilities in our supply chain to allow us to focus on driving responsible improvements over the long term.







**FROM HUMAN RIGHTS TO A COMPREHENSIVE ASSESSMENT: SAC HIGG INDEX**

In 2017, PVH implemented the **SAC Higg FEM\*** across our supply chain. The Higg FEM is a standardized tool for measuring apparel suppliers' environmental impacts and helping them drive improvements across seven impact areas. The tool enables us to manage the environmental impacts in our supply chain more effectively and improve the quality of our reporting. Already, we have rolled out the Higg FEM to 530 facilities in the PVH supply chain. Virtually all of these facilities have completed the data gathering process and over 50% had this data verified.

In 2018, we anticipate that approximately 570 total facilities in the PVH supply chain, including approximately 80 that involve wet processors (e.g., mills, laundries and dye-houses), will complete the Higg FEM along with our core CR assessment.

Because we are utilizing a standardized tool for the industry, suppliers can share their Higg FEM assessment and verification results with other participating apparel companies, thereby reducing audit fatigue and assessment costs. In time, we hope that it will become a tool used by all participants in the apparel system and benefit the whole industry.

As one of the world's largest apparel companies working with the Higg FEM tool, we are in a strong position to drive its integration and adoption across the industry.

*Jason Kibbey, CEO of the SAC, notes: "From contributing to the development and deployment of the Higg FEM across the value chain, to driving Higg FEM verification efforts, to co-founding the Apparel Impact Institute, PVH has consistently proven itself to be a strong leader in the SAC."*

We participate in various SAC working groups and task teams to ensure the adoption of the Higg FEM across the entire industry. We are committed to ensuring that the Higg FEM is usable with other industry systems and tools like the **SLCP's\*** Social Assessment Tool, which will be rolling out in 2018.

**FROM AUDITOR TO ADVISOR: BETTER WORK ACADEMY**

In addition to expanding to trim suppliers and adding comprehensive environmental assessments, we have become more proactive in supporting all our suppliers during the audit process. Historically, our CR auditors assessed our suppliers annually. In 2017, we started applying a more advisory approach to our assessment program. The focus of our audit process is progressively evolving from tracking performance and identifying risks to coaching and providing tools to factory management to manage their own compliance and remediate issues. To achieve this, we made significant investments in the development of our CR team members.

In 2017, we rolled out the **Better Work Academy (BWA\*)**, a program through International Labor Organization/ International Finance Corporation **Better Work\***. We are training our former auditors in coaching skills and demonstrating to suppliers how giving workers an active role can help improve working conditions. In 2018, we will begin working with our suppliers to create or enhance their own worker-management committees by offering training, supporting democratic workplace elections and sharing problem-solving techniques.

*Dan Rees, Program Director, Better Work, commented on our partnership noting: "PVH is an active partner that engages with Better Work both at the factory level and in strategic efforts to transform the industry. Through their strong engagement in the Better Work Academy, PVH has made a commitment to ensure that factories throughout its supply-chain are well equipped to ensure continuous improvements for the benefit of both workers and business. We look forward to continuing our positive collaboration to improve the industry in the years ahead."*

Our CR team is also driving change in our own business practices. In 2017, our Responsible Business Practices program was launched to ensure that we are not inadvertently putting undue pressure on our suppliers that could result in code of conduct violations, such as excessive overtime hours. By optimizing our own buying and sourcing processes, we can further assist our suppliers to fulfill orders in a responsible way.

We plan to continue to work with our partners to further build on what has been achieved so far and ensure that sustainability continues to develop.



\* See the Glossary for more information.

\* See the Glossary for more information.





# HUMAN *Rights*

OUR COMMITMENT: PROMOTE ADHERENCE TO “A SHARED COMMITMENT,” OUR CODE OF CONDUCT FOR SUPPLIERS AND OTHER BUSINESS PARTNERS, AND GO BEYOND COMPLIANCE TO IMPROVE THE LIVES OF WORKERS WITHIN OUR SUPPLY CHAIN



**A**t PVH, we consider the workers in our supply chain to be an extension of our own company. Upholding the human rights of the workers who manufacture our products is fundamental to our Core Values. We are guided by the U.N. Universal Declaration of Human Rights and the U.N. Guiding Principles on Human Rights, focusing on empowering workers and enhancing the lives of the people in the communities where we live and work.

We conduct supplier assessments in order to ensure compliance with our code of conduct and to identify areas for improvement and remediation. In this way, we can ensure that workplaces are safe and fair for workers and that suppliers are clear on the expectations we have for them. Specifically, we track supplier performance to chart progress against goals and expectations, and drive enhanced decision-making internally by rewarding high-performing suppliers with more production volume. Conversely, we will not work with partners that do not share our values or cannot meet our code of

conduct requirements. This approach is controlled through an integrated supplier scorecard that includes operational and CR metrics (e.g., audit scores), a strong example of the true integration of CR into our business.

Overall, we demonstrated strong results with supplier performance in 2017, with 90 percent of our direct and licensee factories either meeting or exceeding our supplier performance expectations.

## ALL FACILITIES AND IMPACT AREAS ARE NOW IN SCOPE

In 2017, we expanded the scope of our assessment program to include a broader supply base. Traditionally, our focus was on finished product (cut and sew) suppliers. In 2017, we expanded this scope to include over 80 strategic trim suppliers. In 2018, we will expand engagement further with a goal of including 100 mills. At the same time, we expanded the substantive scope of our assessment program beyond human rights and safety to include a significant focus on environmental issues by rolling out the SAC Higg FEM to 530 facilities, including nearly 300 with verifications (please see page 14 for more information).

## FROM AUDITOR TO ADVISOR: DRIVING SUPPLIER SELF-OWNERSHIP

The overall goal of our CR supplier assessment program is to create the processes, systems and culture necessary to facilitate supplier self-management of CR issues, rather than driving compliance through third-party audit systems. As a key step toward this goal, PVH expanded its partnership with International Labor Organization/ International Finance Corporation Better Work by joining the BWA (please see page 15 for more information).

Additionally, we expanded access to our global reporting hotline, called Tell PVH, to all workers in our supply chain. The hotline allows workers to contact PVH directly with any issue or concern. Tell PVH creates a direct channel for open and anonymous (where allowed by law) communication to report concerns about misconduct and violations of our code of conduct and to ensure that concerns are heard and addressed in a timely manner.

As part of our drive toward supplier self-management, in 2017 we piloted our Gold Program, a supplier-empowerment program designed to recognize strategic, top-performing suppliers in the CR space. Components of the rigorous requirements to qualify as gold vendors include assessments using the **SAI Social Fingerprint\*** program. Furthermore, in order to participate in the Gold Program, a vendor must have had no Orange or Red<sup>3</sup> rated factories, nor any non-Code violations in the past three years (e.g., no unauthorized subcontracting), and they must be a Tier 1 vendor.<sup>4</sup> We now have five gold vendors: TYH, Brandix Essentials Ltd., MAS Intimates, PT Ungaran Sari Garments and Esquel Group. They account for 40 factories in nine countries. We are now leveraging engagement with our gold vendors to pilot and drive shared strategic projects related to advancing our social and environmental goals. In 2018, we will expand our Gold Program to a new class of strategic suppliers.

## FOCUS ON OUR OWN RESPONSIBLE BUSINESS PRACTICES

While we will continue to work throughout our supply chain on human rights and labor issues, we also recognize that our own business decisions can lead to adverse impacts in the supply chain. In 2017, we launched our PVH Responsible Business Practices program to help our associates better understand the human rights implications of their daily decisions. We are raising awareness about how good purchasing practices, including accurate planning and technical specifications, as well as calendar adherence, can enable suppliers to improve working conditions by increasing predictability and visibility. Responsible business practices can help drive fewer incidents of unauthorized subcontracting, excessive working hours and non-payment of overtime premiums.

PVH is also working in various forums to expand responsible business initiatives throughout the industry, including helping to create a standardized industry-accepted approach for a company to evaluate its own performance.

\* See the Glossary for more information.  
<sup>3</sup> For more information about our color-rating system, please see the Human Rights page of PVH.com/CR  
<sup>4</sup> Tier 1 vendors and their factories are defined as strategic, long term partners with sustainable business volume and/or a multi country footprint.





## RESPONSIBLE BUSINESS PRACTICES: IN ACTION

In 2017, we held an interactive training session on responsible business practices with multiple teams in our Calvin Klein business including supply, merchandising, operations, planning and sales. The training focused on a real case study developed in partnership with Hirdaramani, one of PVH's strategic suppliers, to highlight the effects of forecast accuracy on factory utilization and worker pay. Participants were asked to conduct a root cause analysis of the facts to explore how improved forecasting and clear order projections enable suppliers to plan production effectively and improve working conditions.

Participants responded very positively to the session. **Melissa Hellem, Senior Supply Chain Manager, stated:** "I believe this is such an important topic as we have a responsibility to set our partners up for success, in order to be successful in return. I felt the case study was very effective in opening my eyes to the downstream impact of our business behaviors."

**Matt LoGiudice, Senior Buyer, added:** "The content was extremely relevant at a global level to understand how each of our different roles in the organization influence and impact one another. I think that this course can have tremendous impact in helping to facilitate more open communication between various business partners."

Hirdaramani also responded well to the session, noting: "The Hirdaramani Group acknowledges the efforts that PVH has taken to examine the impact of their business practices on our operations. As strategic partners, transparency is the foundation on which our relationship is built. The results of this initiative have led to a positive impact within our planning and production processes. We believe that all stakeholders need to work collaboratively as the way forward to drive sustainable change."

## ENHANCEMENTS TO OUR LICENSEE PROGRAM

For our licensed businesses, we implemented the use of SAI's Social Fingerprint. We have used the SAI Social Fingerprint tool to design custom programs intended to build our licensees' capability to manage their own human rights performance at their supplier factories. Building on our initial SAI Social Fingerprint pilot, we expanded our efforts to help licensees establish or improve their own CR programs. The program now includes 25 licensees or 77 percent of our licensees' supply chains. We currently rate 87 percent of our licensees' factories as having passed our social audit. We are also providing support to our licensees to roll out the SAC Higg FEM in 2018 and begin engaging with their factories on environmental sustainability.



## MODERN SLAVERY

In addition to enhancing our commitment to worker and supplier empowerment, in 2017 we updated and expanded our California Transparency In Supply Chain statement to better address forced labor, and detailed our policies, monitoring programs and training efforts with regard to forced labor and modern slavery. Modern slavery is defined by the International Labor Organization (ILO) as "slavery or slave-like practices, as well as various forms of debt bondage" and human trafficking. Additionally, we began mapping dormitories, hostels and other living arrangements for migrant workers in our supply chain and identifying common challenges, such as freedom of movement. Our European operations took a leadership role on modern slavery, running special projects with the **FLA\*** in Turkey. We aim to introduce an even more comprehensive migrant labor strategy in 2018 leveraging what we've learned from the work completed in 2017.



## LICENSEE SPOTLIGHT: ARVIND FASHIONS LTD.

As part of our licensee capability efforts, the PVH CR team conducted management system trainings based on the SAI Social Fingerprint framework for Arvind Fashions Ltd. ("AFL"), a joint venture partner and licensee located in Bangalore, India. Based on the identified gaps, AFL and the PVH CR team co-developed an improvement plan to help strengthen human rights performance within AFL's supply chain. Further, PVH CR conducted management system trainings for the AFL compliance team, in line with the SAI Social Fingerprint framework. Since the trainings, AFL has revised key policies, including audit and onboarding procedures for the factories producing for PVH, in alignment with PVH CR standards, and conducted training sessions on PVH compliance requirements for their supply chain partners. This has resulted in a reduction in the percentage of high-risk (Orange rated) factories within AFL's supply chain and a strengthened partnership with PVH.

## FAIR WAGES

PVH believes that every worker has a right to compensation that is sufficient to meet basic needs and provide some discretionary income. As a founding and participating member of the FLA, we are committed to ensuring that fair labor practices and safe working conditions are upheld in our supply chain. This includes workers' rights to fair compensation and the development of publicly disclosed fair compensation strategies. PVH and other FLA affiliates are gathering wage data and collaborating to determine the best way to engage suppliers to advance the payment of a living wage. Additionally, PVH CR team members continuously monitor changes in minimum wages through government reports, information from country-based ILO offices and alerts from our third-party auditing partner, which maintains a live database of wage data and labor laws. PVH works to ensure that all suppliers meet new wage requirements as they come into effect.

## LOOKING AHEAD

We at PVH are proud of our longstanding commitment to human rights and the improvements to our program that we've worked to implement throughout 2017. In 2018, we will continue to grow our program, including expanding our efforts with our Gold Program, our approach to migrant labor and our Responsible Business Practices program. We will continue this important work, supporting the workers in our supply chain as extensions of our associate base, and striving to move the apparel industry forward to address the critical issues of our time.

\* See the Glossary for more information.





# Safe WORKPLACES

## OUR COMMITMENT: PROMOTE SAFE WORKING CONDITIONS IN OUR SUPPLY CHAIN

**W**orkers in our supply chain must be safe from avoidable injuries and accidents in the workplace. April 2018 marked the fifth anniversary of the Rana Plaza disaster in Bangladesh. While we had no production there, we have worked tirelessly to ensure such a tragedy will never happen again. We have drawn upon our safety knowledge as members of the Accord to extend fire, structural and safety assessments to other countries, including Ethiopia, Vietnam and India.

### BANGLADESH ACCORD ON FIRE AND BUILDING SAFETY

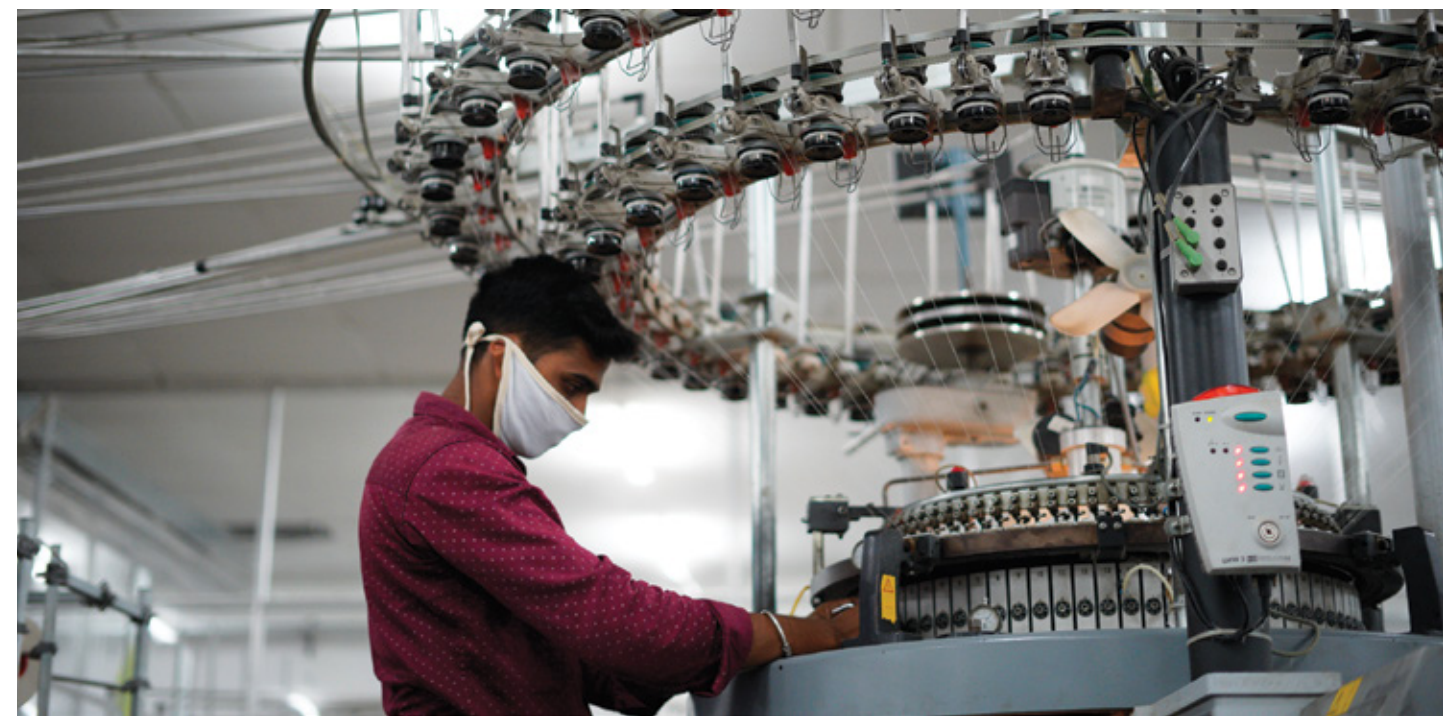
PVH is a founding member of the Accord and we have maintained a board seat since its inception in 2013 to demonstrate our support for this important initiative.

The Accord is a legally binding agreement between retailers and brand owners, on the one hand, and local and global unions on the other. Accord members are committed to improving fire and building safety in the Bangladesh ready made garment industry. Among Accord members, including over 200 apparel companies, PVH has consistently demonstrated leading performance, including overseeing timely remediation at its suppliers' factories. Our team of local PVH CR advisors, in partnership with PVH Supply Chain associates, work closely with Bangladeshi suppliers and Accord staff to monitor progress, understand challenges and ensure sustainable solutions are being implemented. Overall, we have addressed nearly 95 percent of the over 6,600 initial issues uncovered at our suppliers' factories. All Accord reports are available online.<sup>5</sup>

<sup>5</sup> Read more at <http://bangladeshaccord.org/progress/>

Overall, the Accord completed inspections at more than 1,600 factories upon its expiration in May 2018. The Accord had a scheduled expiration in May 2018. In 2017, we signed a new three-year Accord agreement along with 175 other brand owners and retailers. The agreement, which became effective in 2018 is designed to continue the Accord's work while supporting the Bangladeshi government's own capacity to oversee building and fire safety, and transition compliance responsibilities to them to manage going forward. There has been a legal challenge to the continuation of the Accord beyond November 2018. Regardless of the outcome, we remain committed to continuing the ideals of the Accord in fostering safe workplaces and protecting workers rights in the Bangladesh ready-made garment industry (including efforts by the Bangladeshi government to assume responsibility for the oversight of fire and building safety when deemed appropriate by relevant stakeholders).

Rob Wayss, Executive Director of the Accord commented on our partnership, noting: "From the inception of the Accord and throughout the implementation of the 2013 Accord and 2018 Accord, PVH has been a leader. PVH's reliable support for and commitment to the goals of the Accord has made the ready made garment industry in Bangladesh much safer."



### GLOBAL FOCUS ON HEALTH AND SAFETY

In an effort to ensure that the teachings from the Accord have a global reach, PVH joined LaBS\* in 2017. Coordinated by IDH\*, LaBS aims to raise safety standards in apparel production countries, including Vietnam, India, Pakistan and Cambodia. This work builds on the foundational learnings of the Accord and helps us apply our knowledge and best practices in other major production countries.

PVH was involved in LaBS pilot programs of 100 factories in Vietnam and India, which will extend into 2018. Participating factories are evaluated against international structural, fire and electrical safety standards. Moving ahead, PVH will continue to support the evolution of the LaBS program via the ongoing structured pilot rollouts in Vietnam and India. Following the successful completion of these pilots, LaBS will scale up efforts in other countries.

\* See the Glossary for more information.

### HAWASSA INDUSTRIAL PARK, ETHIOPIA

East Africa is quickly becoming a dynamic global hub for the apparel and footwear industry. PVH is leading the efforts in development in this next frontier by partnering with local government and nongovernmental organizations to support the establishment of a responsible, best-in-class manufacturing operation at the HIP\* in Ethiopia. Construction and governance involving the tenants and their facilities include stringent social, safety, and environmental standards to power industry change the right way.

The suppliers in the HIP, including PVH's 75 percent owned joint venture, have committed to ensuring compliance with top global health and safety practices from the outset. We have supported the Ethiopian government and the Hawassa Investors Association (the tenants association) to ensure factories were indeed built in accordance with international standards and local regulations by commissioning stringent, independent inspections of all HIP facilities. By laying the foundations of a strong health and safety culture at HIP, Ethiopia's largest industrial park, PVH and our suppliers there have also helped to create a blueprint for safe workplaces at industrial parks in emerging markets.



### LOOKING AHEAD

Looking ahead to 2018, we will continue to promote safe working conditions for workers by partnering with our suppliers to raise health and safety standards in their factories. Our aim for 2018 is to make our supply chain an even safer place to work.





# INCLUSION *and Diversity*

OUR COMMITMENT: TO INVEST IN AND SUPPORT PVH ASSOCIATES IN REACHING THEIR FULL POTENTIAL IN AN INCLUSIVE ENVIRONMENT WHERE EVERY INDIVIDUAL IS VALUED

**O**ur focus on Inclusion and Diversity (“I&D”) is rooted in our Core Values: **individuality, partnership, passion, integrity and accountability.** These values embody who we are as a company, guide our decisions and inspire us. We cultivate the growth of our business and our associates through a passion for success, innovation, professional development and sustainability.

I&D is deeply rooted in our business and our diversity education is expanding. The Confronting Unconscious Bias course is a

foundational component of PVH University’s (“PVH U”) Inclusion & Diversity Academy curricula. All new and recently promoted leaders in the U.S. are required to take the course. Two additional courses were offered through our I&D Academy in 2017: Micro-Inequalities and Generational Differences in the Workplace.

We continue to invest in the overall associate experience, by fostering new mindsets to shape an inclusive and diverse workplace, and promoting fair talent practices that are free from bias.

## ASSOCIATE INVOLVEMENT

The PVH U.S. I&D Council was created in 2015 to provide a business perspective towards our focus on I&D and to ensure that our initiatives are aligned with our business strategy. We also established I&D Councils in Asia (2016) and Canada (2017), to ensure that our focus areas are regionally and culturally relevant.



We have grown our network of **BRGs\*** focused on topics that affect women, the LGBTQ community, working parents and ethnic minorities. BRGs are associate-led and cultivated from a shared purpose or interest, centered on one or more of the following business-related areas: Business Growth and Innovation, Recruiting and Hiring, Professional Development and Networking, and Associate Engagement.

UPWARD, (Uniting Professional Women Advancing Relationships and Development), our BRG focusing on empowering and advancing women, was founded in 2016. Its mantra is: “Step Forward. Move Forward. Pay it Forward.” UPWARD has created forums that allow women and men to come together to hear from female leaders, to gain visibility and exposure to executives across the business, to network, and to hear from outside lecturers. We also launched our Working Parents BRG in 2017, which aims to foster associate engagement and create a community for working parents where they can share experiences, challenges and ideas.

Our LGBTQ BRG, called WERK (Well-connected, Equality, Resourcefulness, and Knowledge), was established in 2017 and is committed to fostering an inclusive and diverse workplace where lesbian, gay, bisexual, transgender, questioning, and other associates, and their supporters are authentically and comfortably able to express their individuality. WERK took the lead in spearheading PVH’s participation in the 2017 NYC Pride March, for which PVH was a Platinum Sponsor. More than 800 associates, their relatives and friends signed up to march in support of LGBTQ equality. PVH has been recognized as a 2018 Best Place to Work for LGBTQ Equality from the Human Rights Campaign Foundation and ranked #31 in Thomson Reuters’ 2017 Global Diversity and Inclusion Index.

\* See the Glossary for more information.

## SUPPORTING PEOPLE WITH DISABILITIES

The *TOMMY HILFIGER* line of adaptive apparel, which offers modified mainstream apparel for people with disabilities, was launched in October 2017. The new adult line consists of approximately 35 styles for men and women.

*“Inclusivity and the democratization of fashion have always been at the core of my brand’s DNA,”* said Tommy Hilfiger, Principal Designer. *“These collections continue to build on that vision, empowering differently-abled people to express themselves through fashion.”*

As part of National Disability Employment Awareness Month, PVH hosted best-selling author and impressive mountaineer Kyle Maynard as part of its Inspirational Speaker Series. Born with quadruple congenital amputation, Kyle inspired associates through his stories of having “no excuses.” PVH also sponsored other workshops to teach associates how to be allies for people with disabilities.

## LOOKING AHEAD

As an organization, we have taken clear steps to highlight the importance of I&D. In 2018, we plan to expand our support for LGBTQ pride around the world in key locations where we have a large associate presence. We will also begin rolling out a new course in our I&D Academy specifically around inclusion in the workplace. Our African American BRG BRAAVE (Building Resources for African American Voices and Empowerment) launched in early 2018 and a chapter of UPWARD for our facilities in the Greater Los Angeles area will launch later in 2018.

We are proud of our accomplishments, and recognize that fashion has a great opportunity to champion increased inclusion and diversity in the workplace, for the industry and society at large. We seek to work further alongside the wider industry and society to foster an inclusive environment where every individual is valued.





# Our ASSOCIATES

OUR COMMITMENT: ATTRACT AND RETAIN  
WORLD-CLASS TALENT BY MAKING PVH  
A GREAT PLACE TO WORK

**P**VH recognizes that our more than 36,000 associates around the world are our greatest asset. As a result, we strive to create opportunities for our associates to extend and further develop their skills, thereby empowering our associates to reach their full potential.

At PVH, we are committed to developing our associates. We pride ourselves on our high retention rate and the long tenures of our corporate associates. We strive to help them build long-term, successful careers within PVH. To help our associates advance their skills, we provide many learning and development opportunities, including through PVH U. With a mantra of: “Engage your mind, Grow your talent, Design your future,” PVH U was created to ensure that PVH associates reach their full potential.

## BEST IN CLASS BENEFITS

PVH continues to develop and expand associate benefits that align with diverse workplace cultures around the world, tailoring our programs and communications to different segments of the workforce, including generational and lifestyle.

In 2017, we expanded our Parental Leave Policy in the U.S. to cover all additions of children to a family, including fostering children, as well as the non-birth parent, or secondary caregiver.

In addition, we introduced a flexible work policy and launched a Retireewise Financial Wellness Benefit in the U.S., as well as made enhancements to our 401(k) plan to provide for a more diversified portfolio of options aligned to a specific retirement date.



“As a foster parent, our Paid Parental Leave program provides time to bond with and care for children placed in our care. Aden was 14 months when he came to us in May 2017. Our leave program and the support of my manager provided comfort and peace of mind enabling us to give him the attention he deserved. He’s still with us and is now walking, learning to talk and doing all of the things a healthy 2-year-old should be doing.”  
– Mark Couch, VP HR Warehouse & Distribution

In 2017, we celebrated the 10th anniversary of our very popular health and wellness program in North America, PVH HealthMatters. The program is designed to encourage a healthy lifestyle through a variety of benefits and offerings. We support associates with personal coaching, free mobile fitness apps, and subsidized rates for health clubs, as well as promote team sports to encourage associates to pursue active lifestyles. To mark the anniversary of HealthMatters, associates shared the ways in which they have benefitted from the program.

Jonathan from the Jonesville, North Carolina distribution center, noted: “I used HealthMatters as a resource to help me quit smoking. As of January 2017, I have been tobacco free for three years.”

Colleen from the Wholesale Field team, said: “Joining HealthMatters has made me think twice when making decisions regarding diet and exercise. Just knowing that I am tracking what I’m doing makes me feel more accountable for my health.”

In 2017, we expanded HealthMatters to associates in Canada and, in 2018, this program will further expand to include their dependents.

Ensuring associates are aware of the benefits available to them is a top priority. Our Benefits Fairs and informational meetings have resulted in increased participation in our health, well-being and financial wellness plans and programs. Continued implementation of our HR system, Workday, alongside the Benefits Portal, has enabled more associates to access benefits, with 75 percent of global associates utilizing the system. In 2017, Workday went live in the Middle East, Africa, Asia, and Brazil, with a planned 2018 launch in Europe.







## TALENT DEVELOPMENT

Talent Development is a key part of helping associates reach their full potential. PVH U promotes a culture of continuous learning. From leadership programs to online classes, PVH U continues to grow and evolve to meet the demands of our leaders, our associates and the business. PVH U has grown quickly since it launched globally in January 2016. In 2017 PVH U:

- Introduced three new leadership development programs: one for front-line leaders, one for mid-level leaders and one focusing on developing coaching skills in leaders.
- Offered over 250 different classroom sessions, including dozens of new classes, such as Rock Your Profile, a custom-designed course to guide associates in creating a professional online presence and personal brand.

- Built an online Manager's Toolkit, which is a one-stop-shop to support managers on everything from onboarding to team building.
- Expanded the award-winning Leaders as Teachers series.

2017 also marked the first time that retail trainers from around the globe and representing all our brands came together for a Retail Training Summit, hosted by PVH U. The summit generated collaboration and excitement for the future of retail training at PVH.

There are more exciting PVH U initiatives on the horizon, including a PVH Supply Academy and an exclusive online portal to support the continuing education of our Board of Directors.



## LOOKING AHEAD

PVH plans to continue elevating our communications practices to ensure associates are aware of relevant benefits and to extend online support globally.

Attracting and retaining great talent is a challenge for any organization. In response, we have invested in tools to ensure that internal candidates can capitalize on opportunities to develop their careers within our company. This includes a new internal careers site, launching in 2018, giving existing colleagues greater visibility to open roles and streamlining the application process.

The continued enhancement of our benefits offerings in 2018 includes the launch in the U.S. of a critical illness coverage policy, which will provide associates with a lump-sum payment in the event of a critical illness diagnosis. In early 2018, we began offering in the U.S. a new identity protection service to all associates and their families as an anti-fraud measure. We will also offer an expanded benefits package to Canadian associates, as well an Enabling Healthy Employees benefit in the U.S., helping to facilitate annual physicals.

We continually seek ways to acknowledge and celebrate our industry-leading talent, individually and as teams. This includes a digital platform that empowers associates to give recognition to co-workers around the world, which is launching in 2018.





# Responsible CHEMICAL MANAGEMENT

## OUR COMMITMENT: PRACTICE RESPONSIBLE CHEMICAL MANAGEMENT BY REDUCING AND EVENTUALLY PHASING OUT HAZARDOUS CHEMICALS FROM OUR SUPPLY CHAIN BY 2020

**C**hemicals are used throughout the apparel manufacturing process to give materials specific performance characteristics (e.g., stain-resistance and wrinkle-free). We are committed to managing chemicals effectively and have set a goal to eliminate hazardous chemicals from our supply chain by 2020.

We are focused on the entire value chain, including inputs (facility-level actions), processes, and outputs (chemicals that end up in our products or the environment).

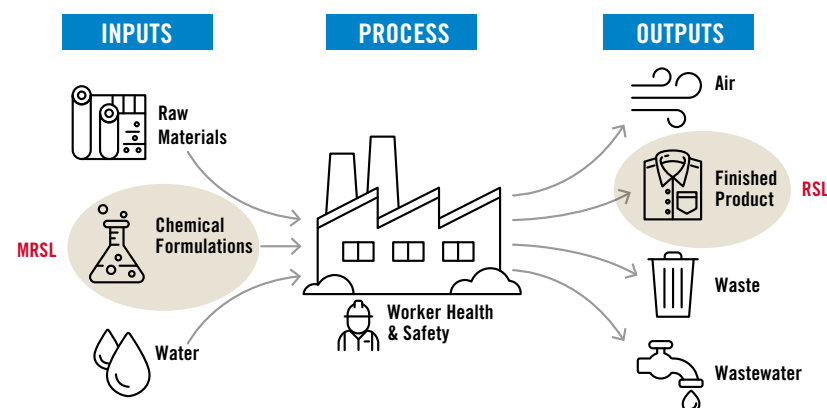
As with many areas of our work, industry partnerships, collaborations and sustainable innovations will be critical to achieving our goals. For chemicals, this means a mass phase out of hazardous chemicals and discharge in the apparel industry.

For this reason, PVH is an active member of the **ZDHC\***, **AFIRM Group\***, **SAC\***, and **BCI\***. We plan to join other initiatives to help expand product and production-level innovations that we believe will help us achieve our phase out goal.

### PRODUCT TESTING AND COMPLIANCE

PVH's **RSL\***, which governs banned or restricted chemicals in our finished products, meets or exceeds regulatory and legislative requirements globally. We have put in place a global RSL testing program across all product categories in all our businesses to ensure compliance. We employ a risk-based testing approach in which we identify products with an elevated level of chemical risk for testing at various stages of the manufacturing process.

### ADDRESSING CHEMICAL RISKS AT EACH STAGE OF PRODUCTION



\* See the Glossary for more information.

A large group of our key suppliers participated in a RSL testing pilot in 2017 to help us improve our existing program. This comprehensive pilot tested over 800 products across all PVH product categories at each stage of production and included a full array of materials and finishes. The pilot has helped streamline and accelerate the testing process for both our suppliers and our internal teams, while driving enhanced compliance and transparency.

In 2017, we announced that starting in 2018, 25 million men's dress shirts we produce under our *CALVIN KLEIN*, *TOMMY HILFIGER*, *Van Heusen*, *IZOD* and *ARROW* brands, as well as brands licensed to PVH will bear the STANDARD 100 by OEKO-TEX® label. This consumer-facing labeling acknowledges that all the product components have been tested for hazardous chemicals and comply with our RSL. The shirts will be sold in North America through retailers including Macy's, Kohl's, J.C. Penney, Belk and Amazon, among others.

### FACILITY-LEVEL INITIATIVES

As we build out our responsible chemicals management work in 2018, we will be supporting the rollout of **ZDHC's MRSL\***, which will govern banned or restricted chemicals as an input to the production process. We will lay the groundwork for the implementation of the MRSL by preparing our suppliers, partnering with our internal sourcing teams, and utilizing industry training resources such as the ZDHC Academy, an online platform where accredited training providers can organize sessions to deliver ZDHC-certified training to key industry stakeholders and suppliers. A key part of the supplier training is to help them identify and procure safe, effective chemical formulas/inputs, using industry tools such as the ZDHC Gateway, a new web-based platform. We plan to continue operating our rigorous training program, including with a series of easy-to-use web-based resources for our partners to ensure accessibility and drive continuous improvement toward our 2020 goal.

In order to drive facility-level improvements and compliance with the MRSL, we expanded our CR assessment program in 2017 to include a more comprehensive set of chemical indicators, in line with ZDHC requirements. This information was collected as part of our rollout of the SAC Higg FEM to 530 strategic suppliers (please see page 14 for more information). This has allowed us to gain a deeper understanding of chemical performance and compliance at the facility level and to identify areas for improvement.

### LOOKING AHEAD

As we look forward to 2018, we will expand the scope of this work with more than 80 mills slated to provide us with verified data from the updated SAC Higg FEM, which as of 2017 is aligned to the ZDHC audit protocol. This will allow us to share precompetitive verified factory data with other apparel companies, which will decrease audit fatigue and improve data quality. We will also be conducting an MRSL verification and a wastewater testing pilot, leveraging the ZDHC Gateway to upload and share results.

To support facility-level remediation and phase out efforts, PVH became a founding member of the SAC Apparel Impact Institute in 2017. This industry initiative aims to scale existing environmental mill improvement programs such as Clean By Design and PaCT. In 2018, we will pilot the Clean by Design program with strategic mills to drive improvements in chemical, greenhouse gas, and water impacts. As a founding member of the Apparel Impact Institute, this work will contribute to the industry's goal to improve environmental impacts across the apparel industry. Also in 2018, we will expand our improved risk-based RSL testing program globally.

\* See the Glossary for more information.



### MODERNIZING CHEMICAL MANAGEMENT

The ZDHC Gateway platform is revolutionizing chemical management in the apparel industry by providing, for the first time, a digital resource that rates the environmental and health hazards of individual chemical products based on an aggregated view of various external (third party) chemical certifications. Mills can easily compare chemicals used in their facilities against the online Gateway library of rated chemical formulations through an automated report, which is visible to brand partners globally. This helps PVH identify chemical risks and opportunities for improvement across the supply chain.





# WATER

## OUR COMMITMENT: SAFEGUARD AND PRESERVE WATER RESOURCES TO ENSURE THE CONTINUITY AND QUALITY OF WATER SUPPLY FOR OUR BUSINESS AND THE COMMUNITY

**W**ater is a critical and finite natural resource, access to which is a human right. The World Economic Forum has ranked the water crisis as one of the top five global risks.<sup>6</sup> WWF, a leading environmental nongovernmental organization, estimates that 1.1 billion people globally lack access to clean water, with a total of 2.7 billion facing periods of water scarcity.<sup>7</sup> As the challenges of accessing safe and clean water increase, safeguarding this resource becomes a greater priority.

The apparel industry is a large user of water across the entire value chain - from farming raw materials such as cotton, to dyeing and finishing garments, to the way consumers wash their clothes. Addressing water issues is complex, in that it is linked to and impacted by many other environmental issues including chemicals, climate change and waste. This creates a need for innovative, cross-disciplinary thinking involving all of our key environmental programs.

A representative from a PVH supplier boldly drinks the clean water produced from a zero liquid discharge wastewater treatment plant at a mill in Shimoga, India.



### PVH WATER STRATEGY

In an effort to reduce water use and contribute to water conservation, PVH has created a robust program that focuses on tracking and reducing use at our own facilities (stores, offices, warehouses and distribution centers), as well as within our supply chain, driven largely through our rollout of the SAC Higg FEM and membership in the SAC Apparel Impact Institute (please see pages 14 and 29 for more information). We are also exploring various product and process innovations that will lead to less water use, such as Speedo USA's work with Econyl,<sup>8</sup> and Tommy Hilfiger's Low Impact Denim program. Finally, we took a major step in 2017 to drive important water stewardship work through new partnerships with WWF and GIZ's\* International Water Stewardship Programme.

<sup>6</sup> The Global Risks Report 2018. World Economic Forum, 2018, "http://www.weforum.org/reports/the-global-risks-report-2018" www.weforum.org/reports/the-global-risks-report-2018.  
<sup>7</sup> "Water Scarcity." WWF, World Wildlife Fund, 2018, "http://www.worldwildlife.org/threats/water-scarcity" www.worldwildlife.org/threats/water-scarcity.  
<sup>8</sup> Find more details about Speedo's work with Econyl in our 2016 CR Report.  
 \*See the Glossary for more information.

### TOMMY HILFIGER LOW IMPACT DENIM

Our Tommy Hilfiger business conducted a pilot project to explore different finishing techniques for its denim products, helping suppliers to adopt practices that significantly reduce water and energy consumption and that require less chemical use per garment. Participating suppliers used the Environmental Impact Measuring software, a tool from **Jeanologia**\* that assesses the environmental impact of various garment finishing processes. The methodology encourages suppliers to use renewable energy, recycled water and more sustainable technologies (e.g., laser and ozone, which are water and chemical-free). Low impact denim comprised 25 percent of the products in the 2017 TOMMY HILFIGER collections. We plan to expand this initiative across PVH in 2018.

### WATER STEWARDSHIP: NEW FOUNDATIONAL PARTNERSHIPS

We worked to expand our partnership with WWF. This multi-year arrangement that is applicable throughout all our businesses was formalized in 2018. The partnership aims to protect key water basins in some of our strategic sourcing destinations, as informed by a global water risk analysis conducted by WWF, as well as SDG 6 and the **U.N. CEO Water Mandate**\*, which we joined at both the corporate and business levels in 2017.



Each of our businesses will contribute to WWF's stewardship work by sponsoring a critical water basin in one of our strategic sourcing destinations. Tommy Hilfiger will continue to support work in the Mekong River basin in Vietnam and the Taihu River basin in China. In the Cauvery River basin in South India, Calvin Klein will work with key stakeholders to reduce water-stress on the environment, people and economy. Our Heritage Brands business will support our work in preserving Lake Hawassa in Ethiopia, where we are already reducing water use through the **ZLD**\* plant at the HIP, which recycles approximately 90 percent of the water used in the park.

Together, PVH and WWF will identify water risks and engage in collective efforts to advance water conservation activities for local communities in other strategic sourcing locations across the globe.

Sheila Bonini, Senior Vice President for Private Sector Engagement at WWF, notes: "Freshwater is the ultimate shared resource. The way we care for one basin affects all the locally connected water sources and the communities that surround them. Through water stewardship partnerships like the one with PVH, we are able to ensure more sustainable practices that simultaneously reduce risk for business and serve local interests."

\* See the Glossary for more information.

We aim to be inclusive with our partnerships in the locations where we work and live. With the involvement of WWF, we are co-initiating a multi-stakeholder collaboration with GIZ's International Water Stewardship Programme and are also identifying opportunities through the U.N. CEO Water Mandate to work collectively with apparel companies in additional strategic sourcing communities.

We will continue our public reporting to **CDP**\* Water, which we completed for the first time in 2017, receiving a B score.

### LOOKING AHEAD

In 2018, we will continue our work on water conservation and stewardship through our partnerships with WWF and GIZ, and through the exploration of new technologies and processes. We will strive to inform and engage associates across our businesses on the topic of water conservation, and have plans to develop education and engagement activations to drive awareness and action globally.







# Sustainable PACKAGING

## OUR COMMITMENT: REDUCE THE AMOUNT OF PACKAGING USED FOR PVH PRODUCTS AND WORK TOWARD SENDING ZERO PACKAGING WASTE TO LANDFILL

**Our goal is to reduce the amount of packaging used for PVH products and to send zero packaging waste to landfill. We have made significant progress toward this goal and are continually challenging ourselves to do more.**

### WHY IS REDUCING OUR PLASTIC PACKAGING IMPORTANT?

Each year, 78 million tons of plastic packaging are produced globally, yet only 14 percent<sup>9</sup> is collected for recycling. Plastic packaging accounts for more than 62 percent of all waste items collected in international coastal cleanup operations. This means that plastic packaging makes up a significant amount of the over

150 million tons of plastics in the ocean today. If plastic consumption continues at this rate, the ocean is expected to contain 1 ton of plastic for every 3 tons of fish by 2025 and, by 2050, more plastics than fish.

### MAKING ON-PRODUCT PACKAGING MORE SUSTAINABLE

Through our internal Sustainable Packaging Roundtable, our associates from eight business divisions across the globe are working closely together to exchange and implement best practices, innovative ideas and achievements. For example, in 2017, the Roundtable successfully executed a sizeable shift toward sustainably certified paper and currently is working to drive the use of more

recycled and recyclable content across PVH business units. Looking ahead, the group will be reviewing and piloting innovative raw material sources like ocean plastics.

Also through the Sustainable Packaging Roundtable, the CR team trains internal team members on how to make decisions that support sustainability in their day-to-day roles. We have provided a sustainable packaging resource guide to participants, which is based on insights and advice from industry experts, and have created a variety of guidelines to inform our business divisions on best sustainability practices for the most commonly used packaging and packing materials.

<sup>9</sup> *The New Plastic Economy: Rethinking the Future of Plastics & Catalyzing Action*. Ellen MacArthur Foundation, November 2017. [https://www.ellenmacarthurfoundation.org/assets/downloads/publications/NPEE-Hybrid\\_English\\_22-11-17\\_Digital.pdf](https://www.ellenmacarthurfoundation.org/assets/downloads/publications/NPEE-Hybrid_English_22-11-17_Digital.pdf)

Approximately 70 percent of our on-product packaging (e.g., hangtags, stickers, and tissue paper) is now recyclable. There are over 20 projects in place at PVH to reduce product packaging. Examples include:

- The Underwear Group (“TUG”) redesigned a multi-material window box into a single-material item, making it easier for them to be collected and recycled. TUG has also worked to reduce the size and weight of its packaging.

Lisa Dudzik, Senior Manager of Packaging & Trim, TUG notes: “It is a priority in The Underwear Group to make our packaging as sustainable as possible. We choose materials that are certified or have recycled content, minimize packaging components and develop innovative solutions. We are working to communicate these efforts to our consumers, raise awareness and hopefully inspire others to be good citizens of the earth.”

- The Neckwear team reduced its hangtag size by 17 percent, and our Heritage Brands business will have all 2018 hangtags printed on sustainably sourced paper.

### UNDERSTANDING AND COMMUNICATING OUR PACKAGING MATERIALS

To provide consumers with a better understanding of our commitment to sustainable packaging, we became the first apparel company to join the How2Recycle initiative of the SPC\*. The SPC is a membership-based organization that is the leading voice on sustainable packaging. The How2Recycle program will provide insight into the recyclability of our on-product packaging. We believe this initiative should help PVH provide clear instructions to our consumers on how to best recycle our packaging.

### REDUCING OUR LOGISTICS PACKING

We are continuing to expand our work to reduce the impacts of our logistics packing (e.g., cartons, poly bags, and bubble wrap). Our expanded efforts include developing a packing baseline and identifying opportunities to streamline and reduce the packaging we use in our warehouse and distribution operations.

In the United States, our Jonesville, North Carolina, and McDonough, Georgia, distribution centers implemented a recycling initiative, successfully diverting 26,600 and 80,054 pounds, respectively, of hangers from landfill (this total weight is equivalent to approximately 100,000 pairs of mid-weight jeans). Sustainable packing innovations, like moving from triple- to single-wall cartons for our Tommy Hilfiger North America business, resulted in a 30 percent reduction in paper, per carton.

Executive Vice President of Logistics Kevin Urban notes: “We refer to our hanger program in the DC’s as landfill avoidance. The hangers associated with our product are made of a combination of materials (plastic clips for pants, swivel hooks, etc.). We send our excess to a manufacturer whose hangers are used on many of our products. They reuse what they can and send the rest for recycling. This is done to keep as much as possible from reaching a landfill.”

### LOOKING AHEAD

As we look to 2018 and beyond, we will be strengthening our global packaging commitment. The CR team will support the Vendor Relations, Logistics, and other teams in expanding projects and pursuing additional packaging and packing efforts including poly bag weight reduction, switching to certified materials and reducing the use of inner cartons. We will take more of a value chain approach by addressing waste challenges more broadly, including textile waste and **circularity\*** innovations. This will include new partnerships both within our company and externally, in line with our desire to move the industry forward.

\* See the Glossary for more information.







# Sustainable MATERIALS

## OUR COMMITMENT: SOURCE RAW MATERIALS MORE SUSTAINABLY TO MINIMIZE SOCIAL AND ENVIRONMENTAL IMPACTS ALONG THE SUPPLY CHAIN

One of the greatest opportunities to further environmental improvements in the apparel industry involves the production of fabrics. The farming of raw materials, the spinning and weaving of cloth, and the dyeing and treating of fabric are extremely resource and chemical intensive. Innovations in farming practices, material finishing processes and fibers (from plant-based silks to lab-grown leathers) are emerging rapidly. At PVH, we are committed to improving the sustainability of the materials we source, including natural, synthetic and animal-based fibers, as well as the manufacturing processes.



We support industry collaboration wherever possible, as it drives change on a large scale. As part of our sustainable design program, we have piloted industry tools including the **SAC Materials Sustainability Index and the Design Development Module\***. These tools have the potential to help our designers incorporate sustainability into their decision-making, and we are using the results of the pilot to evaluate how to scale the tools within all of our design teams. We are also working with the following industry groups to promote responsible sourcing of raw materials in our industry:

- Leather Working Group
- Textile Exchange\*
- BSR\* Responsible Luxury Initiative
- BCI

### INTEGRATING MORE SUSTAINABLE COTTON

Cotton is our most important raw material and represents nearly 70 percent of PVH's raw material use by volume<sup>10</sup>, providing the greatest opportunity to make positive change. In 2017, PVH joined BCI, a global initiative that aims to make the production of more sustainable "Better Cotton" a standard practice.

<sup>10</sup> This percentage is based off of our 2016 Materials Mapping exercise.

Better Cotton is produced by farmers in a way that is measurably better for the environment and farming communities. By 2020, BCI aims to empower five million farmers to produce enough Better Cotton to account for 30 percent of the world's cotton supply. We are working to source Better Cotton for all of our businesses and have set internal targets to measure our progress.

Our Tommy Hilfiger business has been a BCI member since 2013 and is working toward a goal of 100 percent more sustainably sourced cotton by 2020. In 2017, Tommy Hilfiger sourced more sustainable cotton for 45 percent of its cotton volumes, including cotton sourced through BCI.



© Better Cotton Initiative

### SOURCING SUSTAINABLE COTTON WITH BCI:

We strive to source cotton produced in a way that:

- Minimizes harmful impacts of crop protection practices
- Uses water efficiently and responsibly
- Cares for the health of the soil
- Conserves natural habitats and local ecosystems
- Preserves the quality of the fiber
- Promotes fair and decent treatment of workers
- Allows for verification of sustainable farming and production practices

### SPOTLIGHT ON KEY INITIATIVES:

#### • Calvin Klein's Recycled Tote Bag

In 2017, a *CALVIN KLEIN* tote bag made of 70 percent recycled cotton was introduced in all retail outlet stores in North America. To date, approximately 150,000 bags have been sold and we have continued to sell it online. After they buy the reusable bag, consumers receive an offer for five percent off on all future purchases when they bring it back to stores and re-use it instead of a shopping bag, incentivizing less packaging waste.

#### • The Dress Furnishing Group's Recycled Polyester Shirts

Polyester is our second-most used material by volume, accounting for 13 percent of the materials we source. In 2017, our Dress Furnishings Group partnered with our Innovation Next team to begin sourcing Repreve's recycled polyester material made from plastic waste, such as plastic bottles. Through this initiative, we produced over 4.6 million dress and sports shirts that contained recycled polyester.

#### • Fabscrap

In 2017, PVH partnered with Fabscrap, a New York-based nonprofit that collects fabric scraps from apparel designers and manufacturers that would otherwise become waste. The scraps are recycled into materials for insulation and home furnishings. We donated over 2,500 pounds of fabric scraps to this program in 2017.

### IMPROVING ANIMAL WELFARE

Animal-based materials comprise approximately three percent of our global material footprint, yet responsible sourcing of animal-based materials is very important to our company. In 2017, we launched our global Animal Welfare Policy, which focuses on seven key materials: angora, fur, exotic skins, leather, wool, non-down feathers and down. The "Five Freedoms"<sup>†</sup> concept is the guiding principle. The policy was developed in collaboration with our sourcing teams and was reviewed by organizations with expertise in animal welfare issues, including BSR and the Textile Exchange.

\* See the Glossary for more information.

In 2018, we committed to the removal of all mohair products by 2020 due to concerns about its production.








We are committed to driving the use of animal welfare standards and certifications, including the Textile Exchange's Responsible Down Standard (RDS)\* and Responsible Wool Standard (RWS)\*. All branded PVH products must now use RDS down. Our *CALVIN KLEIN* Fall 2017 collections in Europe all contained RDS-certified down. All down used in *TOMMY HILFIGER* products we produce is now RDS-certified. Our Tommy Hilfiger business is also a member of the Leather Working Group, helping to create standards that address both animal welfare and environmental issues relating to leather production for apparel, footwear, and accessories.

We will continue to engage a variety of stakeholders to address industrywide solutions to promote animal welfare and source animal-based materials responsibly.

### LOOKING AHEAD

PVH will continue to leverage multi-stakeholder groups and partners to ensure responsible sourcing for all our materials. Building on our work in 2017, we aim to further our efforts toward incorporating circularity into our materials by collaborating across the industry to develop innovative solutions to design products with the full product lifecycle in mind and source products with materials that represent responsible alternatives to the status quo of the fashion industry today.

### PVH'S ANIMAL WELFARE POLICY<sup>†</sup> REFERENCES THE FOLLOWING MATERIALS OF ANIMAL ORIGIN:

						
<b>Angora</b> Not Allowed in any PVH product.	<b>Fur</b> Not Allowed in any PVH product.	<b>Exotic Skins</b> Responsible sourcing	<b>Leather</b> Must be byproduct of meat industries.	<b>Wool</b> Support the RWS and will source RWS certified wool as possible.	<b>Non-down Feathers</b> From birds who were not live plucked or force fed.	<b>Down</b> RDS down required for all branded products of PVH.

<sup>†</sup> For PVH's full animal welfare policy, please visit [www.pvh.com/responsibility/policy/animal-welfare-policy](http://www.pvh.com/responsibility/policy/animal-welfare-policy).  
<sup>‡</sup> Icons made by Freepik from [www.flaticon.com](http://www.flaticon.com)



# GREENHOUSE Gases

OUR COMMITMENT: MEASURE AND REDUCE PVH'S GREENHOUSE GAS ("GHG") EMISSIONS BY REDUCING ENERGY CONSUMPTION, INCREASING ENERGY EFFICIENCY AND UTILIZING CLEAN ENERGY BOTH IN OUR OWNED AND OPERATED FACILITIES AND THROUGHOUT OUR VALUE CHAIN

Climate change is one of the greatest challenges facing the planet today and one that we must address both individually and collectively. We believe that we have a responsibility to limit our environmental impact and support cleaner energy alternatives.

PVH remains committed to mitigating the negative effects of climate change despite the political resistance in the U.S. Our Chairman and CEO, Emanuel Chirico, published a memo on LinkedIn directed to all PVH associates in 2017 expressing disappointment with the announcement that the U.S. intended to withdraw from the Paris Climate Accord and confirming that "this is an opportunity for us and the industry to take a leadership role to reduce GHG emissions in order to mitigate the negative impacts of climate change."

## SETTING A TARGET AND TRACKING PROGRESS AGAINST IT

In 2017, we set our first global target to reduce GHG emissions at our own facilities by 35 percent by 2030 against a 2015 baseline, calculated using methodologies from the **Science-Based Targets Initiative\***.

Our Scope 1 and 2 emissions across our facilities decreased by approximately six percent in 2017 from 2016 (see the below table for more details). This reduction is the same as taking 1,700 passenger vehicles off the road for a year or reducing consumption of approximately 930,000 gallons of gasoline.

<sup>1</sup> Scope 1 includes direct GHG emissions from natural gas and combustion in boilers, furnaces, and vehicles.  
<sup>2</sup> Scope 2 includes indirect GHG emissions from consumption of purchased electricity, heat or steam.  
<sup>3</sup> Offices include emissions from showrooms.  
<sup>4</sup> Warehouses include emissions from distribution centers and from our neckwear factory.  
<sup>5</sup> Includes fugitive emissions from vehicle refrigerants.

\* See the Glossary for more information.

## GLOBAL GHG INVENTORY

MT CO <sub>2</sub> e GHG Emissions by Scope	2015	2016	2017
Scope 1 Emissions <sup>1</sup>	41,293	37,323	32,690
Scope 2 Emissions <sup>2</sup>	93,166	111,403	107,792
<b>Total GHG Emissions</b>	<b>134,459</b>	<b>148,726</b>	<b>140,482</b>

MT CO <sub>2</sub> e Emission Source	2015	2016	2017
Offices <sup>3</sup>	16,194	13,909	14,543
Retail	97,240	112,123	102,474
Warehouses <sup>4</sup>	18,800	19,874	20,092
Vehicles <sup>5</sup>	2,225	2,820	3,373
<b>Total GHG Emissions</b>	<b>134,459</b>	<b>148,726</b>	<b>140,482</b>

## PVH FACILITY GHG REDUCTION STRATEGY

We have adopted a holistic GHG reduction strategy in all of our offices, stores, and warehouse and distribution centers. The first step has been to work with internal stakeholders to explore solutions such as data collection through energy management systems. Foundational activities such as this will allow us to measure progress against our GHG target more accurately going forward.

Next, we implemented a series of global efficiency measures including **LED\*** retrofits, **HVAC\*** upgrades and installing occupancy sensors. Highlights include:

- Our Calvin Klein Hong Kong corporate office installed new lighting systems; systems that use timers along with natural daylight and occupancy sensors to eliminate unnecessary usage.
- Lighting systems were updated in our warehouses in Jonesville, North Carolina, and Montreal, Quebec. Switching to energy-efficient LED bulbs will allow us to reduce GHG emissions and save more than \$250,000 annually on electricity bills.
- An energy assessment was conducted during the design and construction phase of the new Tommy Hilfiger offices in New York City. This assessment identified over \$2.3 million in potential energy savings over the lease term, driven by efficient equipment and controls and changes in associate behavior.
- Our Store Design and Construction team continued to retrofit track lighting to LED, which was installed in 71% of all North American stores at the end of 2017.

\* See the Glossary for more information.  
<sup>11</sup> Scope 3 includes indirect emissions that occur outside of our owned and operated portfolio, both upstream (business travel, supply chain) and downstream (end of life treatment of garments).

- In Europe, a tool was developed that will help measure and improve the environmental performance of our retail stores, with a focus on energy, materials, waste and wellbeing. The Europe team also launched a GHG reduction program – CLIMATE COOL – within the business and set up four taskforces that are currently developing detailed plans and timelines to tackle GHG reduction in Europe. These four taskforces are focusing on logistics, building design, data and energy, and behavior change to achieve our GHG reduction target.

Finally, we are exploring renewable energy options such as on-site solar panels, off-site **power purchase agreements\*** and procuring **renewable energy credits\***. Our strategic approach is to first increase the energy efficiency of our own operations, and then proceed with the procuring of renewable energy.

## SUPPLY CHAIN INITIATIVES

In 2017, PVH began to measure GHG emissions in our supply chain by rolling out the SAC Higg FEM to 530 strategic suppliers. This will help us identify areas for energy improvements at the facility level (please see page 14 for more information). We are also a founding member of the SAC Apparel Impact Institute, which aims to reduce the environmental impact of mills, including energy use.

In addition, we are working to find ways to increase fuel efficiency and ensure PVH's truck fleet is environmentally best in class, emitting fewer emissions and pollutants per mile and per ton of freight. In this regard, the PVH logistics team leverages the U.S. Environmental Protection Agency's ("EPA")

SmartWay Program, which helps companies measure, benchmark, and improve freight transportation efficiency. In 2017, PVH was recognized by the EPA as a High Performer in its SmartWay program for truck fleets.

We continue to report our GHG reduction strategy and annual footprint to external reporting frameworks in order to drive transparency for consumers and investors. We continue to respond to the CDP Climate Change Questionnaire.

Associates throughout the company are actively supporting our climate change goal. Business divisions are identifying solutions and making changes to generate the reductions that will allow us to reach our targets.

## LOOKING AHEAD

The journey to achieve our 2030 GHG reduction commitment has only just begun. In 2018, we will accelerate efforts to further drive energy efficiency and reduction, and complete our roadmap for sourcing renewable energy. We will also develop our Scope 3 (supply chain)<sup>11</sup> reduction target and strategy, with a focus on the carbon "hot spots" in our value chain, including spinning and dyeing.







# COMMUNITIES

## OUR COMMITMENT: SUPPORT THE NEEDS OF WOMEN AND CHILDREN AROUND THE WORLD

**A**t PVH, giving back is embedded in our culture, and we are committed to creating positive change in the communities where we work and live. Women account for approximately 68 percent of the global garment workforce,<sup>12</sup> which is one reason why we are driven to address the needs of women and the children they support around the world. We do this by creating safe spaces, improving access to education and enhancing quality of life. The PVH Foundation is a nonprofit corporation that supports our global philanthropic campaigns and initiatives, as well as our contributions to disaster relief efforts.

In 2017, we contributed nearly \$24 million to community programs through product, cash, associate pledges, fundraising and retail consumer contributions.

### SAVE THE CHILDREN: SUPPORTING EARLY YEARS

Our global partnership with Save the Children supports its Early Childhood Development programs in the U.S., Bangladesh, China and India, as well as youth employability programs in Ethiopia. In the U.S. and around the world, Save the Children gives kids a healthy start in life, the opportunity to learn and protection from harm.

In the U.S., the Save the Children program is focused on helping young children in underprivileged communities with language development and pre-literacy initiatives in 14 states. Our partnership provided associates with an opportunity to travel for our annual Associate Volunteer Service Trip. Associates traveled to Central Valley, California to work with disadvantaged elementary school children over the summer, through Save the Children's SummerBoost Program.

In China, The PVH Foundation supported Save the Children's work with underprivileged children in kindergartens, including the children of migrant workers, whose education can often be disrupted or of poor quality. In 2017, the work included training four principals and 58 teachers.

<sup>12</sup> Empowering Female Workers in the Apparel Industry. BSR, June 2017, [https://www.bsr.org/reports/BSR\\_Empowering\\_Female\\_Workers\\_in\\_the\\_Apparel\\_Industry.pdf](https://www.bsr.org/reports/BSR_Empowering_Female_Workers_in_the_Apparel_Industry.pdf)



In Bangladesh, Save the Children teamed up with 15 PVH suppliers to fund childcare and early education in our garment factory communities. In 2017, Save the Children supported nearly 1,350 parents and more than 1,660 children in Bangladesh. Other apparel companies are now following suit with their own initiatives in the region.

Save the Children initiated a project in Bangalore, the home of PVH's India offices, which aims to increase attendance at state preschools and offer parenting advice to mothers and caregivers. The program provides professional training to teachers and new classroom equipment.

In Ethiopia, one of our largest educational initiatives is our \$1 million, multiyear commitment with Save the Children, alongside our joint venture facility in Hawassa. Funding has enabled employability skills training to disadvantaged young people, with the 2017 pilot assisting about 30 participants.



PVH associates and their families in Puerto Rico express their gratitude and PVH pride for the Associate Relief Fund.

### RELIEF AND SUPPORT WHEN IT COUNTS MOST

In 2017, there was an unprecedented number of natural disasters that hit regions where PVH operates.

Partnering with the American Red Cross, PVH provided support after Hurricanes Harvey in Texas, Irma in Florida, and Maria in Puerto Rico, and the earthquake in Mexico City. Associates in the U.S. donated over \$65,000, raising over \$130,000 with PVH's corporate match. PVH contributed product valued at over \$2 million to support emergency relief efforts.

Hurricane Maria battered Puerto Rico in September 2017, directly affecting nearly 250 PVH associates. In response, we launched the PVH Associate Relief Fund in collaboration with The PVH Foundation. To scale the impact, contributions from associates around the world were matched by PVH dollar for dollar, raising a total of \$360,000.

Additionally, our U.S. retail stores each supported a store in Puerto Rico, sending their fellow associates packages of urgently needed toiletries and supplies such as water, flashlights and batteries. The company gave associates across our businesses a vehicle to unite and show their solidarity.

### A WORKFORCE THAT CARES

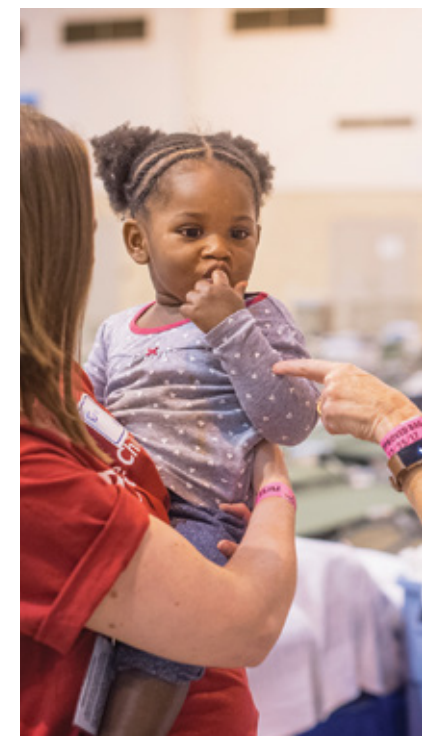
An important element of our community support is PVH Cares, which serves as the global "call to action" for our over 36,000 associates to donate their time, talent and resources through volunteering. Associates participated with the organizations below in activities such as: serving meals, reading to children, children's arts and crafts, sports days, orphanage visits, cooking classes, computer classes, school renovations and more.

Some of our local partnerships worldwide include:

- Hong Kong – Changing Young Lives
- China – Shanghai Children's Home
- Egypt – Dar Al-Orman Charity Association
- India – Christel House & Shishu Mandir
- Indonesia – ISCO
- Kenya – Thomas Barnado House & Kenya Children's Homes
- Sri Lanka – Sarvodaya Suwasetha Society and Ma Sevana
- United States – Ronald McDonald House, Safe Horizon, Free Arts NYC, YMCA, Pajama Program, Playworks, Brooklyn Community Services, Hudson Guild, The Midland School, Somerset County Food Bank, & Dress For Success
- Netherlands – Nederland Cares

### LOOKING AHEAD

By partnering with a diverse group of organizations and foundations and engaging associates across our businesses, we will continue to provide relief and support to communities across the globe. In 2018, we are planning to launch an online global giving platform to make it easier for associates to give back and get involved in their communities. From large scale to local, our PVH brands and associates will continue to reaffirm our commitment of supporting the needs of women and children in the communities where we work and live.





# PERFORMANCE

## Summary

Our 2017 performance summary can be found in the tables below. In preparing this report, we have been guided by the GRI Standards framework. It underwent a structured review process by our Accounting and Legal teams, as well as by relevant partners within our business divisions. Please see our full GRI Index online at [pvh.com/cr](http://pvh.com/cr).



## EMPOWERING PEOPLE

### HUMAN RIGHTS

<b>TOTAL NUMBER OF FACTORIES ASSESSED</b>	<b>1,871</b>
LONG-FORM ASSESSMENTS	1,185
EQUIVALENCIES	128
SHORT-FORM/SELF-ASSESSMENTS	259
BETTER WORK	144
ABVTEX <sup>1</sup>	74
LEVEL 2 ASSESSMENTS	81
HIGG VERIFICATIONS	299
<b>TOTAL NON-ASSESSMENT CR ENGAGEMENT</b>	<b>1,285</b>
ASSESSMENT PREPARATION & REMEDIATION	1,231
CAPABILITY BUILDING TRAINING	54
<b>TOTAL PERSON-HOURS OF TRAINING</b>	<b>18,433</b>
INTERNAL	3,944
EXTERNAL	14,489
<b>TOTAL TRAINING ATTENDEES</b>	<b>4,907</b>
INTERNAL	1,400
EXTERNAL	3,507
<b>HUMAN RIGHTS GRIEVANCES</b>	
RECEIVED	4
RESOLVED	4

<sup>1</sup> The Brazilian Association of Textile Retail (ABVTEX) conducts independent social compliance audits for apparel and textile suppliers in Brazil through its Suppliers Certification Program.

### INCLUSION AND DIVERSITY

<b>DIVERSITY ANALYSIS, U.S. ASSOCIATES (%)</b>	
NON-WHITE FEMALE	36
WHITE FEMALE	28
NON-WHITE MALE	21
WHITE MALE	15
<b>DIVERSITY REPRESENTED BY LEVEL, U.S. ASSOCIATES (#)</b>	
<b>SENIOR VICE PRESIDENT &amp; ABOVE</b>	
NON-WHITE FEMALE	8
WHITE FEMALE	46
NON-WHITE MALE	5
WHITE MALE	76
<b>VICE PRESIDENT &amp; DIRECTOR</b>	
NON-WHITE FEMALE	127
WHITE FEMALE	348
NON-WHITE MALE	69
WHITE MALE	225
<b>MANAGER</b>	
NON-WHITE FEMALE	652
WHITE FEMALE	967
NON-WHITE MALE	386
WHITE MALE	429
<b>INDIVIDUAL CONTRIBUTOR</b>	
NON-WHITE FEMALE	4,393
WHITE FEMALE	2,754
NON-WHITE MALE	2,610
WHITE MALE	1,427
<b>U.S. ASSOCIATES BY AGE (%)</b>	
UNDER 30	49.6
30-50	33.9
OVER 50	16.5



## PRESERVING THE ENVIRONMENT

### GREENHOUSE GAS (GHG) EMISSIONS (MT/CO<sub>2</sub>E)

<b>GHG EMISSIONS BY SCOPE</b>	
TOTAL SCOPE 1 EMISSIONS	32,690
TOTAL SCOPE 2 EMISSIONS	107,792
TOTAL GHG EMISSIONS	140,482

<b>GHG EMISSIONS BY SOURCE (%)</b>	
RETAIL	72.9
WAREHOUSE <sup>1</sup>	14.3
OFFICE <sup>2</sup>	10.4
VEHICLES <sup>3</sup>	2.4

### GHG EMISSIONS BY REGION AND FACILITY TYPE<sup>4</sup>

<b>NORTH AMERICA</b>	
FACTORY	770
OFFICE	6,045
RETAIL	66,303
WAREHOUSE/DISTRIBUTION CENTER	13,919
VEHICLE	1,826

<b>EUROPE</b>	
OFFICE	5,893
RETAIL	18,831
WAREHOUSE/DISTRIBUTION CENTER	5,377
VEHICLE	1,545

<b>EASTERN ASIA</b>	
OFFICE	1,962
RETAIL	16,017

<b>OTHER</b>	
OFFICE	642
RETAIL	1,324
WAREHOUSE/DISTRIBUTION CENTER	26

<sup>1</sup> Warehouses include emissions from distribution centers and from PVH Neckwear Factory

<sup>2</sup> Offices include emissions from showrooms

<sup>3</sup> Includes fugitive emissions from vehicle refrigerants

<sup>4</sup> Offices include showrooms; warehouses include distribution centers; factory is PVH Neckwear

### MATERIALS, WASTE AND RECYCLING

<b>TOTAL WEIGHT OF BETTER COTTON PRODUCED BY TOMMY HILFIGER (KG OF LINT COTTON)</b>	19,489,643
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<b>TOTAL WEIGHT OF WASTE BY DISPOSAL METHOD (MT)</b>	
RECYCLING	11,321
COMPOSTING	20
RECOVERY/REUSE	28
LANDFILL	994
E-WASTE/UNIVERSAL WASTE	13
INCINERATION	153
WASTE TO ENERGY/BIOGAS	44

### WATER

<b>TOTAL WATER WITHDRAWN FROM MUNICIPAL WATER SUPPLIERS AND OTHER WATER UTILITIES (IN CUBIC METERS)</b>	183,392
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## SUPPORTING COMMUNITIES

### CHARITABLE GIVING (USD AMOUNTS IN THOUSANDS)

THE PVH FOUNDATION	\$ 5,085
ASSOCIATE CONTRIBUTIONS/FUNDRAISING	1,004
RETAIL CUSTOMER CONTRIBUTIONS	983
PVH PRODUCT CONTRIBUTIONS	16,905
<b>TOTAL</b>	<b>\$23,977</b>



**Accord**

The “Accord on Fire and Building Safety in Bangladesh” is an independent, legally binding agreement between apparel brands and trade unions designed to work toward a safe and healthy Bangladeshi Ready-Made Garment Industry.  
<http://bangladeshaccord.org/about/>

**AFIRM Group**

AFIRM Group provides a forum to advance the global management of restricted substances in the apparel and footwear industry. It is organized by a group of apparel and footwear companies.  
<http://afirm-group.com/afirm-rsl/>

**BCI**

“Better Cotton Initiative” is a global initiative that aims to make standard practice the production of more sustainable cotton. BCI exists to make global cotton production better for the people who produce it, for the environment it grows in and for the sector’s future, by developing Better Cotton as a sustainable mainstream commodity.  
<https://bettercotton.org/>

**Better Work**

Better Work is a collaboration between the United Nations’ International Labour Organization and the International Finance Corporation, a member of the World Bank Group. It is a comprehensive program bringing together all levels of the garment industry to improve working conditions and respect of labor rights for workers, and boost the competitiveness of apparel businesses. As well as advising factories, Better Work collaborates with governments to improve labor laws, with brands to ensure progress is sustained, and with unions on how to give workers a greater say in their lives.  
<https://betterwork.org/about-us/the-programme/>

**BRG**

A “Business Resource Group” is a business-focused affinity group that offers PVH associates an opportunity to network with each other, gain visibility and grow professionally.

**BSR**

“Business for Social Responsibility” is a global nonprofit organization that works with its network of businesses to develop sustainable business strategies and solutions through consulting, research, and cross-sector collaboration.  
<https://www.bsr.org/>

**BWA**

The “Better Work Academy” is a program through Better Work for brands and other stakeholders who are committed to driving change and transforming behavior in the apparel industry. The program provides training and advisory services to brands, building their capacity to implement Better Work’s methodologies across the supply chain. The Better Work Academy aims to improve working conditions, increase productivity and foster better worker-management relations in factories.  
<https://betterwork.org/the-better-work-academy/>

**CDP**

Formerly the Carbon Disclosure Project, CDP is a not-for-profit charity that runs a global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.  
<https://www.cdp.net/en>

**Circularity**

Circularity looks beyond the current take-make-dispose model, and aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources, and designing waste out of the system. Underpinned by a transition to renewable energy sources, it builds economic, natural, and social capital. Circularity is based on three principles: Design out waste and pollution, Keep products and materials in use, and Regenerate natural systems.

**Five Freedoms**

Five Freedoms is an animal welfare concept promoted by the World Organization for Animal Health (“OIE”), an organization responsible for setting intergovernmental animal health standards. The OIE guiding principles on animal welfare also mention the universally recognized “Five Freedoms”, published in 1965 to describe the right to welfare of animals under human control. The five freedoms are listed as: 1) freedom from hunger, malnutrition and thirst; 2) freedom from fear and distress; 3) freedom from physical and thermal discomfort; 4) freedom from pain, injury and disease; and 5) freedom to express normal patterns of behavior.  
<http://www.oie.int/en/animal-welfare/animal-welfare-at-a-glance/>

**FLA**

The “Fair Labor Association” is a collaborative effort of universities, civil society organizations and socially responsible companies dedicated to protecting workers’ rights around the world.  
<http://www.fairlabor.org/>

**GIZ**

“Gesellschaft für Internationale Zusammenarbeit” is a German-based sustainability development consultancy that provides organizations and governments, including the German government, with support and advice on social and environmental issues.  
<https://www.giz.de/en/html/index.html>

**Higg FEM**

The SAC’s “Higg Index Facility Environmental Module” is a self-assessment tool that suppliers can use to measure the environmental performance and impacts of their facilities. The Higg FEM includes facility, brand, and product tools that measure environmental and social labor impacts across the supply chain. With the Higg FEM, the industry is addressing inefficiencies, resolving damaging practices, and working to achieve the environmental and social transparency consumers are demanding.  
<https://apparelcoalition.org/the-higg-index/>

**HIP**

“Hawassa Industrial Park” is an industrial park in Hawassa, Ethiopia, where we have led a contingent of our top suppliers in establishing factories and a fabric mill, and have also formed a joint-venture in a woven shirt factory.

**HVAC**

“Heating, ventilation, and air-conditioning” upgrades make equipment more energy efficient or reduce runtime for equipment.

**IDH**

The Sustainable Trade Initiative (“IDH”) brings companies, governments, and others together to design, fund, and implement sustainable business practices. Guided by the Sustainable Development Goals, IDH focuses on creating positive impact on multiple areas including deforestation, living incomes and living wages, working conditions, toxic loading and gender.  
<https://www.idhsustainabletrade.com/>

**Jeanologia**

Jeanologia is a company focused on the development of sustainable and eco-efficient technologies for denim fabric and garment finishing. They work on disruptive technologies like laser, ozone and e-flow to disrupt the apparel industry.  
<https://www.jeanologia.com/>

**LaBS**

The Life and Building Safety (LaBS) program strives to make the apparel and footwear supply chain safe from life safety risks, related to structural, electrical, and fire safety and evacuation. Coordinated by IDH, an international sustainable trade Initiative, LaBS aims to raise safety standards in multiple apparel production countries including Vietnam, India, Pakistan and Cambodia.  
<http://labsinitiative.com/>

**LED**

“Light-emitting diode” lightbulbs are more efficient and thereby consume less energy than typical lightbulbs.

**Power Purchase Agreements**

Power Purchase Agreements are agreements between power providers and PVH to purchase renewable power over a defined period of time.

**RDS**

Textile Exchange’s “Responsible Down Standard” is an independent, voluntary global standard that aims to ensure that down and feathers come from animals that have not been subjected to any unnecessary harm.  
<http://responsibledown.org/>

**Renewable Energy Credits**

Renewable Energy Credits certify that certain units of electricity or energy purchased by PVH were generated from a renewable source and delivered to the electricity grid.

**RSL**

PVH’s “Restricted Substances List” sets concentration limits for substances found in our finished products. Our RSL covers the 11 priority chemical classes and serves to phase-out intentional use of these chemicals by our suppliers.

**RWS**

Textile Exchange’s “Responsible Wool Standard” is an independent, voluntary global standard that ensures that wool from certified farms is properly identified and tracked.  
<http://responsiblewool.org/about-rws/>

**SAC**

The “Sustainable Apparel Coalition” is an alliance of brands, manufacturers, civil society, and academia working toward sustainable production in the apparel, footwear and home textile industry. More than 200 global members from across multiple sectors come together to create meaningful, sustainable change within the apparel, footwear, and textile industry. Its main focus is building the Higg FEM.  
<http://apparelcoalition.org/the-coalition/>

**SAC Materials Sustainability Index and Design Development Module Tool**

The Materials Sustainability Index is a database tool to compile and measure the environmental impacts of materials used in production processes. The tool measures the environmental impacts of a material and computes a sustainability score for that material.

The Design Development Module is a tool meant to influence the environmental impact of the creative design process. It guides designers to evaluate the sustainability of their chosen materials, sustainable manufacturing techniques, and to consider the complete life-cycle of the product.

**SAI Social Fingerprint**

“Social Accountability International” is a global non-governmental organization dedicated to building local capacity and establishing international social and labor standards such as the SA8000 Standard for decent work. Its “Social Fingerprint” is a program of ratings and trainings designed to evaluate the social performance of suppliers, particularly at the management system level.  
<http://www.sa-intl.org/>

**Science-Based Targets Initiative**

A collaboration between CDP, World Resources Institute, the World Wide Fund for Nature, and the United Nations Global Compact, the Science-Based Targets Initiative helps companies set greenhouse gas reduction targets that are based in scientific methodologies. SBTi independently assesses and approves companies’ targets.  
<https://sciencebasedtargets.org>

**SDGs**

The U.N.’s “Sustainable Development Goals” are a set of 17 goals, in order to guide global efforts to achieve sustainable development by 2030.  
[www.undp.org/content/undp/en/home/sustainable-development-goals.html](http://www.undp.org/content/undp/en/home/sustainable-development-goals.html)

**SLCP**

The “Social and Labor Convergence Project” is a multistakeholder project within the apparel industry that aims to develop a unified industrywide assessment framework to measure social and labor conditions.  
<http://slconvergence.org/>

**SPC**

The “Sustainable Packaging Coalition” is an industry working group, and a project of GreenBlue, a membership-based nonprofit driving industry to make packaging more sustainable. The SPC is the leading voice and resource on sustainable packaging, committed to encouraging innovation and best practices to strengthen and advance the business case for packaging that is sourced responsibly, optimizes renewable or recycled source materials, and meets the industry expectations on performance and cost.  
<https://sustainablepackaging.org/>

**Textile Exchange**

Textile Exchange is a global nonprofit that works with its members to identify and share best practices regarding farming, materials, processing, traceability and product end-of-life in order to reduce the textile industry’s impact.  
<http://textileexchange.org/about-us/>

**U.N. CEO Water Mandate**

The CEO Water Mandate is a U.N. Global Compact initiative that mobilizes business leaders on water, sanitation, and the SDGs. Endorsers of the CEO Water Mandate commit to continuous progress against six core elements of water stewardship and in so doing understand and manage their own water risks.  
<https://ceowatermandate.org/>

**World Wildlife Fund (WWF)**

WWF is one of the world’s leading conservation organizations, working in 100 countries for over half a century. With the support of almost 5 million members worldwide, WWF is dedicated to delivering science-based solutions to preserve the diversity and abundance of life on Earth, halt the degradation of the environment and combat climate change.  
<http://www.worldwildlife.org>

**ZDHC**

The “Zero Discharge of Hazardous Chemicals” Programme is a multistakeholder initiative working to support safer chemical management practices and advance toward zero discharge of hazardous chemicals in the textile, leather and footwear value chain.  
<http://www.roadmaptozero.com/>

**ZDHC’s MRSL**

ZDHC’s “Manufacturing Restricted Substances List” is a list of chemical substances banned from intentional use in facilities that process textile materials and trim parts in apparel and footwear. It sets acceptable concentration limits for substances in chemical formulations used within manufacturing facilities.  
<http://www.roadmaptozero.com/programme/manufacturing-restricted-substances-list-mrsl-conformity-guidance/>

**ZLD**

“Zero-liquid discharge” is a water treatment process in which wastewater is purified and recycled; therefore, leaving “zero” discharge at the end of the treatment cycle. The ZLD treatment method includes ultrafiltration, reverse osmosis, evaporation/crystallization, and fractional electrodeionization.



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